June 9, 2009

**Further Cuts to the BETC for Will Dramatically Reduce Oregon’s Competitive Edge**

- The Senate Finance and Revenue Committee’s proposed amendments to HB 2472 make significant cuts to the BETC for all types and sizes of renewable energy projects, including solar, biomass, geothermal, wind, wave and co-generation, including:
  - Reducing the tax credit to 30% of facility costs, with facility costs capped at $10 million, from 50% of facility costs, with facility costs capped at $20 million. For example, a $50,000 solar project’s tax credit would be reduced to $15,000 from $25,000 today.
  - Eliminating the value of state and federal grants
  - Applying the cuts retroactively starting June 1, 2009, and as a result, penalizing projects that applied under the current BETC value.

- Why argue with success for Oregon’s rural communities?
  - The BETC has been a key tool to attracting 1,224 MW (enough electricity to serve 300,000 households) of wind projects currently operating in rural Oregon
  - These wind projects have produced approximately:
    - $225 million in rural property tax revenues and community service fees
    - $2 billion in capital investment
    - 1,650 construction and operations jobs
    - $4-8 million annually in landowner payments to ranchers and farmers

- Further cuts to the BETC would give Washington a significantly stronger competitive edge for new wind energy project development
  - Washington looked past a $9 billion budget deficit and extended its state sales tax exemption for renewable energy equipment this year.
  - Currently the BETC makes a 100 MW wind project in Oregon 3% less expensive, and more competitive, than in Washington.
  - HB 2472 cuts the maximum tax credit to $7.5 million. A maximum tax credit of $7 million equalizes a project’s tax liabilities across the two states.
  - The proposed amendments to HB 2472 would cut the maximum tax credit available to $3 million, giving Washington a significant competitive edge over Oregon.

- Keep Oregon on track to bring wind energy development and manufacturers to the state
  - 2,332 MW of additional wind projects have been permitted for development in rural Oregon, with the potential to provide approximately:
    - $319 million in rural property tax revenues and community service fees
    - 3,000 jobs
    - $8-15.5 million annually in landowner payments to ranchers and farmers
  - Vestas and REPower, wind turbine manufacturers, have established their North American headquarters in Portland and are looking to significantly expand staffing.