



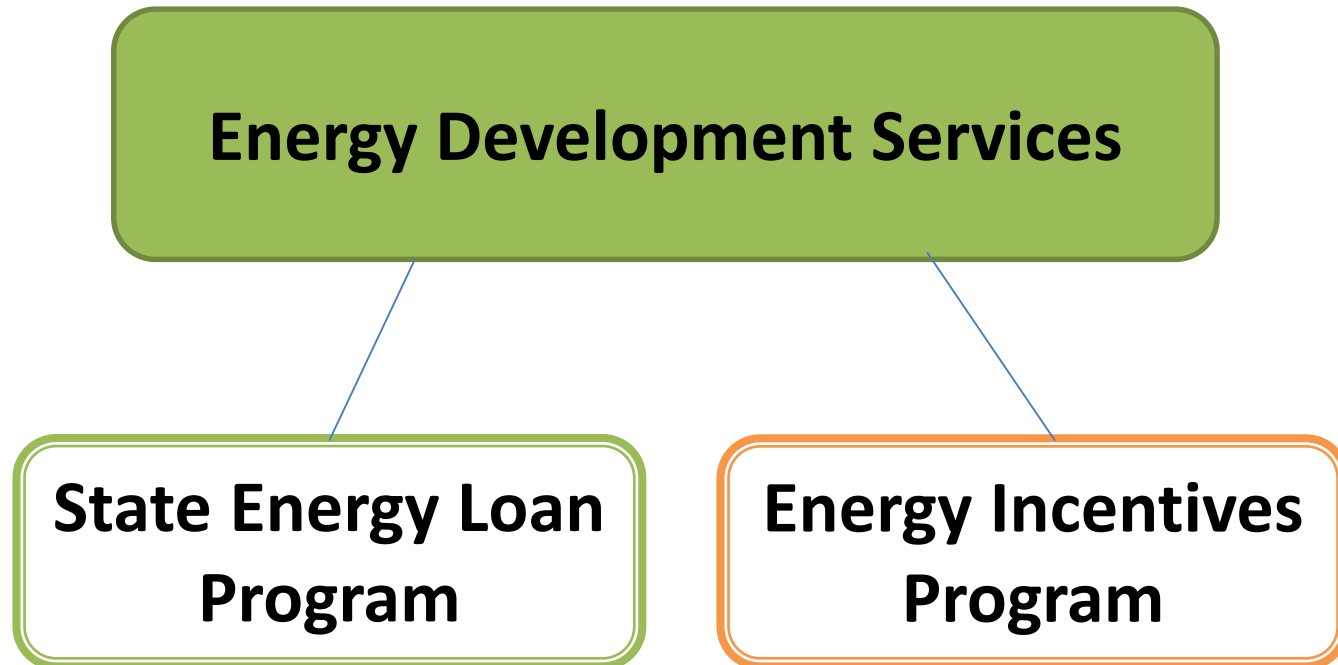
Presentation to
House Committee on Energy and Environment:

Energy Development Services
Incentives, Grants & Loans
Overview

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February 10, 2015



Energy Development Services Overview

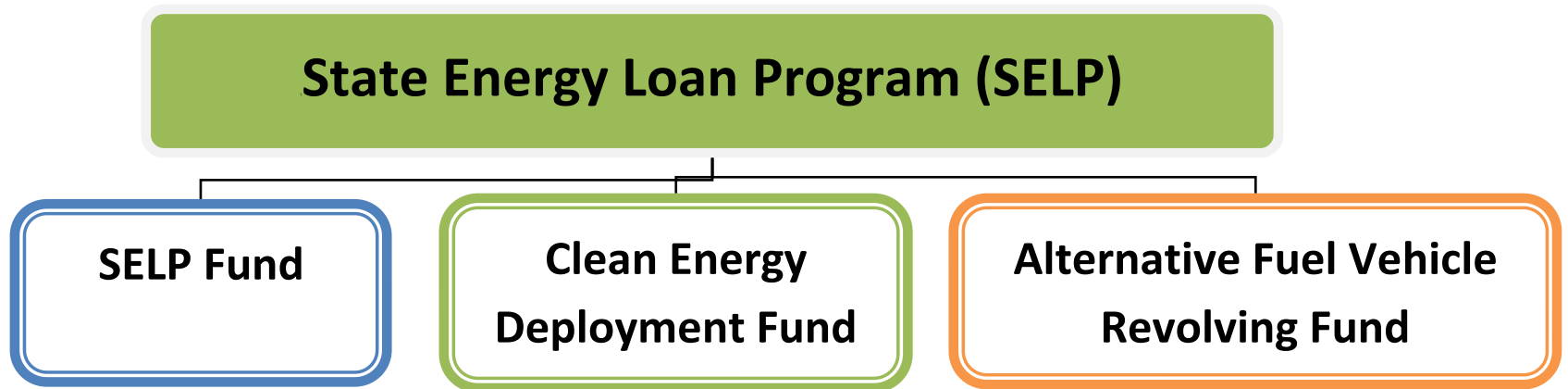


Energy Development Services

- Encourages investments in conservation, efficiency, transportation and renewable energy resources through loans, tax credits, rebates and grants.
- Supports the goals of Oregon's 10-Year Energy Action Plan.



State Energy Loan Program



SELP Fund

- Created in 1979, the program today offers loans for energy projects that:
 - Conserve natural gas, electricity and oil
 - Promote use of alternative fuels
 - Produce energy from renewable resources
 - Use recycled materials to create products
- Through 2014, the program has disbursed 874 loans totaling \$612 million.



EasyStreet

SELP Loans

- Loan amounts range from \$20,000 to \$20 million.
- Loans are funded primarily through the sale of general obligation state bonds.
- Collateral is required.
- Flexible terms range from 5 to 20 years.
- An Advisory Committee (SELPAC) approves loans over \$100,000.

Clean Energy Deployment Fund

- Provides grants and loans to support energy efficiency or clean energy projects in Oregon.
- Provides loans to public schools to weatherize or upgrade buildings and retrofit or replace school bus fleets under the Cool Schools initiative.
- Supports programs that provide loans to residential properties for energy efficiency projects under the Energy Efficiency and Sustainable Technology Loan Program.

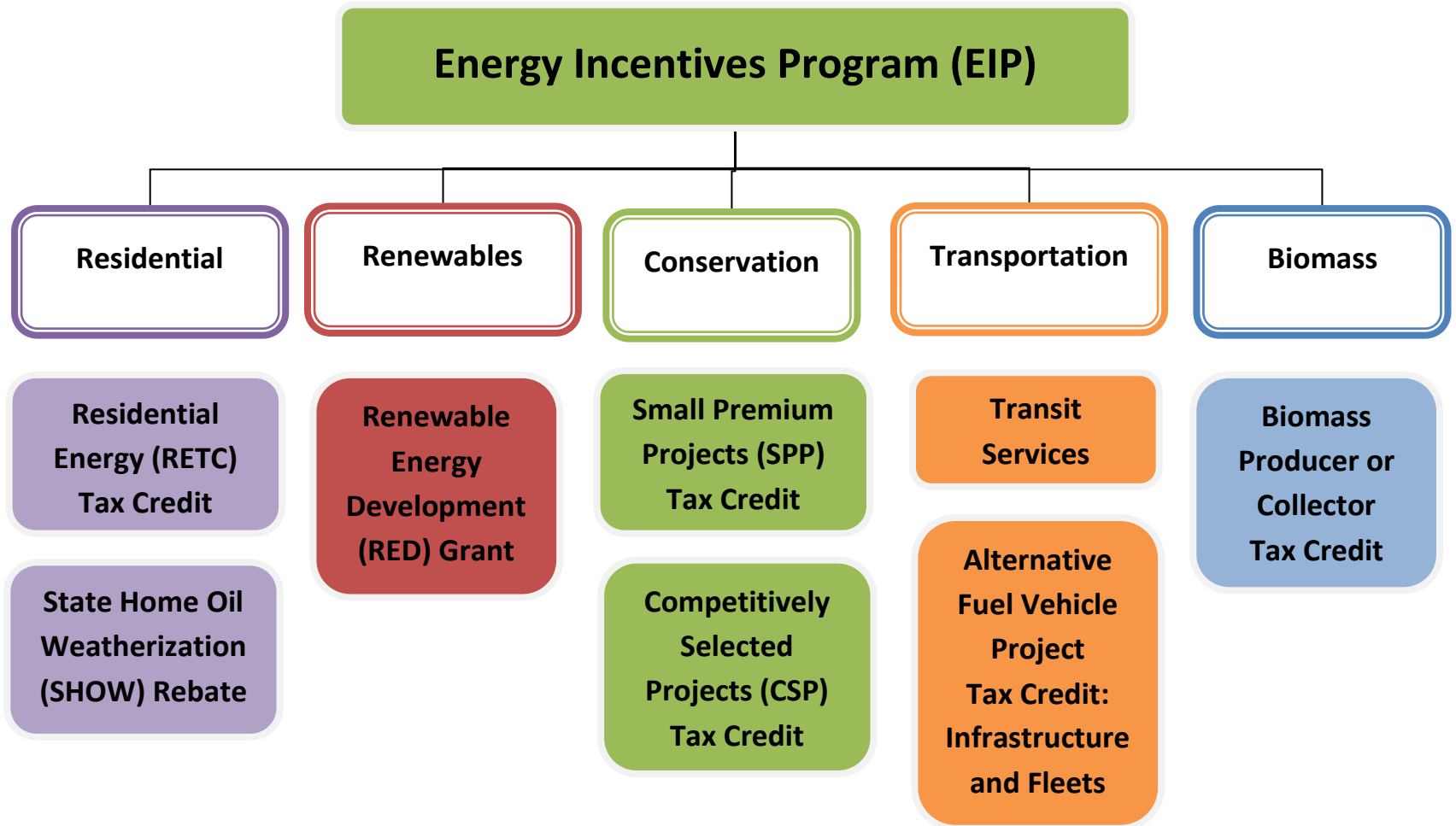
Alternative Fuel Vehicle Revolving Fund

- Created in 2013 to support the expansion of alternative fuel vehicle fleets and reduce carbon emissions.
- The fund provides loans to purchase new alternative fuel vehicles or convert existing vehicles to alternative fuels.
- The fund is open to local, state and tribal governments and private entities in certain areas of the state.



Propane Truck

Energy Incentives Program



Energy Incentives Program- Overview

Incentive	Distribution	Funding Available
Residential Energy Tax Credit	Ongoing	Uncapped Except third-party solar limited to \$10 million annually in reservations
State Home Oil Weatherization Rebate	Ongoing	Up to \$400,000 per year, based on petroleum supplier assessment
Renewable Energy Development Grants	Competitive	Amount depends on auction; capped at \$3 million per biennium (\$1.5 million per fiscal year)
Conservation – Small Premium Projects under \$20k in project cost, prescriptive	First come, first serve	\$28 million each biennium
Conservation – Commercial Buildings, Processes, Thermal, Combined Heat and Power	Competitive	
Transportation – Transit Services <i>sunsets Jan. 1, 2016</i>	Allocation formula	\$20 million each biennium
Transportation – Alternative Fuel Vehicle Projects: Infrastructure and Fleets	First come, first serve	
Biomass Producer or Collector Tax Credit	Ongoing	Uncapped

Residential Energy Tax Credit

- Tax credits for Oregon homeowners installing energy conservation and renewable energy projects.
- Since 1978, ODOE has issued over 570,000 tax credits totaling about \$172 million.
- The program has saved or displaced enough energy in Oregon to power about 400,000 households for one year.
- HB 2447 (2015) makes modifications to the RETC program.



Ducted Heat Pump



RETC Eligible Devices

Category One Devices:

- Electric heat pump water heaters
- Gas water heaters
- Direct vent gas fireplaces
- Gas furnaces
- Ducted and ductless heat pumps
- Duct sealing
- Geothermal heating systems
- Premium wood and pellet stoves
- Solar space and water heating
- Alternative fuel charging stations
- Solar pool and spa heating



Ductless Heat Pump

Category Two Devices:

- Solar photovoltaic systems
- Wind systems
- Fuel cells



**Electric Heat Pump
Water Heater**



Solar Photovoltaic

State Home Oil Weatherization Program

- Created in 1981 to serve Oregon households that heat with oil, propane, kerosene, butane or wood with rebates for weatherization and heating measures.
- Homeowners apply for rebates up to \$500.
- Households eligible for the U.S. Department of Energy's Low Income Weatherization Program apply through community action agencies for rebates up to \$2,500.
- Eligible projects include insulation, replacements for oil burners or furnaces, programmable thermostats, and windows.



**State Home Oil
Weatherization** 

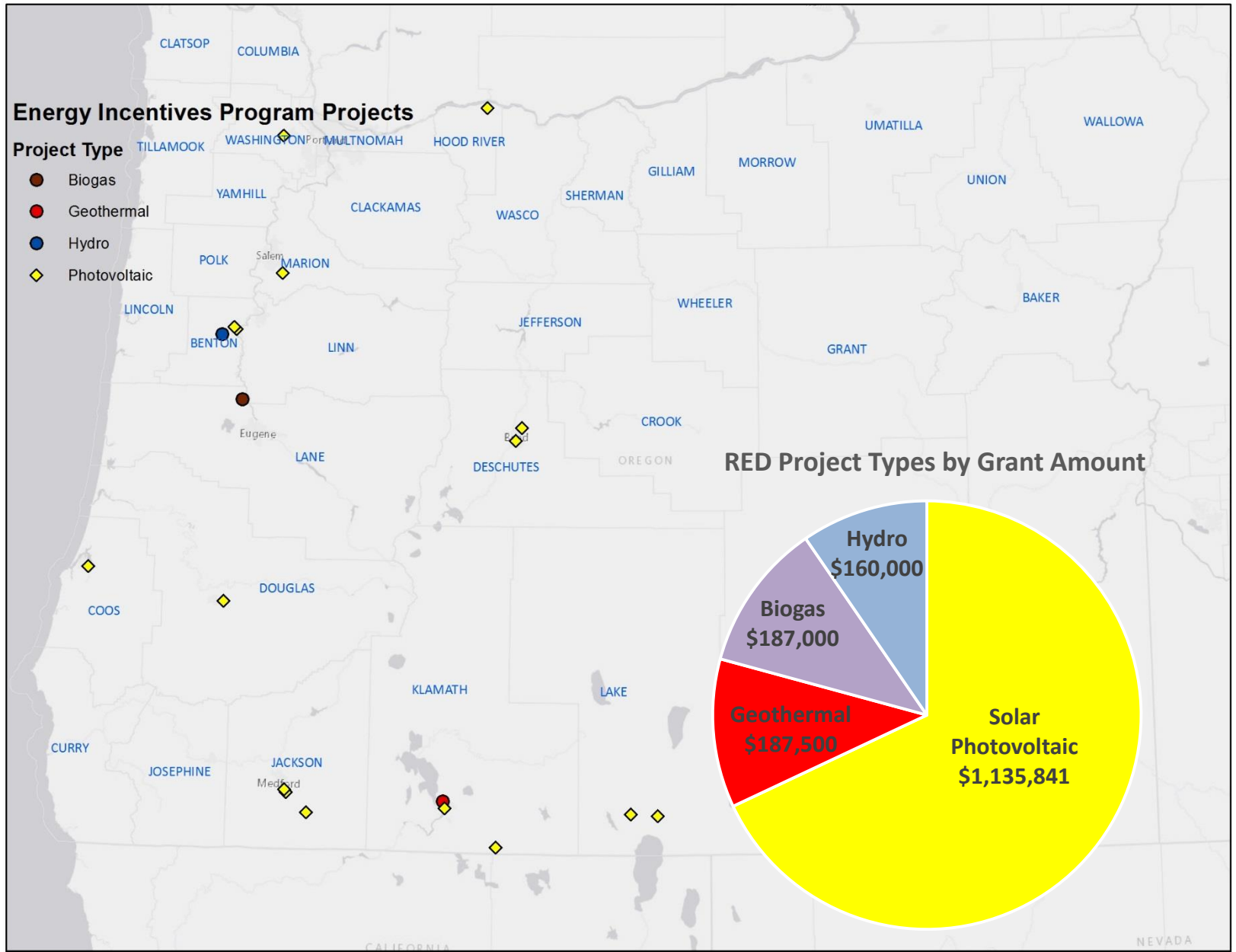
Renewable Energy Development Grant

- RED grants are for Oregon businesses installing a renewable energy production system.
- Awarded through a competitive selection process.
- Grants are 35% of project costs up to \$250,000 per project.
- Oregon Department of Revenue auctions one-year tax credits to fund the grant program.
- HB 2448 extends the program's sunset.



Santiam Farms Solar Project

Renewable Energy Development Grant Complete & Active Projects



Energy Conservation Tax Credit

Conservation

Competitively Selected Projects (CSP)

1. Buildings
 - Retrofits
 - Envelope
 - Systems
 - Sustainable Buildings
2. Processes
 - Renewable Thermal
 - Lighting
 - Refrigeration
 - Milling/Machining
 - Variable Frequency Drives
 - Drying

Small Premium Projects (SPP) under \$20,000 in project costs

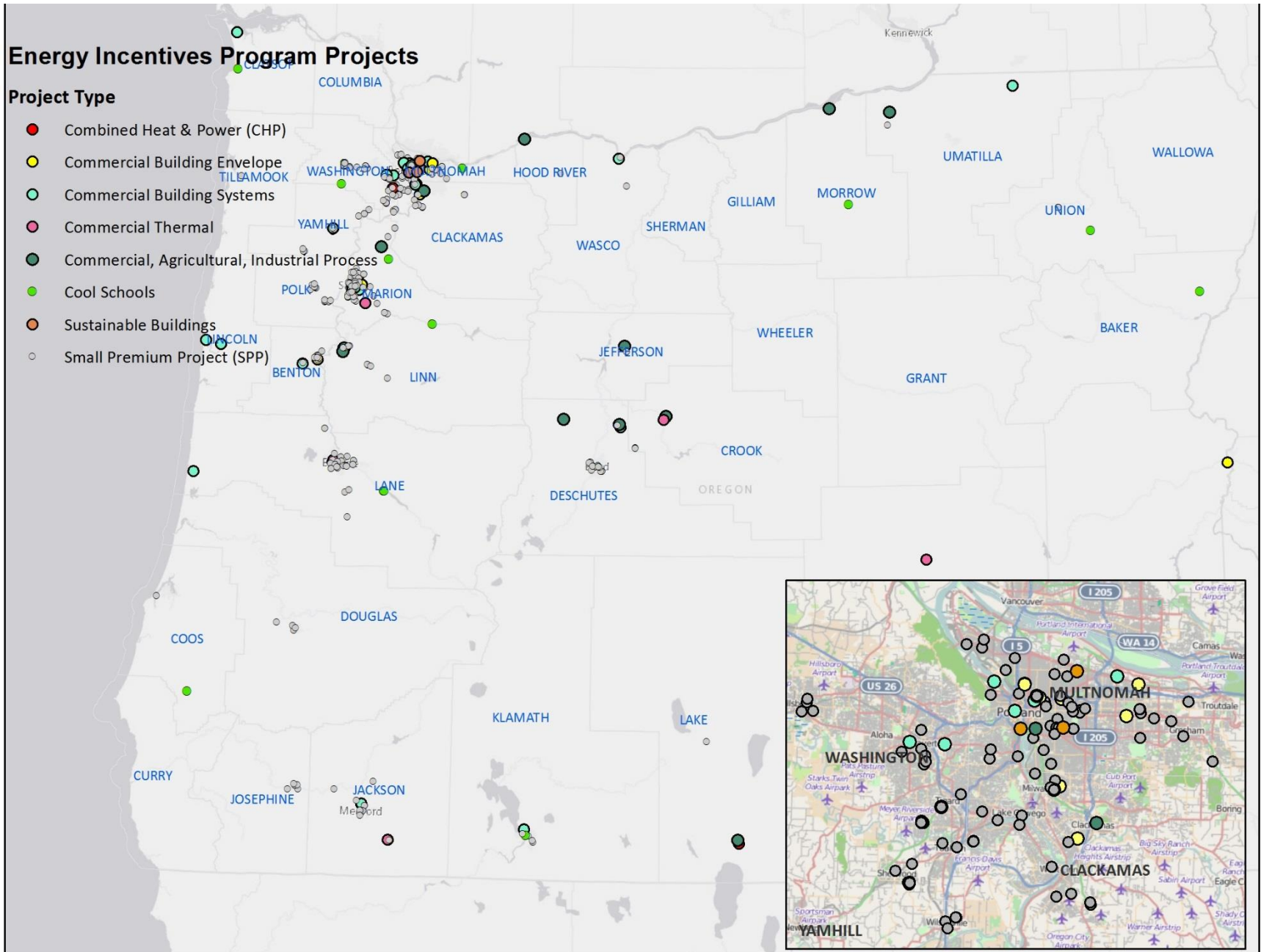
1. LED Outdoor Lighting
2. Solar Thermal Water Heating
3. Heat Pump Service Hot Water Heating
4. Building Envelope Thermal Improvement
5. High Performance Homebuilding
6. Premium Efficiency Electric Air Conditioning Equipment
7. Direct-fired Radiant Heating in High Volume Spaces
8. Adjustable Flow Irrigation Pumping
9. Energy Improvements to Commercial Greenhouses
10. Agricultural Irrigation System Improvement
11. Compressed Air Systems Components
12. Boiler-Vent Dampers
13. Industrial Piping Insulation
14. Ductless Heat Pump with Variable Refrigerant Flow

Energy Conservation Tax Credit Complete & Active Projects

Energy Incentives Program Projects

Project Type

- Combined Heat & Power (CHP)
- Commercial Building Envelope
- Commercial Building Systems
- Commercial Thermal
- Commercial, Agricultural, Industrial Process
- Cool Schools
- Sustainable Buildings
- Small Premium Project (SPP)



Transportation Tax Credit

- Capped at \$20 million per biennium, split between:
 - Alternative fuel vehicle infrastructure
 - Alternative fuel vehicle fleets
 - Transit Services, no longer eligible after 2015
- During 2013-2015 biennium, \$3 million in tax credits auctioned to seed the Alternative Fuel Vehicle Revolving Fund.



Alternative Fuel Vehicle Projects Tax Credit

- Applications reviewed on a first-come, first-served basis.
- Projects awarded 5-year tax credits up to 35% of eligible project costs.
- Infrastructure projects include electric charging, CNG and propane fueling stations.
- Fleet projects include at least two alternative fuel vehicles purchased to replace an existing vehicle or at least two vehicles converted to alternative fuel.

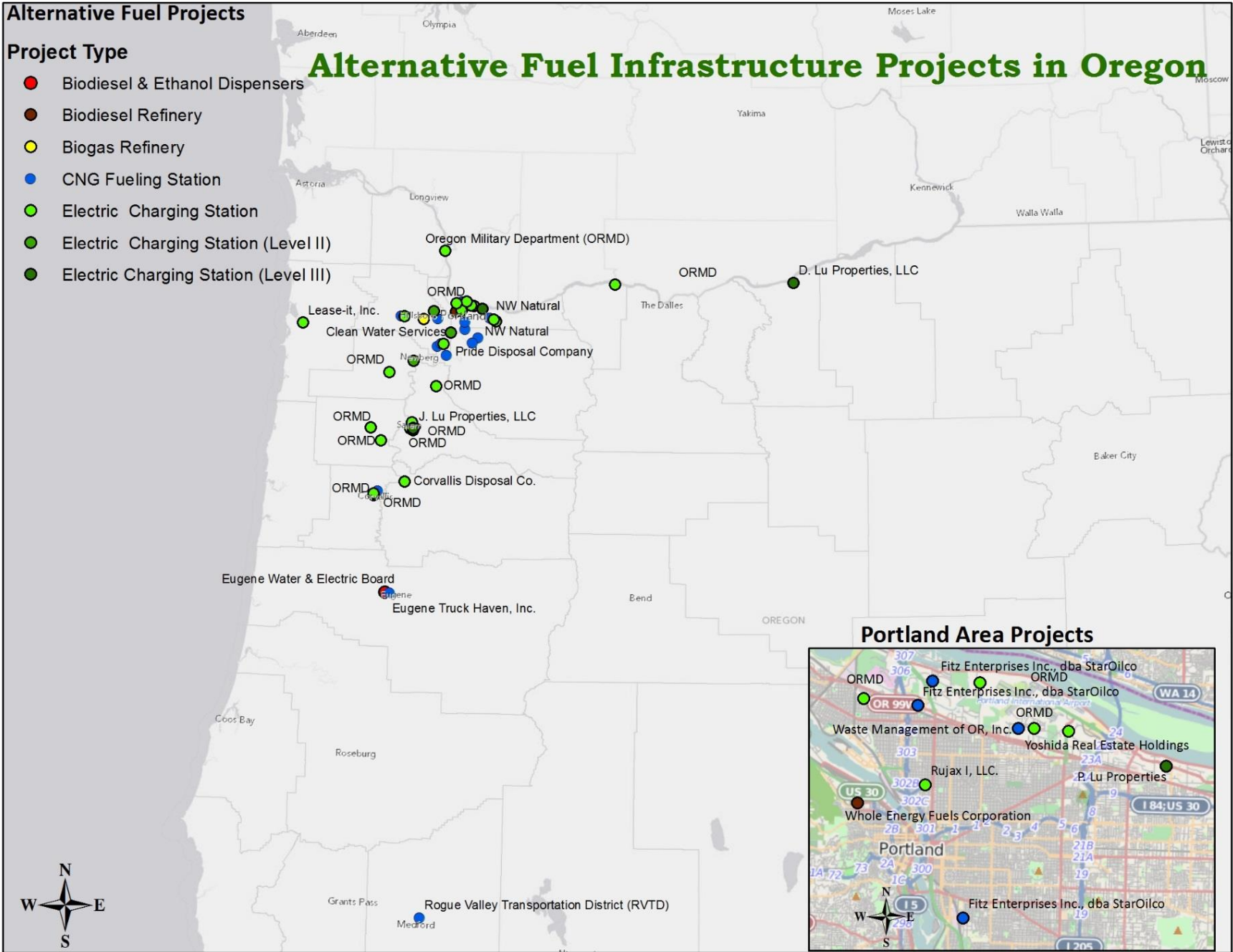


Alternative Fuel Projects

Project Type

- Biodiesel & Ethanol Dispensers
- Biodiesel Refinery
- Biogas Refinery
- CNG Fueling Station
- Electric Charging Station
- Electric Charging Station (Level II)
- Electric Charging Station (Level III)

Alternative Fuel Infrastructure Projects in Oregon



Compliance

- Compliance team inspects Energy Conservation and RED grant projects.
- Team confirms that projects comply with conditions on preliminary certification.
- Inspections occur onsite.
- Team develops recommendations to approve or deny tax credits or grants.

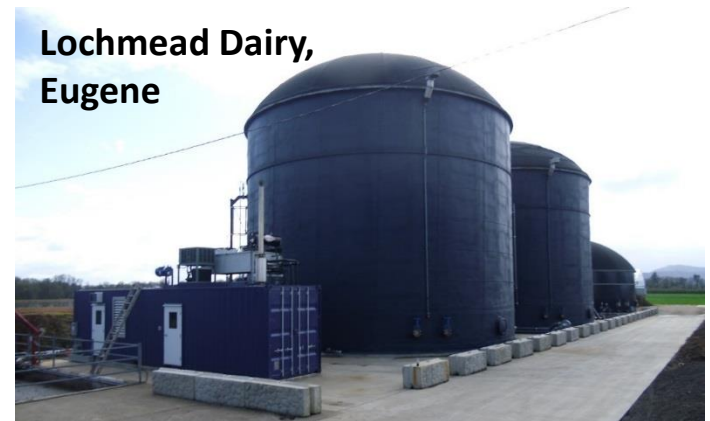
Biomass Tax Credit

- The Biomass Producer or Collector Tax Credit provides tax credits for the production, collection and transportation of biomass that is used for energy production.
- \$5.7 million tax credits certified in 2013.

**Evergreen BioPower,
Lyons**



**Lochmead Dairy,
Eugene**



EDS Opportunities

- SELP marketing
- Strengthened SELP underwriting
- HB 2447
- HB 2448