# RETC = ROI



## Oregon's Residential Energy Tax Credit

RETC provides Oregon homeowners with an income tax credit that reduces the cost of high-efficiency systems like heat pumps, water heaters, and furnaces. The reduced use of electricity results in . . .

#### **Big savings**

In 2015 RETC programs allowed Oregonians to cut their electric bills by:

#### \$2.5 million dollars1

Energy efficiency investments contribute \$353 million<sup>2</sup> to Oregon's state GDP.

### Thousands of jobs

The US Department of Energy reports that energy efficiency is responsible for:

## 41,869 Oregon jobs<sup>3</sup>

70% in small businesses4

More than we get from power generation, fuels, transmission, and distribution put together.

#### **Reduced emissions**

In 2015, RETC also saved

2.1 million kWh of electricity & 256,000 therms of natural gas<sup>5</sup>

cutting air pollution and helping Oregon meet its greenhouse gas emission goals.

## **Energy-efficient homes for tens of thousands of Oregon families**



RETC's benefits are remarkably widespread. In 2015 alone the state issued more than 14,000 tax credits<sup>6</sup> to Oregon families from every single county, including rural counties that lack other incentives. Some of the savings were for the installation of home solar systems, but nearly \$10 million<sup>7</sup> – almost half – was for the purchase and installation energy-efficient heat pumps, furnaces and boilers, ducts, and appliances.

## A legacy of success

Since RETC was introduced in 1978, it has proven to be one of Oregon's most enduring and effective programs, providing over 570,000 tax credits that have saved Oregonians over \$172 million<sup>8</sup> on energy-efficient devices such as heat pumps, furnaces, and home solar. And RETC leverages utility sector incentives that provide additional savings that also might be lost if RETC goes away.

In short, RETC's benefits far outweigh the cost for Oregonians.



## Legislative improvements refined & strengthened RETC

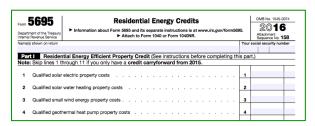
In 2015, the Oregon legislature extended authority to the Department of Energy to enable adjustments, by rule to all RETC incentive rates based on market conditions. This allows ODOE to calibrate the tax credits to reflect the most effective level of investment. For instance, ODOE recently reduced the incentive for heat pump water heaters from the old rate of 60 cents for first year energy savings to 30 cents for tier one devices and 49 cents for tier 2 devices.



## RETC and energy-efficiency are now in jeopardy

If the Residential Energy Tax Credit program is allowed to expire, many incentives currently offered by the Energy Trust of Oregon will be reduced or eliminated. They include:

- Tankless Gas Water Heaters
- Storage Gas Water Heaters
- Gas Furnaces
- Air-sourced Ducted Heat Pumps
- Ductless Heat Pumps
- Direct Vent Gas Fireplaces



### **Don't take Oregonians' tax credits away!**

Support House Bill 2681 to save jobs, protect the environment, and enrich the lives of Oregon families and small businesses.

#### Thank you!

Contact: Wendy Gerlitz wendy@nwenergy.org 503-449-0009



- 1. ECONorthwest, The Economic Impacts and Macroeconomic Benefits of Energy Efficiency Programs in Oregon, August 2016
- 2. ibid.
- 3. US Department of Energy, 2017 US Energy & Jobs Report, State Charts
- 4. Environmental Entrepreneurs and E4 The Future, Energy Efficiency Jobs in America, December 2016
- 5. ACEEE, 2016 State Energy Efficiency Scorecard Report, Appendix 5, pp. 156.http://aceee.org/research-report/u1606
- 6. Oregon Department of Administrative Services, Memo to Governor Kate Brown, April 4, 2016
- 7. ECONorthwest, The Economic Impacts and Macroeconomic Benefits of Energy Efficiency Programs in Oregon, August 2016
- 8. Oregon Legislature, Tax Credit Review: 2017 Session, Research Report #2-17, February 8, 2017