

Biomass Producer or Collector Tax Credit Rulemaking

Public Information Meeting
Webinar – July 26, 2011
8:30 - 10:00 AM



Webinar Overview

- We will begin with a presentation followed by responses to comments and questions received during the webinar
- We will be responding to written questions submitted during this webinar
- If you have troubles during the webinar, please contact Linda Ross at 503-378-6874

Objectives for this Webinar

- Present possible improvements to the Biomass Producer or Collector Tax Credit Certification Rules
- Ask for input and suggestions from stakeholders and interested parties
- Provide a schedule and process for rulemaking

Purpose of this Rulemaking

- Incorporate improvements that have been identified through the implementation of the new certification program
- Provide additional clarity and consistency for applicants
- Allow for implementation of House Bill 3672, effective January 1, 2012

Woody Biomass Eligibility

- Clarify that woody biomass from forestry activities is only eligible if it is log landing or slash resulting from harvest or forest stewardship (ref. ORS 469.790(6))
- Woody or other biomass from right-of-way trimming or clearing, construction activities, and golf courses is not eligible
- Sawdust, bark, and other residual wood waste from mill, chipping or other wood product operations is not eligible

Woody Biomass Eligibility

- The Department asks for comments on:
 - Additional characteristics of biomass that should be considered
 - Other types of biomass that should or should not be eligible and why
 - Any other improvements or suggestions

Calculation of Manure

- Require the weight of manure to be calculated according to the formula currently in rule
- Formula uses animal production values from the Natural Resources Conservation Service, Agricultural Waste Management Field Handbook, Revision 2. February 1998

Calculation of Manure

- The Department asks for comments on:
 - Information that can help to establish a formula to use when calculating the weight of manure
 - Other methods of determining the weight of manure that ensure consistency
 - Any other improvements or suggestions

Application Deadline and Tax Year

- Applications must be received within 45 days following the end of the applicants tax year
 - Applications received after this date will be returned and will not be accepted for other tax years
- Tax credits will only be issued for the tax year in which the biomass is delivered to a biofuel producer

Application Deadline and Tax Year

- The Department asks for comments on:
 - Application deadline
 - Specific considerations for the year in which a tax credit should be certified
 - Any other improvements or suggestions

Application Information

- Additional information will be required in an application:
 - Dry weight of woody and agricultural biomass
 - Delivered price of the biomass
 - Signed statement from an agricultural producer if a biomass collector will be applying for tax credits for biomass that is produced by an agricultural producer (e.g. oil seed crops, manure)

Application Information

- The Department asks for comments on:
 - Methods for calculating the dry weight of woody and agricultural biomass
 - Additional information that should be included in an application, especially information that will assist with the evaluation of the tax credit program
 - Any other improvements or suggestions

Review Process

- The Department may conduct inspections of the biomass origination, production or collection activities or the biofuel producer as part of the review process

Review Process

- The Department asks for comments on:
 - Incorporating an inspection as part of the review process
 - Process improvements to the review process
 - Any other improvements or suggestions

Minimum Discount Value

- Raise minimum discount value from 90% to 95% to align with other state tax credit transfer rates

Minimum Discount Value

- The Department asks for comments on:
 - Implications of raising the minimum discount value, including implications for other tax credit programs
 - Any other improvements or suggestions

Other Improvements

- Application fee will be reduced from \$0.007 to \$0.006 per \$1 of tax credit requested
- Dry ton will be defined as the amount of biomass that would weigh 2,000 pounds at zero percent moisture content
- Remove reference to the Criteria for Qualifying Cogeneration Facilities in 18 C.F.R 292.205 and replace with a comparable definition in rule

Other Improvements

- The Department asks for comments on:
 - How cogeneration should be defined in these rules and what the requirements should be for efficiency or thermal energy use
 - Any other improvements or suggestions

Rulemaking schedule

- Notice of proposed rulemaking will be made in the August 1 edition of the Oregon Bulletin
- Public hearing will be held on August 16, 2011 from 9:00 AM – 12:00 PM
 - Location:
Oregon Department of Energy
625 Marion Street NE
Salem, OR 97301
- Public comment period closes at 5:00 PM on August 18, 2011



Thank You



- BPC Rules Website:

- http://www.oregon.gov/ENERGY/get_involved_with_ODOE.shtml#Biomass_Producer_or_Collector_Tax_Credit

- BPC Program Website:

- <http://www.oregon.gov/ENERGY/RENEW/Biomass/TaxCdt.shtml>