



HB 3003 is a fifth ask in support of biomass energy

House Climate, Energy and Environment – Jody Wiser – 3.6.2023

The Prineville biomass facility, proponents of this bill speak of, has not been financed or built. Yet its investors already have the potential to benefit from four different tax breaks:

- 1) Opportunity Zone treatment of their capital gains both when investing into the project and when they eventually sell shares,
- 2) Years without paying a penny of property taxes with either the 3-5 year Standard Zone program or 15-year Long Term Rural Enterprise Zone,
- 3) Federal grants to “harvest” biomass from both fire impacted properties and juniper laden properties, and
- 4) HB 2685, which returns Oregon’s Biomass Collection and Processing tax credit and is set for a work session on Thursday.

It is also likely that the recent Federal Infrastructure Act and Federal Production Tax Credits will also be available. The city and county project has gotten this far on the resources of others: [\\$400,000 in grants](#) from the Energy Trust of Oregon and from the U.S. Forest Service.

Of course, when the amendments appear we will know more, but it appears from conversation the state is being asked in this bill to kick in ~\$20M in tax credits for a \$135M investment. Usually when investors take on a 17% investment share, they get an ownership interest. Yet none is being offered. If this is such a good investment opportunity, perhaps the Treasurer’s Office should be making the investment.

To add a fifth tax benefit without knowing the value of all the others is unconscionable.

A fifth tax benefit is simply not acceptable, particularly when the potential cost of the energy produced is about the same cost as electricity energy in the Portland area.

Further, those who want “greened” electricity have long paid extra for it in Oregon under the Blue Sky program:

Pacific Power's Blue Sky - Renewable Energy Program

[joinbluesky.com](https://www.joinbluesky.com)

<https://www.joinbluesky.com> › [pacific-power](#) › [blue-sky](#)



Learn how you can support local renewable energy through **Blue Sky**. Positively impact the environment and support local jobs. No Fees. Support Renewable Energy. Reduce Carbon Footprint. Easy Enrollment. As Little As \$1.95/Mo. Cancel Anytime

The proponents haven’t tried marketing their energy this way, and they have close at hand two data center companies Facebook and Apple, who have been very public about setting environment goals for their power. Additionally, there are local commercial and residential users who likely care about the environment and have set environmental goals and would willingly pay more for this power. Perhaps part of the deal

struck with owners of land cleared of juniper at the public's cost would be that the owners will sign up for and maintain usage of a program created by the local electricity providers marketed as the "Juniper Energy Program."

There is of course the chance that some of the current 16 biomass facilities in the state would also use the program. That would be environmentally sound, as it would reduce transportation emissions.

Advocates often come to the legislature and ask the General Fund to bear the costs of their ideas. But it isn't logical for yet another public subsidy to be added to the maze of benefits already available for this biomass energy production program unless legislators actually know the numbers.

This article from the Bend Bulletin is a good one for background.

https://www.bendbulletin.com/business/prineville-pitches-biomass-to-save-the-forests/article_87601d40-ffb4-11eb-9af9-53a92a4446e7.html

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