

Senate Committee on Finance and Revenue  
**Testimony in Support of HB 2981A**  
Doris Penwell, Association of Oregon Counties &  
Community Renewable Energy Association  
Wednesday, May 28, 2013

On behalf of the Association of Oregon Counties and the Community Renewable Energy Association, I am here today in support of HB 2981A.

The Rural Renewable Energy Development Zone Program was established some years ago to encourage development of small and large scale renewable energy facilities in areas of the state that can support any form of renewable energy. These projects have proved to be a boon to rural areas, at a time when nothing else is taking hold. The program (ORS 285C.350 to .370) allows a county or counties to sponsor together (where appropriate) areas for such development. No one Rural Renewable Energy Development zone may contain a project with value of more than \$250 million. The development of a zone and acceptance of projects is totally local choice, and if one of the counties in the zone does not want to provide for the 4<sup>th</sup>, or 5<sup>th</sup> year of abatement for a project, they may elect to not do so.

The RREZ program is patterned after the Enterprise Zone program and meets the same criteria (3-5 years of abatement, traded sector businesses, etc.) , but because the footprint for a renewable energy facility may not fit in an “enterprise zone” this program was adapted. As you know, enterprise zones are encouraged where investment and jobs are wanted in a certain defined area.

The associations I represent today are both in support of the proposal that adapts the program for certain kinds of renewable energy projects. In this case, we know of projects that would like to locate in rural areas, we have local officials that would like to accept the projects, but since a project may be a sizable solar project and not have a job connected to any one project when fully operating, the current program would not allow acceptance.

The change proposed today requires at least **\$5 million in investment** , but it allows, by choice of the zone sponsor(s) abatement of property taxes for 3-5 years, as in the standard enterprise zone program. The \$5 million minimum investment level is proposed in lieu of specific jobs beyond the construction phase. Over the long term these facilities will both pay property taxes but also add to local energy development and reduction of green house gases in our state.

We encourage your support of HB 2981A.