

Thursday, May 26, 2011  
Doris Penwell, Representing Community Renewable Energy Assoc., and  
Association of Oregon Counties  
House Bill 3582

I am here today representing the Association of Oregon Counties and Community Renewables to emphasize once again how important the clean energy industry is to Oregon. We haven't finished our job, whether it be in energy conservation, generation or manufacturing. We continue to support a tax credit system by making sure that every dollar of credit awarded is wisely spent by Oregonians to improve our energy usage and the personal and business resources used for that energy.

With passage in 2007 of the RPS, and the companion tax credit system that was put in place to reach our goals, Oregon businesses and individuals began using the tools at hand to make a difference for their energy future, while at the same time ramping up a huge clean energy industry.

With this Oregon innovation, we began attracting attention from outside our borders to invest in generation and then manufacturing facilities. We have enthusiastically supported manufacturing by use of the BETC. But we also believe that in order to continue successful recruitment and expansion of manufacturing facilities, it is highly important to also encourage continued development of renewable energy conservation and generation projects -- to create and maintain a market to sell the manufacture's products, to meet the RPS requirements, and to work hand in hand with manufacturing to encourage investment in Oregon. In the current economic climate we cannot afford to lose momentum on this industry—every job and the taxes paid at the state or local level improves our situation.

In 2009 the legislature and the Department of Energy improved accountability measures for their program; and stakeholders supported that effort. In 2010 the legislature again took action to step down the scale of projects, particularly wind technology, in receiving benefits from tax credits; and you capped the amount of tax credit usage for generation and manufacturing.

We are now at a point where many fine small to medium scale projects of all technologies are making their way through the system, but in order to build the projects and put in place the jobs that we so need, we need a system that allows them to continue.

We encourage you to use this bill or others to transition the tax credit system to a scale of projects that the current budget and economy can sustain, allowing all technologies to continue to develop their potential so that all of Oregon can benefit from the opportunities that are there.

For the most part, manufacturing facilities benefit the most urban areas with jobs and investment; conservation projects benefit small and large communities in energy cost

reductions and improved skilled labor opportunities; and energy generation projects benefit rural areas most directly with the same key benefits.

I want to close by reminding you that in generation alone, **over \$5.4 billion** has been invested across the state to date; this investment has sustained the construction industry for some time, it has invigorated many small communities in support of these projects, and counties, cities, local schools and other taxing districts have increased the receipt of property taxes for those investment of at least **\$55 million** to date. The taxes from those generation projects will continue for years into the future. This has come at a time when many other business opportunities have declined in most of rural Oregon. This opportunity for our future is very important, and we hope you can support a continue effort, however scaled down it must be in the near term.