

EIP: RENEWABLE ENERGY DEVELOPMENT GRANT PROGRAM



OREGON
DEPARTMENT OF
ENERGY

The tax credits used to fund the renewable energy development (RED) grant program may only be auctioned until the end of the 2017 tax year. The Oregon Department of Energy does not support the extension of the RED grant program auction and the ability to auction tax credits should be allowed to sunset as scheduled.

The renewable energy development (RED) grant program serves businesses, organizations, nonprofits, federally recognized tribes, schools and public bodies that invest in renewable energy resources at a business or residential rental property in Oregon. The RED grant program provides renewable energy project grants for up to 35 percent of the cost of the projects. Grants may not exceed \$250,000.

BACKGROUND

The RED grant program was created by HB 3672 (2011) for investment in and development of renewable energy projects. HB 3672 also authorized the Department of Revenue to auction \$3 million in tax credits per biennium to be deposited in the Renewable Energy Development Subaccount of the Clean Energy Deployment Fund to fund RED grants. Applications were first accepted in 2012.

In 2012, HB 4079 clarified when the grant was to be awarded, and expanded the time an auction could take place through April 15 of the following year. Since the start of the program, ODOE has offered approximately \$7.45 million through six competitive grant opportunity announcements.

The tax credits used to fund RED grants may only be auctioned until the end of the 2017 tax year. The RED grant program does not expire and ODOE may continue to offer RED grants until funds in the Renewable Energy Development Subaccount are expended.

PROGRAM FUNCTION

Energy tax credit auctions, administered by the Department of Revenue, provide funding for the renewable energy development grants. Oregonians purchase tax credit certificates in increments of \$500 through the auction and proceeds fund RED grants. The Department of Revenue is limited to \$1.5 million of tax credits that can be auctioned each fiscal year. The Department of Revenue has held eight auctions providing over \$7.5 million in funding for the Renewable Energy Development Subaccount for RED grants.

To apply for a grant, project owners submit an application to ODOE in response to an open opportunity announcement. ODOE performs a completeness review; complete applications are scored and competitively ranked according to criteria in rule and the opportunity announcement. Rankings are based on project construction planning, financial plans, cost effectiveness, and other criteria outlined in the opportunity announcement. Based on available funding, the top ranked applications are moved into technical review. If the project passes technical review, the renewable energy projects are awarded a performance agreement.

STATUTE:

[ORS 315.326, 315.329](#)

[ORS 469B.250 – 469B.265](#)

RULES:

[OAR 330-200](#)

WEBSITE:

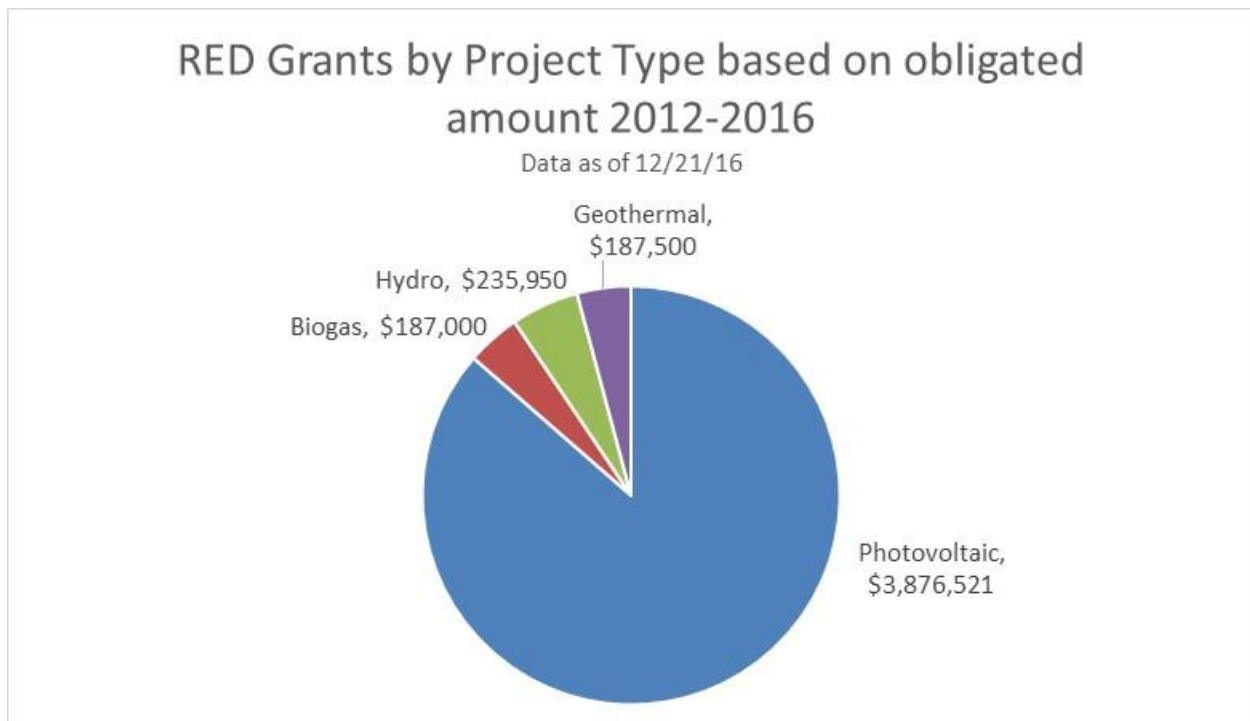
www.oregon.gov/energy/At-Work/Pages/Energy-Incentive-Programs.aspx

Projects must start construction within 12 months of the issuance of the performance agreement. During construction of the project, the applicant makes periodic reports to ODOE about the project's progress. Each project's performance agreement provides the timeframe to complete the project, usually two to three years.

Once projects are constructed and operating, project owners submit a final report documenting that the performance agreement has been satisfied. ODOE reviews the submitted material and may conduct a site visit before dispersing grant funds. Applicants must annually report the project's energy production to ODOE. All projects issued a grant must remain in operation for at least five years. Through its compliance program, ODOE may inspect a project prior to issuing the grant funds and throughout the required five-year period of operation.

All applicants pay fees to cover the cost of administering the program.

The RED grant program has served businesses, organizations, nonprofits, federally recognized tribes, schools and public bodies that invest in renewable energy resources at a business or residential rental property in Oregon. The grant program is utilized by many sectors including commercial, agricultural, industrial, and institutional facilities to initiate renewable energy development projects.



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