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SUBMITTED BY: JEFF BISSONNETTE

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To: Joint Committee on Tax Credits

From: Jeff Bissonnette on behalf of Fair and Clean Energy Coalition and Citizens' Utility Board of Oregon

Re: Comments on HB 3672-4

Thank you for the opportunity to comment on the -4 amendments. We have only a few comments, mostly technical in nature, on the new language. And, in accordance with Co-Chair Bailey's remarks at the hearing this morning, they generally cover different topics than we've covered in previous comments but some touch on important issues we wanted to underscore briefly.

Section 27(2): This is important in both IOU and COU territories, otherwise a circular logic problems exists where cost can never be established.

> (2) "Cost" means the actual cost of the acquisition, construction and installation of the renewable energy production system paid by the applicant for the system **before considering utility incentives**."

Section 35(2)(d): Applying LEED or Green Globes ratings to retrofits is problematic and, in addition, a LEED Platinum-based requirement would be an unrealistic bar.

Section 38(2): We suggest (1) changing the three-year payback to a two-year payback otherwise only very large projects will be undertaken and smaller commercial projects will likely not be pursued; and (2) add after timeframe add: "excluding other available incentives."

Section 41(2): delete sub (2) because it would be so difficult to establish compliance consistently.

Section 44: Add a new section 44(4):

> "The Director shall process all applications for certification within 45 days of receipt."

Section 69(1)(c):

> **(c) A credit against the taxes otherwise due under this chapter is not allowed for an alternative energy device that does not exceed all applicable federal, state and local requirements for energy efficiency, including equipment standards, the state building code and any specialty codes.**

Section 69 (c)

We are not clear as to why that language is there, especially since there is language elsewhere in the bill dealing with heat-pumps and the like. We do not have any proposed language; we were just unclear as

to why the language is present.

Section 69 page 55 line 26-

We proposed a way to limit the exposure on community-based installations. The language in the -4 amendments comes close to our proposal but does not hit it exactly. We intended to have a limit not to exceed $3/watt or a total of $6,000 per system, not the lesser of the two. Also, if there is an upper limit on $6,000 per system, there is no need to limit that to a maximum system size of 2,000 watts. Here is language we propose:

(f)(A) For each category two alternative energy device that is a solar electric system or fuel cell system, the credit allowed under this section **may not exceed** $3 per watt of installed output **up to a total of $6,000 per system.**

The rest of the proposed language is fine.

Section 70 page 61 line 3-

> "(8)(a) 'Cost' means the actual cost of the acquisition, construction and installation of the alternative energy device paid ~~by the taxpayer~~ for the alternative energy device.

Section 70(11): We have corrections (in highlights):

> **Energy efficient appliance' means emerging technologies such as high-efficiency heat-pump water heaters for domestic hot water that meet the northern tier specification established by the Northwest Energy Efficiency Alliance for electricity or 0.67 or greater [*efficiency*] energy factor for gas [*heat-pump*] water heaters; ductless ~~mini-splits~~ heat pumps; high-efficiency furnaces that are at least 95 percent efficient, and gas on-demand water heaters and heat-pumps that exceed code.**

The committee has done very good work and we appreciate the efforts of the members.

Thank you for your consideration.