

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
House Committee On Energy and Environment

MEASURE: HB 2447 A

Fiscal: Has minimal fiscal impact
Revenue: Revenue impact issued

Action Date: 03/17/15
Action: Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.
Meeting Dates: 02/10, 03/10, 03/17
Vote:
Yeas: 7 - Bentz, Boone, Heard, Helm, Holvey, Johnson, Reardon
Nays: 1 - Weidner
Exc: 1 - Vega Pederson

Prepared By: Beth Patrino, Committee Administrator

WHAT THE MEASURE DOES:

Extends sunset for tax credit for alternative energy devices from January 1, 2018 to January 1, 2022. For category one alternative energy device other than alternative fuel device, establishes credit may not exceed lesser of 50 percent of cost of device, or \$1,500. For alternative fuel device, establishes credit may not exceed lesser of 50 percent of cost of device, or \$750. Authorizes Oregon Department of Energy (ODOE) to adopt rules providing for lesser amount of incentive for each type of alternative energy device as market conditions warrant. Repeals statutes authorizing business tax credits for alternative fueling stations and transfer of such credits; repeal applies to tax years beginning on or after January 1, 2012. Revises solar rating and certification standard used by ODOE. Removes obsolete provisions related to tax credits for alternative fuel vehicles, related equipment, and fueling stations. Applies measure to alternative energy devices certified on or after January 1, 2016 and tax years beginning on or after January 1, 2016. Takes effect on 91st day after adjournment sine die.

ISSUES DISCUSSED:

- Need for continuity and stability in state incentive programs
- Program policy goals
- Program evaluation metrics

EFFECT OF COMMITTEE AMENDMENT:

Caps tax credit for alternative fuel device at lesser of 50 percent of cost of device or \$750. Revises solar rating and certification standard used by ODOE.

BACKGROUND:

The Oregon Residential Energy Tax Credit Program (RETC) allows a tax credit for purchase of certain energy efficiency items, called “alternative energy devices.” “Category one alternative energy devices” include systems that use solar energy for space heating or water heating; ground source heat pumps or geothermal systems; a wind-powered device used to offset or supplement electricity; equipment used in the production of alternative fuels; generators powered by alternative fuels and used to produce electricity; an energy-efficient appliance; and premium efficiency wood or pellet stoves. “Category two alternative energy devices” include solar electric, wind electric, and fuel cell systems. Homeowners, renters and contract buyers who purchase qualifying devices can apply for the credit. The tax credit is based on an estimate of how much energy the system will save in the first year. The value of the credit per kilowatt-hour (kWh) saved depends on the type of equipment or system. The maximum credit allowed for each category one device is \$1,500.

House Bill 2447A would extend the sunset on the RETC program until January 1, 2022 and makes modifications to the program.