

Joint Subcommittee on Natural Resources
Ways and Means Committee
February 20, 2013

Oregon Department of Energy 2013-2015 Budget
Testimony by Doris Penwell

The Association of Oregon Counties supports the recommended 2013-2015 budget for the Oregon Department of Energy (ODOE).

Counties work with the Department on policy development, program implementation including loan and grant funding, and technical expertise regarding all aspects of energy production. Below are a few areas within the Department of Energy that are of particular importance to counties:

- The energy sector, including the development of large and small-scale renewable energy projects, has become vital to the economic health of counties in Oregon. Of great importance to energy development is the Small Scale Energy Loan Program. AOC has worked for many years with this successful program because it has assisted many developers (public and private sector) with getting renewable energy projects on the ground and has produced jobs—all of this at a time when it would be impossible to rely on banks for the same sort of loan and capitalization needs that the SELP and its staff understand.
- The Department's Energy Incentive Program which includes the continuation of the biomass producer tax credit. This tax credit supports biomass utilization which in turn supports healthy forest management and keeps jobs in our forests. We will continue to work with the department and stakeholders to ensure that the program can provide the most cost-effective incentives to grow this important industry to many parts of rural Oregon.
- Counties continue to work closely with the Department and rely on the Department's staff for their technical expertise. Building and maintaining expertise at the department is critical to Oregon's ability to work with stakeholders and Oregonians willing to pursue energy efficiency and development strategies that make a difference to Oregon. The relationship counties have with the Energy Facilities Siting Council and the ODOE staff is essential for communication regarding the siting of transmission lines and

renewable energy projects, whether it is the EFSC that is the siting authority, or a county is siting under its conditional use permitting authority. Continuing to find ways to streamline both processes while improving accountability to communities affected is one of the more important aspects of this state-county relationship.

- AOC supports innovative financing tools to encourage energy efficiency projects in public buildings at the state or local level. Many counties have conducted energy audits for their facilities and have invested in energy efficiency measures to lower their costs. Many of these projects were done with the assistance of ODOE staff.

The programs and the services that ODOE provides to counties and the citizens of our state are crucial. It is imperative that the Department remain capable of providing the level of assistance to other state agencies, local governments, and Oregonians that enable the development of energy projects and encourage energy efficiency. For these reasons, the Association of Oregon Counties supports the Governor's recommended budget for the Department of Energy.