



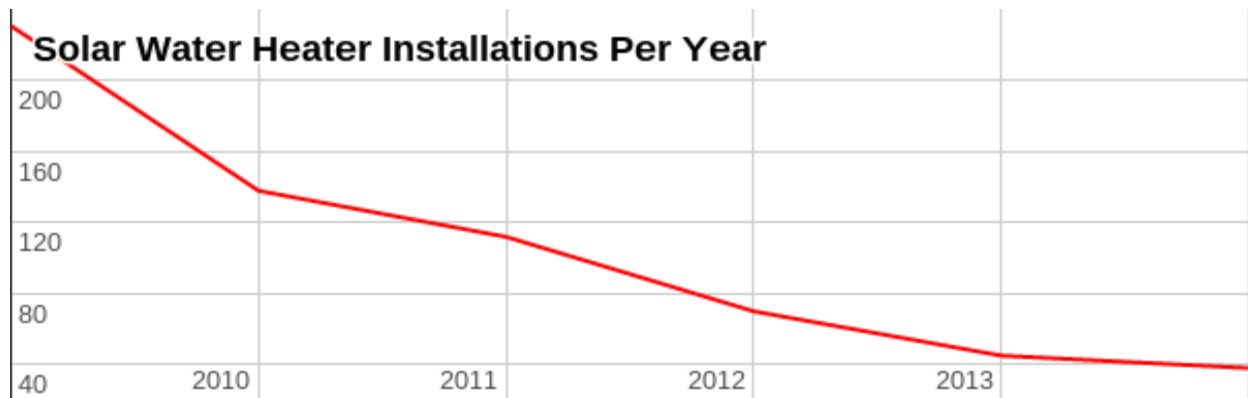
Support HB 3344

Save Solar Water Heating in Oregon

IN BRIEF: Unequal state incentives for solar electric photovoltaic (PV) and solar thermal water heater systems are killing Oregon's once-vibrant solar water heater industry. By raising the state incentive for solar water heaters, Oregon can boost solar water heater installations across the state, cut energy use and families' utility bills, create green jobs, and save a dying industry.

The problem: *Outdated state incentives killing Oregon's solar water heater industry.*

- Over 25,000 solar water heaters have been installed in Oregon, but the number has declined sharply in recent years due mainly to higher state incentives for solar PV systems:



- As shown below, a solar hot water system of *equivalent capacity* to a solar PV system costs 79% more, ***due solely to differing state incentives:***

Cost of Water Heaters vs PV ¹	Solar water heater	Solar electric PV
Energy yield per year	2500 kWh (saved)	2500 kWh (generated)
Roof space required	54 square feet	156 square feet
System cost	\$10,000	\$10,000
Federal tax credit (30%)	-\$3,000	-\$3,000
State tax credit	-\$1,500	-\$3,935
Net cost to homeowner	\$5,500	\$3,065

¹ For a system located in Oregon Climate Zone 1 (of 3), which includes the Willamette Valley and northern Oregon coast. Based on a SRCC Sol-Reliant 56/120 solar water heater and a SolarWorld 285 19.25 square foot PV module.

The problem: *Cont.*

- In response to decreased demand, the number of licensed solar water heater installers (STLs) has fallen to *less than half* the number of PV installers (LRTs). There have been no new applicants to Oregon's solar thermal apprenticeship program in two years.
- Oregon needs scores more licensed installers to maintain families' investments in existing solar water heaters.
- Without cost competitive solar water heaters to complement solar PV as an option, installers cannot make the most of the sun's energy for large families or those with small south-facing roof areas. That's because solar water heaters use only one-fourth to one-third the roof space of solar PV to heat the same amount of water.

The solution: *Make Oregon's solar water heater incentives similar to its solar PV incentive.*

For Oregon's solar water heater industry to survive, costs need to come down. H.B. 3344 will:

- Increase Oregon's Renewable Energy Tax Credit (RETC) for solar water heaters from 60 cents to \$2.00 per annual kWh of energy production.
- Raise the limit on the total incentive from \$1,500 to \$6,000, or half of system cost, whichever is lower, over five years.
- Increase the RETC for swimming pool heaters from 15 to 20 cents per annual kWh of energy production, capped at \$2,500 or half of system cost, whichever is lower, over five years.
- Give ODOE the authority to lower the incentive as market conditions warrant—as it already can and has done twice for solar PV.

By taking these steps, *Oregon can save its dying solar water heater industry.*

- Create green jobs.
- See an uptick in solar water heater installations. Because Oregon's incentive is production-based, it will boost installations most in areas with the most sunshine, like southern Oregon and east of the Cascades.
- Preserve Oregonians' investments in the 25,000 solar water heaters already installed.
- Save Energy. Each new solar water heater installed saves 15 to 25 percent of a typical household's energy use.
- Reduce risk for electricity ratepayers by further diversifying Oregon's energy mix.

For more information, contact:

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