

## HB 2680 STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Prepared By:** Daniel Gray, LPRO Intern

**Sub-Referral To:** Joint Committee On Tax Credits

**Meeting Dates:** 3/29

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#### **WHAT THE MEASURE DOES:**

Extends sunset of renewable energy development contributions tax credit from 2018 to 2024. Adds "waste heat" as qualifying renewable energy production system for the purposes of grant program administered by Oregon Department of Energy (ODOE) and sets changes to sunset in 2024. Extends limitation on total amount of potential tax credits from 2017 to 2023.

*REVENUE: Revenue impact issued.*

*FISCAL: Fiscal impact issued.*

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

The Legislature created the Renewable Energy Development (RED) grant program in 2011 to promote investment in and development of renewable energy projects. The Oregon Department of Energy (ODOE) administers the program and solicits grant applications for renewable energy projects. Grants cover 35 percent of the cost of the project (not to exceed \$250,000) and businesses, public bodies, schools, non-profits and tribes are eligible to apply. Grant funds are not disbursed until projects are completed and operating and ODOE has provided final approval. As of May, 2016, approximately \$365,000 in RED grants had funded 14 projects with a total nameplate capacity of 522 kW, and ODOE had awarded performance agreements for 35 further projects yet to be completed. Approximately \$2.8 million in grant funds have been allocated to projects waiting for completion and approval.

House Bill 2680 would extend the sunset for RED tax credits until January 1, 2024 and adds "waste heat" as a qualifying renewable energy production system. In addition the Act extends the limitation on the total amount of potential tax credits from 2017 to 2023.