Oregon
Kate Brown, Governor

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February 19, 2015

To: Chair Jessica Vega Pederson
Vice Chair Mark Johnson
Vice Chair Jeff Reardon
House Committee on Energy and Environment

From: Robin Freeman, Associate Director, Government Relations
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Subject: Answers to Follow-Up Questions for Energy Development Services

Dear Representative Vega Pederson:

Thank you for the opportunity to present information about the Oregon Department of Energy's (ODOE) Energy Development Services division during the February 10, 2015, meeting of the House Committee on Energy and Environment. Several questions were raised about ODOE's incentive and loan programs. Below are responses to those questions.

1. Neal Hot Springs Project

The committee asked if the Neal Hot Springs project received an incentive from ODOE.

ODOE provided USG Oregon, LLC a Business Energy Tax Credit (BETC) for $10,000,000 on December 31, 2013, for its Neal Hot Springs project located in Malheur County. This project did not participate in the Energy Incentives Renewable Energy Development grant program.

ODOE received the initial application for the project on July 30, 2010. In the application, the applicant proposed to develop a 10.7 MW geothermal power plant (rated for a net output of 8.1 MW) at the Neal Hot Springs geothermal resource in Malheur County. The resource had been tested to produce more than the design flows at the design temperature. The plant was proposed to be built by Turbine Air Systems of Houston, Texas, based on a simple Rankine cycle (equipment specs are contained in the project file). This project was expected to generate 193,108,780 kWh per year from this renewable resource. Power production was estimated at 659,080 MMBtus.

ODOE approved the initial application on April 14, 2011, with certified costs capped at $20,000,000 for a proposed 50 percent tax credit of $10,000,000. The actual project cost were $116,418,787 but were capped at $20,000,000 for the BETC program.

On December 31, 2013, USG Oregon, LLC received final approval of the project and was awarded a $10,000,000 tax credit.

2. Incentive Program Information

The committee asked for additional details about the usage and benefit of ODOE's incentive programs.

The energy savings or production attributed to each incentive program has been provided in British thermal units (Btu) for comparison purposes. Btu is a traditional unit of energy, showing the amount of energy needed to cool or heat one pound of water by one degree Fahrenheit. See attached Chart 1, which provides the energy savings or generation data in original units.

Residential Energy Tax Credit

The Residential Energy Tax Credit (RETC) program promotes energy conservation and renewable energy development by providing a wide range of personal income tax credits. Eligible devices include efficient water heaters, heating systems and solar photovoltaic systems.

Program Total	Number of Applications Received	Amount of Tax Credits Issued	Total Life of Device Energy Savings or Generation in MMBtus
1978-2013	577,191	$172,423,799	29,946,622

Calendar Year	Number of Applications Received	Amount of Tax Credits Issued	First Year Energy Savings or Generation* in MMBtus
2010	76,917	$20,174,255	222,489
2011	55,225	$16,192,306	159,753
2012	21,927	$13,862,679	94,922
2013	11,208	$10,375,498	70,987
2014	15,436	$18,320,937	112,981

*Energy savings estimated for first year, devices have a life span of 10-20 years.
Data from RETC All Annual Master 2013 Final, August 21, 2014 and Draft 2014 All Annual Master 2014, February 12, 2015

State Home Oil Weatherization Program

The State Home Oil Weatherization (SHOW) program provides cash rebates for installing weatherization and heating system updates to Oregon households that heat with oil, propane, kerosene, butane or wood. Projects include insulation, programmable thermostats and replacement windows.

Calendar Year	Number of Applications Received	Amount of Cash Rebates Issued	First Year Energy Savings* in MMBtus
2010	574	$226,118	1,131
2011	556	$311,132	1,182
2012	360	$177,500	644
2013**	344	$420,974	1,529
2014	268	$130,513	474

*Energy savings estimated for first year, devices have a life span of 10-20 years.
**Data includes SHOW Pilot Project that partnered with agencies in Lakeview and Klamath Falls to provide weatherization as part of an education, outreach, weatherization and woodstove program.
Data as of December 31, 2014

Energy Conservation Tax Credit

The Energy Conservation tax credit program is for Oregon businesses, nonprofits, tribes and governments making capital investments for which the first-year energy savings yield a simple payback period of greater than three years. ODOE divides the available funding among competitively selected and small premium project opportunity announcements.

Competitively selected energy conservation projects include building envelope, combined heat and power, commercial thermal, commercial building systems and sustainable construction.

Energy Conservation: Competitively Selected Projects

Calendar Year	Number of Applications Received*	Amount of Tax Credits Offered**	First Year Energy Savings*** in MMBtus
2012	43	$4,312,424	101,937
2013	46	$12,895,823	282,715
2014	25	$6,617,375	61,536

Small Premium Projects have eligible costs under $20,000 and are exempt from the preliminary certification process; instead applicants file an informational filing to reserve the tax credit.

Energy Conservation: Small Premium Projects

Calendar Year	Number of Applications Received*	Amount of Tax Credits Offered**	First Year Energy Savings*** in MMBtus
2012	258	$479,493	Not available****
2013	246	$407,490	
2014	299	$808,988	

*Number of applications received is the total number of applications, not all applications are offered an incentive due to competitive process or informational filings expiring. For 2014, some applications are still in review.
**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.
***Energy savings estimated for first year, devices have a life span of 10-20 years.
****Estimated energy savings under analysis for these devices.
Data as of December 31, 2014

Transit Services Tax Credit

The Transit Services Tax Credit program is for government or nonprofit entities that receive state or federal funding for transit services. Transit services projects are eligible for a tax credit based on savings and cost. In 2015, a transit services tax credit is 10 percent of the eligible project costs. The transit services tax credit was designed as a glide path phasing out the incentive between 2011 through 2015.

Transit Services

Calendar Year	Number of Applications Received*	Amount of Tax Credits Offered**	First Year Energy Savings in MMBtus
2012	18	$8,615,890	1,096,090
2013	6	$4,437,484	654,248
2014	6	$3,949,945	264,771

*Number of applications received is the total number of applications, not all applications are offered an incentive.
**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.
Data as of December 31, 2014

Alternative Fuel Vehicle Tax Credit

The Alternative Fuel Vehicle Tax Credit program provides Oregon businesses, nonprofits, tribes and governments tax credits for investments in alternative fuel vehicle infrastructure and fleets. Alternative fuel infrastructure tax credits are for projects that install or construct a facility for mixing, storing, compressing or dispensing fuels, including electric charging, CNG and propane stations. Alternative fuel fleet tax credits are projects that purchase and replace or modify two or more vehicles to use an alternative fuel. The fleet program began accepting applications in 2015.

Alternative Fuel Vehicle Infrastructure

Calendar Year	Number of Applications Received*	Amount of Tax Credits Offered**	First Year Energy Savings*** in MMBtus
2012	14	$1,566,155	364,339
2013	15	$3,481,444	377,537
2014	11	$1,084,059	31,500

*Number of applications received is the total number of applications, not all applications are offered an incentive. For 2014, some applications are still in review.

**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.

***Energy savings estimated for first year, devices have a life span of 10-20 years.

Data as of December 31, 2014

Renewable Energy Development Grant

The Renewable Energy Development Grant program provides Oregon businesses, nonprofits, tribes and governments tax credits for businesses installing renewable energy production systems at a business or residential rental property in Oregon. RED grants are awarded through a competitive selection process.

Renewable Energy Development

Calendar Year	Number of Applications Received*	Amount of Grants Offered**	First Year Energy Production*** in MMBtus
2012	6	$109,096	325
2013	44	$1,198,231	145,450
2014	19	$334,883	23,803

*Number of applications received is the total number of applications, not all applications are offered an incentive due to competitive process. For 2014, some applications are still in review.

**Amount of grants offered refers to performance agreements issued by ODOE.

***Energy savings estimated for first year, devices have a life span of 10-20 years.

Data as of December 31, 2014

Biomass Producer or Collector Tax Credit

The Biomass Producer or Collector Tax Credit program provides agricultural producers or biomass collectors a tax credits for collection of biomass material used as biofuel or to produce biofuel in Oregon.

Biomass Producer or Collector

Tax Year*	Number of Applications Received**	Amount of Tax Credits Issued	Total Energy Value*** in MMBtus
2010	93	$5,770,671	5,247,152
2011	132	$5,541,231	4,934,302
2012	94	$2,944,266	3,842,939
2013	88	$4,792,083	2,746,864

*Data based on Tax Year, 2013 is the last year the ODOE has complete data due to the nature of tax credits and when applicants apply.
**Number of applications received is the total number of applications, not all applications are offered an incentive.
***The total energy value varies year to year depending on the mix of feedstock receiving the tax credit.
Data as of December 31, 2014

2. State Energy Loan Program Interest Rates

The committee asked about the SELP interest rates.

The State Energy Loan Program (SELP) provides fixed-rate loans. SELP sells bonds to fund the loans. The loan's interest rate is set at the current bond rate, plus a spread, which pays for the costs of issuing the bonds and operating the energy loan program. The final rate is not determined until the bonds are sold to fund the loan. However, rates usually range between 3.50 percent and 6.00 percent. Larger, more complex loans may require a higher rate based on various factors. Security is required for loans. Typical loan terms range from 5 to 20 years. The type of project, the amount of energy saved, and other financial considerations factor into the terms. Energy savings or income produced by the project help cover the loan payment.

3. Renewable Energy Development Grant Opportunity Announcement

The committee asked about the renewable grants competitive process used to select projects.

The Renewable Energy Development (RED) grants go through a competitive selection process consisting of several reviews:

- **Completeness Review:** ODOE staff review all applications on a pass/fail basis and determine if each application meets the minimum requirements described in the opportunity announcement. An applicant's failure to comply with the instructions or failure to submit a complete application may result in the application being found incomplete and rejected.
- **Competitive Review:** Each member of the review committee reviews and scores all complete applications based on listed criteria. For example:
    - Feasibility of the system
    - Net energy generated per grant amount requested
    - Strength of the financial plan
    - Location of the system
    - Technological/resource diversity

    - Number of jobs created and sustained by the system per grant amount requested
    - Community Benefits
    - Previous history with ODOE programs
    - Integration into broader energy goals, and
    - Internal rate of return
- **Technical Review:** ODOE staff perform a technical review for the projects that are ranked highest during the competitive review. Staff review the information provided in the application against industry standards to determine whether the system is technically feasible, should operate in accordance with the representations made by the applicant and meets standards described statute and rule. Successful applications are awarded a performance agreement.
- **Amendments:** Performance agreements may be amended only as provided in rule. The grantee must submit a written amendment request to the director to amend a performance agreement or change any aspect of the renewable energy production system.
- **Disbursing the Grant:** When the system is complete, operational and meets all conditions of the performance agreement, a grantee should submit the final report. Once ODOE has received and approved the final report, ODOE will disburse the grant as specified in the performance agreement**.**

The most recent RED grant opportunity announcement had approximately $1,500,000 in grant funds available closed on January 23, 2015. ODOE received 26 applications (25 solar photovoltaic and one hydro), for a total of $2,629,244 in requested grant funds. Three applications were not complete, leaving 22 solar photovoltaic and the one hydro application forwarded to the competitive review process starting February 19. The competitive review process will determine which applications are recommended for technical review.

4. Energy Incentives Program Competitive Criteria

The committee asked about the criteria for competitively selected projects.

The following is an excerpt from a current EIP Conservation Tax Credit, Commercial Building Opportunity Announcement. The two highest scoring criteria are economic based; the first could be compared to a simple-payback methodology and the second a more encompassing lifecycle method which considers ongoing costs such as changes to maintenance and fuel costs when applicable.

Competitive Review Criteria: The following table describes the criterion and points that can be earned within the competitive review, shown in order of greatest to least.

Competitive Review Criteria	Points
5 year Energy Savings/Incentive Amount (Savings ($) / Incentive ($)): This is the annual dollars ($) saved multiplied by 5. This result is then divided by the requested incentive amount ($). The greater the number, the more desirable the project. Projects may request to take less than 35 percent of eligible costs in order to gain more points in this category.	35

Annual savings over life of equipment: Greater savings are more desirable. The benefit to cost ratio of the project will be used to rank annual life savings. This is the ratio of lifetime energy cost savings divided by lifetime costs (including maintenance and operation). Projects with the highest proportions will score the highest.	35
Strength of the financial plan: Pro forma financial statements will form the basis for points in this area. Financial viability will be determined by evaluating the total estimated cost, the financing structure and projected cash flow and profitability.	25
Strength of implementation plan: An applicant must demonstrate project management practices for the construction of the project. The applicant will submit a project construction planning outline that describes the project's schedule of construction and construction management structure. 5 of these points will be assigned based on: Project Viability and Readiness by demonstrating the leveraging of existing resources and projects.	25
Voluntary Measurement and Verification Plan: The ability to measure savings generally results in managing energy savings, which in turn can ensure the continuation of savings through increased awareness. Inclusion of a measurement and verification plan that prescribes utility analysis, enables sub-metering of key energy-consuming systems, and assigns an individual with authority to address issues will receive additional points.	10
Energy savings that benefit people other than the owner: This would include the installation of energy conservation measures that provide energy savings that do not directly financially benefit the project owner. As an example, a commercial building owner investing in energy conservation measures for a space in which the tenant pays the utility bills demonstrates the building owner is benefiting other people.	10
Location of the project: Points will be awarded for projects that will be sited in low-density areas and those with high unemployment rates. This recognizes the importance of energy incentives in stimulating the economy. The department will use current data from the Oregon Employment Department and the US Census Bureau to calculate these points.	5
Number of jobs created and sustained by the system per tax credit amount requested: Points will be awarded based on the number of full-time equivalent positions created and sustained due to the project. Applicants will provide the number of hours, which department staff will convert to full-time equivalent positions for the purpose of rating the applications. This takes into consideration only the jobs directly associated with the construction, operation and maintenance of the project. The information contained in the application will be used to evaluate this criterion.	5
Total:	150

5. Incentives and Loans for Schools Bus Fleets

The committee asked about the fleet tax credit availability for school bus fleets.

Energy Incentives Program: Alternative Fuel Vehicle Fleet Tax Credit

Oregon schools may use the fleet tax credit when purchasing and replacing or modifying two or more vehicles to use an alternative fuel. There are application, technical, amendment and final review fees.

Program Authority: ORS 469B.320 – 469B.347, ORS 315.336 and OAR 330-220

EIP Fleet Tax Credit Program Requirements:

- The applicant must be the owner, contract purchaser or lessee of the project at the time of installation or construction of the project.
- The applicant must be a trade, business or rental property owner with a business site in Oregon or is an Oregon nonprofit organization, tribe or public entity.
- The applicant must apply prior to the acquisition of the project. An applicant may order an alternative fuel vehicle eligible for the tax credit up to 60 days prior to ODOE receiving the preliminary c application.
- The fleet project must be an eligible on-road vehicle type as described in the Opportunity Announcement.
- The alternative fuel vehicles must be registered and operating in Oregon. Where applicable, registration under the International Registration Plan must have Oregon as the base jurisdiction.
- The fleet must operate in Oregon at least 75 percent of the operation time.
- A conversion or modification project must include new equipment installed by a qualified technician.

ODOE publishes opportunity announcements with requirements and application timeframes. Projects apply during open opportunity periods through a first come first serve process. The tax credit is up to 35 percent of the expenditures necessary to convert existing vehicles or the incremental expenditures to acquire alternative fuel vehicles. For class 8 tractors, the incremental expenditure is deemed by ODOE in an opportunity announcement.

Alternative Fuel Vehicle Revolving Fund

Oregon schools may receive loans from the fund for the incremental cost of purchasing a new alternative fuel vehicle or the cost of converting existing gasoline or diesel vehicles to alternative fuels. SELP application, review and underwriting processes are used. There are application and review fees.

Program Authority: ORS 469.960 – 469.966 and OAR 330-110-0060

Revolving Fund Program Requirements:

- The alternative fuel vehicles must be registered in Oregon.

- A conversion or modification project must include new equipment installed by a qualified technician.
- Private entities must operate a fleet of motor vehicles based in the Portland vehicle inspection area and Medford-Ashland Air quality maintenance area and must not hire fleet drivers who qualify as independent contractors.

ODOE publishes funding opportunity announcements with requirements and application timeframes. The fund currently has $3 million available for projects with an opportunity announcement open through the end of this year.

State Energy Loan Program
Schools can apply for the State Energy Loan Program (SELP) to finance Oregon projects that conserve or use renewable energy, including alternative fuel vehicle purchases or conversions and alternative fuel vehicle infrastructure for refueling and/or servicing vehicles. There are application and review fees.

Program Authority: ORS 470.050 – 470.815 and OAR 330-110

SELP Program Requirements:
- Collateral is required, SELP prefers a first lien position on the loan.
- The SELP Advisory Committee (SELPAC) reviews and recommends loans over $100,000.
- Borrowers undergo technical and business reviews.
- The alternative fuel vehicles must be registered in Oregon.

6. Renewable Energy Development Auction Tax Credit Auction
The committee asked about the RED grant tax credit auction.

The Oregon Department of Revenue has auctioned Renewable Energy Development (RED) tax credits six times since 2011. Below are the details for each auction.

Auction Date	Tax Credits Available	Number of Bidders	Amount of Funds Raised	Amount of Tax Credits Sold
Oct. 2011	$1,500,000	24	$411,683	$406,000
Dec. 2011*	$1,094,000	10	$52,600	$55,000
Oct. 2012	$1,500,000	47	$1,496,951	$1,500,000
Sept. 2013	$1,500,000	29	$536,838	$554,000
Jan. 2014**	$946,000	19	$756,205	$762,000
Sept. 2014	$1,500,000	61	$1,489,958	$1,500,000

*Second auction in 2011-2012 fiscal year for unsold tax credits from Oct. 2011 auction.
**Second auction in 2013-2014 fiscal year for unsold tax credits from Sept. 2013 auction.

7. Other Available Residential Incentives

The committee asked about other residential invectives available.

The Residential Energy Tax Credit (RETC) offers Oregon homeowners a tax credit for energy conservation and renewable energy resource development projects. Most of these projects are also eligible for incentives from the Bonneville Power Administration or Energy Trust of Oregon. The attached Chart 2 shows the average or typical incentives available and the percentage of the conservation device or renewable project costs paid for by incentives.

Please contact Robin Freeman if you have additional questions.

Chart 1: Oregon Department of Energy Incentives Program Data

Residential Energy Tax Credit

Calendar Year	# Applications Received	Amount of Tax Credits Issued	First Year Energy Savings or Generation *					Total First Year Energy Savings or Generation*
			kWh Savings	Therm Savings	Oil Gallons	Gas Gallons Saved	Gas Gallons Displaced	in MMBtus
2010	76,917	$20,174,255	27,557,750	981,533	6,832	233,022	1,637	222,489
2011	55,225	$16,192,306	22,970,179	757,439	5,078	37,073	2,182	159,753
2012	21,927	$13,862,679	13,384,617	363,967	2,542	72,099	27,821	94,922
2013	11,208	$10,375,498	12,688,810	234,186	909	894	32,185	70,987
2014	15,436	$18,320,937	22,712,544	255,321	1,786	551	76,916	112,981

*Energy savings estimated for first year, devices have a life span of 10-20 years.

Data from RETC All Annual Master 2013 Final, August 21, 2014 and Draft 2014 All Annual Master 2014, February 12, 2015.

State Home Oil Weatherization Cash Rebate Program

Calendar Year	# Applications Received	Amount of Cash Rebates Issued	First Year Energy Savings* in gallons of oil	First Year Energy Savings* in MMBtus
2010	574	$226,118	8,145	1,131
2011	556	$311,132	8,513	1,182
2012	360	$177,500	4,643	644
2013**	344	$420,974	11,013	1,529
2014	268	$130,513	3,414	474

*Energy savings estimated for first year, devices have a life span of 10-20 years.

**Data includes SHOW Pilot Project that partnered with agencies in Lakeview and Klamath Falls to provide weatherization as part of an education, outreach, weatherization and woodstove program.

Data as of December 31, 2014

Energy Conservation Tax Credit: Competitive Projects

Calendar Year	# Applications Received*	Preliminary Tax Credits**	First Year kWh Savings	First Year Therm Savings	First Year Propane Gallon Savings	First Year Diesel Gallons Displaced	First Year Energy Savings in MMBtus***	Final Certificates Issued	Final Tax Credits Issued
2012	43	$4,312,424	16,919,803	397,702		31,843	101,937	19	
2013	46	$12,895,823	58,593,459	613,861		153,813	282,715	9	$345,149
2014	25	$6,617,375	8,552,254	56,821	280,672	6,477	61,536	0	$0
Total	**114**	**$23,825,622**	**84,065,516**	**1,068,384**	**280,672**	**192,133**	**446,188**	**28**	**$345,149**

*Number of applications received is the total number of applications, not all applications are offered an incentive due to competitive process. For 2014, some applications are still in review.

**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.

***Energy savings estimated for first year, devices have a life span of 10-20 years.

Data as of December 31, 2014

Energy Conservation Tax Credit: Small Premium Projects, eligible costs under $20,000, prescriptive tax credit

Calendar Year	# Applications Received*	Preliminary Tax Credits**	First Year kWh Savings	First Year Therm Savings	First Year Propane Gallon Savings	First Year Diesel Gallons Displaced	First Year Energy Savings in MMBtus***	Final Certificates Issued	Final Tax Credits Issued
2012	258	$479,493	Not available ****					181	$262,285
2013	246	$407,490						185	$309,180
2014	299	$808,988						71	$157,590
Total	**803**	**$1,695,971**						**437**	**$729,055**

*Number of applications received is the total number of applications, not all applications are offered an incentive due to informational filings expiring.

**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.

***Energy savings estimated for first year, devices have a life span of 10-20 years.

****Estimated energy savings under analysis for these devices.

Data as of December 31, 2014

Transportation Tax Credit: Transit Services

Calendar Year	# Applications Received*	Preliminary Tax Credits**	First Year Savings in Gasoline Gallons Displaced	First Year Savings in Diesel Gallons Displaced	First Year Energy Savings in MMBtus	Final Certificates Issued	Final Tax Credits Issued
2012	18	$8,615,890	8,768,719	0	1,096,090	5	$2,659,495
2013	6	$4,437,484	5,233,987	0	654,248	2	$1,797,290
2014	6	$3,949,945	2,118,169	0	264,771	0	$0
Total	**30**	**$17,003,319**	**16,120,875**	**0**	**2,015,109**	**7**	**$4,456,785**

*Number of applications received is the total number of applications, not all applications are offered an incentive.
**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.
Data as of December 31, 2014

Transportation Tax Credit: Alternative Fuel Vehicle Infrastructure

Calendar Year	# Applications Received*	Preliminary Tax Credits**	First Year Savings in Gasoline Gallons Displaced***	First Year Savings in Diesel Gallons Displaced***	First Year Energy Savings in MMBtus***	Final Certificates Issued	Final Tax Credits Issued
2012	14	$1,566,155	303,007	2,352,041	364,339	7	$927,729
2013	15	$3,481,444	542,880	2,231,100	377,537	4	$784,038
2014	11	$1,084,059	11,820	216,300	31,500	0	$0
Total	**40**	**$6,131,658**	**857,707**	**4,799,441**	**773,376**	**11**	**$1,711,767**

*Number of applications received is the total number of applications, not all applications are offered an incentive. For 2014, some applications are still in review.
**Amount of tax credits offered refers to the preliminary certificates issued by ODOE.
***Energy savings estimated for first year, devices have a life span of 10-20 years.
Data as of December 31, 2014

Renewable Energy Development Grant

Calendar Year	# Applications Received*	Grants Offered**	First Year Energy kWh Production***	First Year Energy Production in MMBtus***	Grants Awarded	Grant Award Amounts
2012	6	$109,096	95,300	325	3	$109,096
2013	44	$1,198,231	42,616,565	145,450	2	$33,257
2014	19	$334,883	6,974,193	23,803	0	$0
Total	**69**	**$1,642,210**	**49,686,058**	**169,579**	**5**	**$142,353**

*Number of applications received is the total number of applications, not all applications are offered an incentive due to competitive process. For 2014, some applications are still in review.
**Amount of grants offered refers to performance agreements issued by ODOE.
***Energy savings estimated for first year, devices have a life span of 10-20 years.
Data as of December 31, 2014

Biomass Producer or Collector Tax Credit

Tax Year*	Number of Applications Received**	Amount of Tax Credits Offered	Total Energy Value*** in MMBtus
2010	93	$5,770,671	5,247,152
2011	132	$5,541,231	4,934,302
2012	94	$2,944,266	3,842,939
2013	88	$4,792,083	2,746,864

*Data based on Tax Year, 2013 is the last year the ODOE has complete data due to the nature of tax credits and when applicants apply.
**Number of applications received is the total number of applications, not all applications are offered an incentive.
***The total energy value varies year to year depending on the mix of feedstock receiving the tax credit.
Data as of December 31, 2014

Chart 2: Residential Energy Tax Credits and Other Available Incentives

The Residential Energy Tax Credit (RETC) offers Oregon homeowners a tax credit for energy conservation and renewable energy resource development projects. Most of these projects are also eligible for incentives from the Bonneville Power Administration or Energy Trust of Oregon. The chart below shows the average or typical incentives available and the percentage of the conservation device or renewable project costs paid for by incentives.

	Average cost in 2013 per RETC application	Estimated Average 2015 tax credit	**Average RETC as % of device or renewable project cost**	BPA 2014 average or typical incentive	**% of cost covered if BPA+RETC**	Energy Trust of Oregon 2014 average or typical incentive	**% of cost covered if ETO+RETC**
Electric heat pump water heater	$ 1,094	$ 624	57%	$ 300	84%	$ 383	92%
Tankless gas water heater	$ 2,269	$ 241	11%	N/A		N/A	
Storage gas water heater*	$ 699	$ 175	25%	N/A		$ 125	43%
Direct vent gas fireplace*	$ 2,500	$ 350	14%	N/A		$ 550	36%
Gas furnace	$ 3,385	$ 401	12%	N/A		$ 492	26%
Air-source ducted heat pump	$ 6,130	$ 512	8%	$ 1,000	25%	$ 775	21%
Ductless heat pump (mini-split)	$ 3,487	$ 933	27%	$ 1,000	55%	$ 1,000	55%
Duct Sealing (in unconditioned spaces)**	$ 1,050	$ 250	24%	$ 250	48%	N/A	
Whole house ventilation (HRV/ERV)	$ 3,424	$ 375	11%	N/A		N/A	
Geothermal heat pump	$ 17,473	$ 706	4%	$ 3,000	21%	N/A	
Wood and pellet stove	$ 2,504	$ 302	12%	N/A		N/A	
Solar Space Heating	$ 10,875	$ 1,439	13%	N/A		N/A	
Solar Water Heating	$ 10,465	$1,388	13%	N/A		N/A	
Alternative fuel charging station	$ 1,288	$ 303	24%	N/A		N/A	
Solar pool/spa heating	$ 4,996	$ 1,339	27%	N/A		N/A	
Solar electric (photovoltaic)	$ 23,447	$ 5,888	25%	N/A		$ 8,250	60%
Wind system	none	$ 6,000	n/a	N/A		N/A	
Fuel cell	none	$ 6,000	n/a	N/A		N/A	

* New measure 2015, cost estimated

** The duct sealing incentive was reduced from $460 to $250 starting Jan. 1, 2015, based on updated energy savings. In 2013, the tax credit equaled about 43% of the duct sealing costs. With the reduced tax credit for 2015, the duct sealing tax credit will equal about 24% of the duct sealing costs.

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