

Oregon Business Energy Tax Credit Application for Preliminary Certification for Alternative Fuel Infrastructure Project

Business owners and others who invest in alternative fuel infrastructure projects in Oregon may be eligible for a state tax credit. The tax credit most Alternative Fuel Infrastructure Projects is 50 percent of eligible project costs, however some projects (e.g. propane, compressed natural gas, liquefied natural gas) may qualify for a tax credit of 35 percent of eligible cost. The 50 percent tax credit is filed over five years: 10 percent each year. The 35 percent tax credit is filed over five years: 10 percent for years 1 and 2, and 5 percent for years 3, 4 and 5. For projects with eligible costs of \$20,000 or less, the tax credit may be taken in one year. Unused credits can be carried forward up to eight years.

Eligible Applicants

An eligible applicant (a project owner) must meet the following three requirements:

1. Be a trade, business or rental property owner with a business site in Oregon
or
Be an Oregon non-profit organization, tribe, or public entity that partners with an Oregon business or resident;
2. Own or be the contract buyer of the project; and
3. Use the equipment or lease it to another person or business in Oregon.

Pass-through Option

Non-profit organizations, schools and other public entities that do not have an Oregon tax liability may participate in the Business Energy Tax Credit Program by using the Pass-through Option. Project owners may “pass-through” or transfer their tax credit project eligibility to a pass-through partner in exchange for a lump-sum cash payment. The Oregon Department of Energy determines the rate that is used to calculate the cash payment. Both the project owner and pass-through partner must sign the Application for Final Certification for Pass-through Projects before a Final Certification is issued to the pass-through partner. The same review, rules and standards apply to projects approved under the Pass-through Option as those using the regular Business Energy Tax Credit Program. **Please note:** The Pass-through Option is also available to a project owner with an Oregon tax liability who chooses to transfer his or her tax credit. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.

Timing

The Oregon Department of Energy must receive the Application for Preliminary Certification for Alternative Fuel Infrastructure Projects **BEFORE** the project owner financially commits to start the energy project. For example, an owner must apply before purchasing equipment or signing a contract. If a project owner starts a project and then decides to apply for the tax credit, the owner must submit a written request for a waiver with the application. The waiver request and application must be sent within 90 days of the project start date and must demonstrate an extenuating business circumstance that caused the delay in the application. Under extraordinary circumstances, the Director of the Department of Energy may extend the waiver period.

Work on the project must begin within three years of the approval date of the Preliminary Certificate or within three years of the approval date of any changes to the project. Projects must have a simple

payback of more than one year. Projects with simple paybacks greater than 15 years will have eligible costs prorated accordingly. A project owner must receive a Final Certificate before the credit can be claimed on an Oregon tax return. **All BETC applicants must apply for, and receive, their final certification from the Oregon Department of Energy prior to July 1, 2012, when the BETC program is scheduled to sunset.**

Confidential Information and Disclosure

The State of Oregon's Public Records Law (ORS 192.410 et seq.) (PRL) applies to tax credit applications submitted to the Oregon Department of Energy. The law states every person has a right to inspect any public record of a public body, subject to certain exceptions.

Trade secrets and confidential business records information may be exempt from disclosure. Certain information, including trade secrets (ORS 192.501(2)) and confidential submissions (ORS 192.502(4)), may be exempt from disclosure under exemptions to the PRL. Please consult your legal counsel to determine whether these or other exemptions could apply to your application.

Mark on each page any information that you believe are trade secrets, business records or that is otherwise protected under the PRL and that you request to be kept confidential. Marking information does not guarantee that it will be kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the PRL, the Oregon Department of Energy is authorized to withhold your address, phone number and electronic mail address. If you want to claim this exemption under the PRL, please contact the Oregon Department of Energy prior to sending in your application for a Business Energy Tax Credit. Please consult your legal counsel to determine whether this exemption applies to you.

The Oregon Department of Energy does not endorse any company that requests application information and does not sell this information as a mailing list.

Before the project begins:

1. A project owner must complete the Application for Preliminary Certification for Alternative Fuel Infrastructure Projects. He or she must send the signed form, supporting documentation, and payment for review charges to the Oregon Department of Energy before the project begins. Incomplete applications will not be accepted. **Note:** If using Microsoft WORD version of the application, check the Web site to ensure the latest version is being used. (Dates are in the lower right-hand corner.)
2. A project owner may start the project when he or she receives a Preliminary Certificate. The Oregon Department of Energy usually takes four to six weeks to review an application provided all necessary information is submitted. Incomplete or inadequate information may result in a delay in approval or in denial of the application. Please note: A project owner may begin the project before receiving a Preliminary Certificate, however, there is no guarantee the project will be approved.
3. If vital characteristics of the project change after receiving the Preliminary Certificate, the project owner should submit a signed, written, detailed description of the changes to the project and energy savings estimates. An increase in cost only does not qualify as a project change. If the Department of

Energy approves a project change, a project owner may be required to pay an additional review cost.

After the project is complete:

1. A project owner should apply to the Oregon Department of Energy for final certification when the project is completed. If project costs are \$50,000 or more, an owner must send a letter from a certified public accountant (not employed by the project owner) stating that he or she has reviewed the project costs. If project costs are less than \$50,000, the project owner should send copies of the dated invoices, canceled checks or receipts that are marked "paid."
2. The Oregon Department of Energy will review the final application and upon approval issue a Final Certificate. Under no circumstances can the Oregon Department of Energy approve more the amount of estimated project costs shown on the Preliminary Certificate unless the project was amended in writing and received approval before completion. The sum of all financial incentives and the tax credit may not exceed the total eligible project costs.
3. A tax credit recipient may file the tax credit over five years. If the eligible project costs are \$20,000 or less, a tax credit recipient may file for the tax credit in one year. A tax credit recipient may begin claiming the tax credit the year the project is finished or the year the Oregon Department of Energy issues the Final Certificate.

Questions? For questions on claiming the tax credit, contact the Oregon Department of Revenue (www.oregon.gov/DOR) or call 1-800-356-4222.

Call the Oregon Department of Energy at 1-800-221-8035 (toll-free in Oregon) or (503) 378-4040 (Salem). Or visit our Web site (www.oregon.gov/energy).



**Business Energy Tax Credit
Application for Preliminary Certification**

Alternative Fuel Infrastructure Project

Are you eligible?	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/> Have you submitted this application before financially committing to start this energy project? (e.g. signing a contract, ordering equipment, etc.)
<input type="checkbox"/>	<input type="checkbox"/> If no, have you attached a request for a waiver?
<input type="checkbox"/>	<input type="checkbox"/> Will the project use a minimum 20% blend of alternative fuel
<input type="checkbox"/>	<input type="checkbox"/> Are you interested in using the Pass-through Option?*
<p>*The Pass-through Option will allow you to transfer your tax credit project eligibility to another business or individual (a pass-through partner) in exchange for a lump-sum payment. The payment amount is calculated using the pass-through rate. To use the Pass-through Option, check the Yes box above, complete this application form and send the form to the Oregon Department of Energy. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.</p>	

For office use only
Application #:
Date received:

1. Project owner information (We will send all correspondence to this person.)		
Project owner's name:		
Tax I.D. # or SSN*:		
Are you subject to Oregon personal income tax, Oregon corporate excise tax or Oregon corporate income tax? Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/>		
Phone:	E-mail:	
Business name:		
Mailing address:		
City/state/zip:		
Principal business activity (or SIC, if known):		
Contact person for project (Who can answer technical questions about the project?)		
Title:	Phone:	E-mail:
Company/organization CPA or CFO: (If interested in Pass-through Option)		
Title:	Phone:	E-mail:

*OAR 330-090-0130 authorizes the Oregon Department of Energy to use your federal tax identification or social security number as an identification number in maintaining internal records and may be shared with the Department of Revenue to establish the identity of an individual in order to administer state tax law.

2. Architect, engineer, vendor or contractor for project	
Firm name of architect, engineer, vendor or contractor:	
Address:	Phone:
City/state/zip:	
Contact person:	E-mail:

3. Project site		
Site address:		
City:	County:	Zip:
Total square footage affected by this project :		

4. Estimated construction or installation dates	
Estimated start date:	Estimated completion date:

5. May the Oregon Department of Energy publicize your project to promote efficiency to other businesses?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	

6. How did you learn of the Business Energy Tax Credit Program?	
<input type="checkbox"/> Associate <input type="checkbox"/> Advertisement <input type="checkbox"/> Workshop <input type="checkbox"/> Utility <input type="checkbox"/> Vendor <input type="checkbox"/> Other:	

7. Tax credit eligibility requirements—To be eligible, you must meet one of the following requirements. Check the requirement your project will meet.	
<input type="checkbox"/> An alternative fuel processing plant, OR	
<input type="checkbox"/> An alternative fuel distribution project, OR	
<input type="checkbox"/> An alternative fuel fueling station, OR	
<input type="checkbox"/> An alternative fuel feedstock project.	

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8. Type of alternative fuel used Must be 20% blend or higher (Check one box)

<input type="checkbox"/> Electricity	<input type="checkbox"/> Natural gas	<input type="checkbox"/> Propane	<input type="checkbox"/> Biodiesel (B20 or greater)
<input type="checkbox"/> Hydrogen	<input type="checkbox"/> Butanol	<input type="checkbox"/> Biomass	<input type="checkbox"/> Ethanol (E85)
<input type="checkbox"/> Methanol	<input type="checkbox"/> Hythane	<input type="checkbox"/> Methane	<input type="checkbox"/> Renewable diesel

9. Project description

A. **Describe the project briefly**, If applicable, please attach a summary of your business plan. For processing plants, please include an estimation of feedstocks used and where they will come from. For all projects, include a description of where the fuel will be sold or distributed. If your description is longer than space provided, please use a separate attached sheet.

B. Fuel type being replaced:]

Gasoline ____ gallons per year

Diesel ____ gallons per year

Other (specify fuel, units and amount) ____ per year

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10. Equipment specifications and estimated facility cost —List the brand name, model and cost of each major piece of equipment. Attach performance specifications. If more space is needed, attach a separate sheet.	
Material:	\$:
Labor:	\$:
Engineering:	\$:
Other: (Do not include Business Energy Tax Credit review costs)	\$:
Total of Estimated Project Costs: (Do not include interest, warranty charges, maintenance or other costs prohibited by OAR 330-090-0110(19(b)))	10a. \$
For new construction, extensive remodeling, or replacing equipment that is beyond its useful service life, Deduct cost of system that meets Oregon code: (If codes do not apply, subtract the cost of your least-efficient alternative that is standard practice.) Describe in detail how this cost was determined. Attach vendor quotes if available.	10b. \$
Estimated Eligible Project Cost: (10a minus 10b)	10c. \$
Insert the lesser of the following (see Schedule A, last page of application): The applicable maximum eligible facility cost per Schedule A (last page of application): (ORS 469.200(1) or OAR 330-090-0110 through 0150) <u>or</u> The applicable maximum eligible facility cost based on simple payback or technical requirements if known (such as maximum eligible calculator for solar projects or incremental costs that exceed Oregon Code)	10d. \$
Estimated Certified Project Cost - Insert the lesser of 10c or 10d	10e. \$
<u>If you checked NO, that the project owner is not subject to Oregon personal income tax, Oregon corporate excise tax or Oregon corporate income tax, Stop HERE</u> and Go to Question #11. If the project owner is subject to Oregon personal income tax, Oregon corporate excise tax or Oregon corporate income tax, proceed to 10f.	
Deduct federal grants: (Per ORS 315.356(1) deduct any federal grants received in connection with the facility)	10f. \$
TOTAL: Net Estimated Certified Project Cost (10e minus 10f)	10g. \$

11. Facility Incentives			
	Amount	Secured: Yes or No	
Federal Grants _____	\$		<u>Deduct</u> on line 10f above
Federal Tax Credits _____	\$		Do not deduct on line 10f
Energy Trust of Oregon	\$		Do not deduct on line 10f
Utility Incentives (investor or publicly owned) _____	\$		Do not deduct on line 10f
Fuel Oil Dealer Incentives _____	\$		Do not deduct on line 10f
Large electric consumer self directed funds Incentives _____	\$		Do not deduct on line 10f
Sub-total Incentives (listed above)	11a. \$	<p>The sum of any rebates or cash payments under ORS 469.631 to 469.645, 469.649 to 469.659, 469.673 to 469.683, or 757.612(5)(a), or from a public purpose organization or federal grants or credits and the business energy tax credit may not exceed certified costs. OAR 330-090-0110(19)(L). Including rebates or cash payments from: Investor owned utilities, Publicly owned utilities, Fuel oil dealer, Large electric consumer self directed funds, Energy Trust of Oregon, Federal grants or credits and BETC.</p>	
Business Energy Tax Credit Calculated (10g x 35%)	11b. \$		
Total Incentives (11a+11b)	11c. \$		
12. Oregon Business Energy Tax Credit Requested			
Do your Total Incentives (11c) exceed your Net Project Cost (10a)?			<input type="checkbox"/> Yes, go to 12b <input type="checkbox"/> No, go to 12d
If YES, you need to reduce your Business Energy Tax Credit, calculate:			
Amount Exceeded: Total Incentives – Net Project Cost (11c – 10a)			12b \$
Reduce your BETC by the Amount Exceeded (11b – 12b)			12c \$
Maximum Eligible Business Energy Tax Credit (11b or if reduced 12c)			12d \$

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13. Project Owner Preliminary Statement

1. I understand that Oregon Department of Energy approval and certification of my project is for tax credit purposes only. The Oregon Department of Energy does not guarantee or in any way ensure the performance of any equipment, the quality of any system or the reliability of any dealer.
2. I agree that the project will comply with all local, state and federal requirements. I will obtain all necessary permits.
3. I will permit the Oregon Department of Energy or its agents to inspect the project at its discretion to make sure the project qualifies for the tax credit. I understand that if I give false information about the project, or if I refuse to permit the Oregon Department of Energy to inspect the project, I will not get the tax credit.
4. I understand that this tax credit application is a public record and that Oregon Department of Energy may be required by law to disclose information in this tax credit application to the public on request. I have marked any information that I request be kept confidential. I understand that marking information does not guarantee that it will be kept confidential and that the Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.
5. I understand that the Oregon Department of Energy does not endorse any company that requests information on this application and does not sell information as a mailing list.
6. I hereby release the State of Oregon and its commissions, agencies, officers, employees, contractors, and agents, and agree to defend and indemnify the foregoing from and against any claims, demands, or costs (including attorney and expert witness fees at trial and on appeal) arising from or in any way related to the Oregon Department of Energy's issuance or failure to issue any pre-certification or final certification for a Business Energy Tax Credit, or any party's inability to obtain a Business Energy Tax Credit.
7. I understand that the sum of all financial incentives and the tax credit can not exceed the total eligible project cost.
8. I have enclosed a check to the Oregon Department of Energy or will pay by Visa or MasterCard for the review charge.
9. I verify that the project owner does not restrict membership, sales, or services on the basis of race, color, creed, religion, national origin, sexual preference or gender.
10. I have completed this form to the best of my knowledge.
11. I certify that I am the project owner or the authorized agent.

I have read and agree with the terms, conditions of the Project Owner Preliminary Statement.

Signature: _____ Title: _____

Print Name: _____ Date: _____

Send completed application with payment to:

Oregon Department of Energy
625 Marion St. NE
Salem, OR 97301-3737

If you have questions, call: **1-800-221-8035 (toll-free in Oregon) or (503) 378-4040**

or visit our Website:

www.oregon.gov/energy

FAX: (503) 373-7806

Schedule A

Maximum Eligible Facility Cost	Type of Energy Facility
\$40 million	Renewable energy resource equipment manufacturing facility
\$2.5 million	Renewable energy resource equipment manufacturing facility used to manufacture electric vehicles
\$20 million	Renewable energy resource facility
5% eligible cost, no more than \$5 million	Wind facility with an installed capacity of more than 10 MW issued a preliminary certificate during 2011
5% eligible cost, no more than \$3 million	Wind facility with an installed capacity of more than 10 MW issued a preliminary certificate on or after January 1, 2012
\$10 million	Other facility, except rental weatherization. Please see note below for other facilities with a maximum tax credit
\$5,000	Rental weatherization per dwelling unit

For new construction <u>or</u> when replacing systems beyond their useful life.	
Deduct costs of the system that meets Oregon code from estimated project costs.	Code System Cost \$

Note: The following maximum tax credits apply:

- \$9,000 tax credit for homebuilder installed renewable energy facility, not to exceed 50% of cost;
- \$12,000 tax credit for homebuilder installed renewable energy facility that also is a high performance home, not to exceed 50% of cost;

Please do NOT print this page double sided.
The credit card information will be destroyed once the payment is processed.

19. Business Energy Tax Credit review charge

Preliminary Certification Applications are considered incomplete unless the review charge is received with the application. Incomplete applications will not be reviewed. Payment is considered received with the application when a signed check made payable to "The Oregon Department of Energy" is included with the application or the complete credit card information is provided in the application and signed. **If the payment is unable to be processed, the application will be deemed incomplete.**

Total facility eligible project cost (10e) _____ x .0060 = \$ _____

Your required review charge is the amount calculated above, unless your calculated amount is less than \$30 or more than \$35,000. If your calculated review charge is less than \$30, you are required to pay \$30.

Payment Method:

Check: please make your check payable to the "Oregon Department of Energy" and include with form.

Visa **MasterCard:** please provide card information below

Credit Card Number: _____ Expiration Date: _____

Name of cardholder as shown on credit card: _____ Security Code: _____ (must provide)

Billing address for the card: _____

Email address for receipt: _____

Card Holder Signature: _____ Amount: \$ _____

The credit card information will be destroyed once the payment is processed.

If all or a portion of your application is denied, or if a change in your project results in lower costs, a portion up to 75 percent of this payment may be refunded within two years of pre-certification. If you add to your approved project, you must send a written description of the additions and the costs to be eligible for a tax credit. If the Oregon Department of Energy approves the additional estimated costs, an additional payment is required. For more information, see OAR 330-090-0150(3).