



## Oregon Business Energy Tax Credit

### Instructions for completing an Application for Preliminary Certification for Facilities Using or Producing Renewable Energy Resources **Tier 1 with projected facility cost less than \$500,000**

**Background:** Oregon Laws, 2010, Chapter 76, Section 2 limits the amount of potential tax credits for facilities (projects) using or producing renewable energy resources or listed as renewable energy resources under ORS 469.185 to \$300 million for the biennium ending June 30, 2011. To meet these limits, ORS 469.195(2) established a tiered priority system and set limits on the amount of tax credits available for a set period.

**Eligibility:** Facilities eligible for consideration for a Business Energy Tax Credit (BETC) preliminary certification under a Tier 1 application form consist of applications with projected facility cost less than \$500,000, see OAR 330-090-0350(3)(a).

An eligible applicant (a facility 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 facility; and
3. Use the equipment or lease it to another person or business in Oregon.

**Timing:** The Department must receive the Application for Preliminary Certification for facilities using or producing renewable energy resources before the owner begins physical construction. See OAR 330-090-0110(30). ORS 315.357 requires that all taxpayers receive final certification before July 1, 2012 for the tax credit to be valid. If a Preliminary Certificate is issued it shall be valid for three years from the date of issuance. A tax credit recipient must receive a Final Certificate before the credit can be claimed on an Oregon tax return.

**Tax Credit Availability:** Qualifying renewable energy resource facilities completed on or after January 1, 2007 are eligible for a tax credit equal to 50 percent of eligible costs; see OAR 330-090-0105(1). Per OAR 330-090-0150 renewable energy resource facilities will be allowed up to \$20 million in maximum eligible facility costs, excluding wind facilities with an installed capacity of more than 10 megawatts. Wind facilities with an installed capacity of more than 10 megawatts are eligible for a tax credit equal to 5 percent of eligible costs. For all facilities, the tax credit is filed over five years: 10 percent each year. For facilities 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. **For the period ending December 31, 2010, there is a total of up to \$10 million in tax credits available on a first come basis for Tier 1 facilities using or producing renewable energy resources.**

**Pass-through Option:** Facility owners may “pass-through” or transfer their tax credit eligibility to a pass-through partner in exchange for a lump-sum cash payment. The Department determines the rate that is used to calculate the cash payment. A facility must be completed and the owner must receive final certification before July 1, 2012 for the tax credit to be valid. Once a Final Certificate is issued, it can only be transferred once to a pass through partner.

**Questions:** For questions about the renewable Tier 1 application process, please call 503-378-4040 or email [betcoa@odoe.state.or.us](mailto:betcoa@odoe.state.or.us). For questions on claiming the tax credit, contact the Oregon Department of Revenue at [www.oregon.gov/DOR](http://www.oregon.gov/DOR) or call 1-800-356-4222.

**Applications:** Will be reviewed and processed on an ongoing basis subject to the tax credit limitations published by the Department. Applications will be processed in the order they are received and may be rejected once all available tax credits have been issued for this tier. If your application is rejected on the basis that there are no more tax credits available, you may be issued a refund. All applicants must fill out the general application form in addition to the appropriate appendix based on facility type.

- Tier One General Application
- Appendix No. 1 – Biomass, Wind, Hydro & Geothermal
- Appendix No. 2 – Biomass Infrastructure
- Appendix No. 3 – Photovoltaic
- Appendix No. 4 – Solar Thermal

**Submitting Applications:** The Department shall receive Preliminary Certification Applications at the address below. Applications may be delivered via U.S. Mail, courier or hand-delivered. Applications shall be sent to the attention of:

Oregon Department of Energy  
BETC– Tier One  
625 Marion St. NE  
Salem, OR 97301

**Faxed or electronically transmitted applications shall not be accepted.**

**Review Charge:** Preliminary Certification Applications will not be reviewed and are considered incomplete unless the review charge is paid. If the payment is unable to be processed, the review of the application will be terminated and the application will be deemed incomplete.

Total projected facility cost \_\_\_\_\_ 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. If your calculated review charge is more than \$35,000, you should pay \$35,000. Please make your check payable to the Oregon Department of Energy and include it with the application. You may also pay by Visa or MasterCard.

**Withdraw:** Applicants (facility owners) may withdraw their Preliminary Certification Application by submitting a written request containing the following:

- A clearly written statement requesting the withdrawal
- The name of the facility owner as identified on the application
- Signature of facility owner or authorized agent

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

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the PRL, the Department 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 SPC on the front cover prior to sending in your application for a BETC. Please consult your legal counsel to determine whether this exemption applies to you.

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

The Department will publicly announce applications that receive Preliminary Certification as a result of this opportunity announcement. The public announcement will include, but is not limited to, the business owner's name, type of facility, location of facility and awarded tax credit.

**Technical Standards Review:** Each application will be reviewed by a BETC technical reviewer to determine if the technical standards are met as described in OAR 330-090-0105 through OAR 330-090-0350. The technical reviewers may request additional information and documentation from an applicant for any portion of the application. Failure to provide additional information in a timely manner may result in denial of the application.

**Amendments to the Preliminary Certificate:** No amendments are allowed except in the case of equipment modifications within 10 percent of the approved specification. See OAR 330-090-0130 (7).

**Final Certification:** An owner should apply to the Department for Final Certification when the facility is completed. If facility costs are \$50,000 or more, an owner must send a letter from a certified public accountant, not employed by the facility owner, stating that he or she has reviewed the facility costs. If facility costs are less than \$50,000, the owner should send copies of the dated invoices, canceled checks or receipts that are marked "paid." The applicant must receive final certification before July 1, 2012 for the tax credit to be valid. The Department will review the final application and may issue a Final Certificate. The sum of all financial incentives and the tax credit may not exceed the total eligible facility costs.