

## HOUSE AMENDMENTS TO HOUSE BILL 3597

By COMMITTEE ON ENERGY, ENVIRONMENT AND WATER

April 27

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line.

2 Delete lines 5 through 25 and delete pages 2 through 9 and insert:

### “ENERGY TAX CREDITS

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6 “**SECTION 1.** ORS 469.185, as amended by section 4, chapter 76, Oregon Laws 2010, is amended  
7 to read:

8 “469.185. As used in ORS 469.185 to 469.225 and 469.878:

9 “(1) ‘Alternative fuel vehicle’ means a vehicle as defined by the Director of the State Depart-  
10 ment of Energy by rule that is used primarily in connection with the conduct of a trade or business  
11 and that is manufactured or modified to use an alternative fuel, including but not limited to elec-  
12 tricity, ethanol, methanol, gasohol and propane or natural gas, regardless of energy consumption  
13 savings.

14 “(2) ‘Car sharing facility’ means the expenses of operating a car sharing program, including but  
15 not limited to the fair market value of parking spaces used to store the fleet of cars available for  
16 a car sharing program, but does not include the costs of the fleet of cars.

17 “(3) ‘Car sharing program’ means a program in which drivers pay to become members in order  
18 to have joint access to a fleet of cars from a common parking area on an hourly basis. ‘Car sharing  
19 program’ does not include operations conducted by car rental agencies.

20 “(4) ‘Cost’ means the capital costs and expenses necessarily incurred in the acquisition, erection,  
21 construction and installation of a facility, including site development costs and expenses for a  
22 sustainable building practices facility.

23 “(5) ‘Energy facility’ means any capital investment for which the first year energy savings yields  
24 a simple payback period of greater than one year. An energy facility includes:

25 “(a) Any land, structure, building, installation, excavation, machinery, equipment or device, or  
26 any addition to, reconstruction of or improvement of, land or an existing structure, building, instal-  
27 lation, excavation, machinery, equipment or device necessarily acquired, erected, constructed or in-  
28 stalled by any person in connection with the conduct of a trade or business and actually used in the  
29 processing or utilization of renewable energy resources to:

30 “(A) Replace a substantial part or all of an existing use of electricity, petroleum or natural gas;

31 “(B) Provide the initial use of energy where electricity, petroleum or natural gas would have  
32 been used;

33 “(C) Generate electricity to replace an existing source of electricity or to provide a new source  
34 of electricity for sale by or use in the trade or business;

35 “(D) Perform a process that obtains energy resources from material that would otherwise be

1 solid waste as defined in ORS 459.005; or

2 “(E) Manufacture or distribute alternative fuels, including but not limited to electricity, ethanol,  
3 methanol, gasohol or biodiesel.

4 “(b) Any acquisition of, addition to, reconstruction of or improvement of land or an existing  
5 structure, building, installation, excavation, machinery, equipment or device necessarily acquired,  
6 erected, constructed or installed by any person in connection with the conduct of a trade or business  
7 in order to substantially reduce the consumption of purchased energy.

8 “(c) A necessary feature of a new commercial building or multiple unit dwelling, as dwelling is  
9 defined by ORS 469.160, that causes that building or dwelling to exceed an energy performance  
10 standard in the state building code.

11 “(d) The replacement of an electric motor with another electric motor that substantially reduces  
12 the consumption of electricity.

13 “(6) ‘Facility’ means an energy facility, recycling facility, transportation facility, car sharing  
14 facility, sustainable building practices facility, alternative fuel vehicle or facilities necessary to op-  
15 erate alternative fuel vehicles, including but not limited to an alternative fuel vehicle refueling  
16 station, a high-efficiency combined heat and power facility, a high-performance home, a  
17 homebuilder-installed renewable energy system, or a renewable energy resource equipment manu-  
18 facturing facility.

19 “(7) ‘High-efficiency combined heat and power facility’ means a device or equipment that simul-  
20 taneously produces heat and electricity from a single source of fuel and that meets the criteria es-  
21 tablished for a high-efficiency combined heat and power facility under ORS 469.197.

22 “(8) ‘High-performance home’ means a new single-family dwelling that:

23 “(a) Is designed and constructed to reduce net purchased energy through use of both energy  
24 efficiency and on-site renewable energy resources; and

25 “(b) Meets the criteria established for a high-performance home under ORS 469.197.

26 “(9) ‘Homebuilder-installed renewable energy system’ means a renewable energy resource system  
27 that:

28 “(a) Meets the criteria established for a renewable energy resource system under ORS 469.197;  
29 and

30 “(b) Is installed in a new single-family dwelling by, or at the direction of, the homebuilder con-  
31 structing the dwelling.

32 “(10) ‘Qualified transit pass contract’ means a purchase agreement entered into between a  
33 transportation provider and a person, the terms of which obligate the person to purchase transit  
34 passes on behalf or for the benefit of employees, students, patients or other individuals over a  
35 specified period of time.

36 “(11) ‘Recycling facility’ means equipment used by a trade or business solely for recycling:

37 “(a) Including:

38 “(A) Equipment used solely for hauling and refining used oil;

39 “(B) New vehicles or modifications to existing vehicles used solely to transport used recyclable  
40 materials that cannot be used further in their present form or location such as glass, metal, paper,  
41 aluminum, rubber and plastic;

42 “(C) Trailers, racks or bins that are used for hauling used recyclable materials and are added  
43 to or attached to existing waste collection vehicles; [and]

44 “(D) Any equipment used solely for processing recyclable materials such as balers, flatteners,  
45 crushers, separators and scales[.]; **and**

1       **“(E) Any equipment used solely for processing waste plastic into synthetic crude oil.**

2       “(b) But not including equipment used for transporting or processing scrap materials that are  
3 recycled as a part of the normal operation of a trade or business as defined by the director.

4       “(12)(a) ‘Renewable energy resource’ includes, but is not limited to:

5       “(A) Straw, forest slash, wood waste or other wastes from farm or forest land, nonpetroleum  
6 plant or animal based biomass, ocean wave energy, solar energy, wind power, water power or  
7 geothermal energy;

8       “(B) A hydroelectric generating facility that obtains all applicable permits and complies with  
9 all state and federal statutory requirements for the protection of fish and wildlife and:

10       “(i) That does not exceed 10 megawatts of installed capacity; or

11       “(ii) Qualifies as a research, development or demonstration facility; or

12       “(C) A renewable energy storage device as defined by the director by rule.

13       “(b) ‘Renewable energy resource’ does not include a hydroelectric generating facility that is not  
14 described in paragraph (a) of this subsection.

15       “(13) ‘Renewable energy resource equipment manufacturing facility’ means any structure, build-  
16 ing, installation, excavation, machinery, equipment or device, or an addition, reconstruction or im-  
17 provement to land or an existing structure, building, installation, excavation, machinery, equipment  
18 or device, that is necessarily acquired, constructed or installed by a person in connection with the  
19 conduct of a trade or business, that is used primarily to manufacture:

20       “(a) Equipment, machinery or other products designed to use a renewable energy resource and  
21 that meets the criteria established under ORS 469.197.

22       “(b) Electric vehicles, including three-wheeled vehicles, that are designed for use as Class I or  
23 Class II all-terrain vehicles, as those terms are defined in ORS 801.190 and 801.193, and that are  
24 used for agricultural, commercial, industrial or governmental purposes, or designed for use as modes  
25 of transportation on public roads and highways, or component parts of electric vehicles, but not  
26 including component parts that may be used in both electric and conventional vehicles. The director  
27 may further define ‘agricultural, commercial, industrial or governmental purposes’ of electric vehi-  
28 cles by rule. For purposes of this paragraph, ‘component parts’ does not include batteries.

29       “(c) Renewable energy storage devices.

30       “(14) ‘Sustainable building practices facility’ means a commercial building in which building  
31 practices that reduce the amount of energy, water or other resources needed for construction and  
32 operation of the building are used. ‘Sustainable building practices facility’ may be further defined  
33 by the State Department of Energy by rule, including rules that establish traditional building prac-  
34 tice baselines in energy, water or other resource usage for comparative purposes for use in deter-  
35 mining whether a facility is a sustainable building practices facility.

36       “(15) ‘Transportation facility’ means a transportation project that reduces energy use during  
37 commuting to and from work or school, during work-related travel, or during travel to obtain med-  
38 ical or other services, and may be further defined by the department by rule. ‘Transportation  
39 facility’ includes, but is not limited to:

40       “(a) A qualified transit pass contract or a transportation services contract; or

41       “(b) The purchase of efficient truck technology and related truck trailers, as defined in ORS  
42 801.580, for commercial motor vehicles, as defined in ORS 801.208, that are registered under ORS  
43 803.420, or for commercial motor vehicles that are proportionally registered under ORS 826.009 or  
44 826.011.

45       “(16) ‘Transportation provider’ means a public, private or nonprofit entity that provides trans-

1 portation services to members of the public.

2 “(17) ‘Transportation services contract’ means a contract that is related to a transportation fa-  
3 cility, and may be further defined by the department by rule.

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5 **“WASTE PLASTICS**

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7 **“SECTION 2. Section 3 of this 2011 Act is added to and made a part of ORS 459.005 to**  
8 **459.426.**

9 **“SECTION 3. Notwithstanding any other provisions of ORS 459.015, and solely for the**  
10 **purpose of encouraging the recovery of energy from waste plastics that cannot be econom-**  
11 **ically recycled, the conversion of waste plastics that cannot be economically recycled to oil**  
12 **using pyrolysis shall be considered recycling under ORS 459.015 (2)(a)(C).**

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14 **“MISCELLANEOUS**

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16 **“SECTION 4. The amendments to ORS 469.185 by section 1 of this 2011 Act apply to pre-**  
17 **liminary certifications issued under ORS 469.210 on or after January 1, 2012.**

18 **“SECTION 5. The unit captions used in this 2011 Act are provided only for the conven-**  
19 **ience of the reader and do not become part of the statutory law of this state or express any**  
20 **legislative intent in the enactment of this 2011 Act.**

21 **“SECTION 6. This 2011 Act takes effect on the 91st day after the date on which the 2011**  
22 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.”.**