

# Business Energy Tax Credit

## Permanent Rules



**Oregon Department of Energy**  
**November 16, 2010**

# Rulemaking Process

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- Temporary Rules May 27, 2010
- Public Hearing September 14, 2010
- Public Comment deadline September 16
- Permanent Rules before November 23, 2010

# Completed Application OAR 330-090-0110

- Added sunset provisions

**“Completed Application”:** Contains all of the information required in OAR 330-090-0120 and payments under OAR 330-090-0150. All questions on the application must be answered. A final certification application shall also include pass-through partner(s) information, when the facility owner chooses to transfer the credit under ORS 469.206.

[allowance for Department to hold these applications]

(a) For purposes of administering the sunset of the program, the Department may issue a Final Certificate to a facility owner who has opted to transfer a tax credit under ORS 469.206, when no partner is identified with sixty days of the sunset.

# Facility Definition OAR 330-090-0110

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- Clarified requirement for solar projects

**The solar array and the structure that supports it must be used exclusively for business purposes. The applicant must supply a recent utility billing statement and a power purchase or net metering agreement, with a local utility in the name of the business. If the system is being placed on a rental dwelling, a signed rental agreement must be provided and the property must remain a rental property for at least five years. Arrays erected at a location that includes a residence that is not a rental dwelling, must be separately metered from the residence to qualify for a BETC.**

# High Performance Home OAR 330-090-0110

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- Included definition for row/townhomes
  - Shall be a detached single-family dwelling unit or a single-family dwelling unit constructed in a group of two or more attached units in which each unit extends from foundation to roof and with open space on at least two sides.**

# Code Changes OAR 330-090-0110

- Updates in code references for HVAC Equipment

**Heat pumps must have an energy input that is entirely electric and be rated with a Heating Season Performance Factor (HSPF) or Coefficient of Performance (COP) as follows or higher:**

**(A) Air source heat pumps: 8.5 HSPF**

**(B) Water source heat pumps: ~~4.2 COP~~ or ten percent greater than COP listed in Oregon Energy Efficiency Specialty Code Chapter 5, Table 503.2.3(2)**

**(C) Air Conditioning: ten percent greater than COP listed in Oregon Energy Efficiency Specialty Code Chapter 5, Table 503.2.3(1)**

# Renewable Storage Device OAR 330-090-0110

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- Clarifies that list is not exclusive

**A Renewable Energy Storage Device includes, but is not limited to, batteries or similar devices used to provide propulsive energy in electric vehicles. The storage device may be designed to store energy for transmission lines provided that the transmission lines serve, at least in part, renewable energy resources.**

# Rental Weatherization OAR 330-090-0110

- Added list of eligible second measures

**An applicant must be planning to perform a minimum of two weatherization measures on the rental dwelling if one of the measures is to replace windows on the rental dwelling. Eligible second measures include one of the following:**

- (A) Adding floor insulation to R-21,**
- (B) Attic/ceiling/roof insulation to R-38 to cavity fill,**
- (C) Wall insulation to R-13 or cavity fill,**
- (D) Replacing exterior doors to R-5,**
- (E) Duct sealing and testing by a contractor certified by the Residential Energy Tax Credit program, or**
- (F) An applicant can provide an energy audit demonstrating that the measures (A) through (E) above have already been completed.**

# Trucking Standards OAR 330-090-0110

- Projects add two or more USEPA Smartway Efficiency measures (no APU required)
  - Retrofit a truck or add to a newly-manufactured truck two or more USEPA Smartway efficiency measures. With a newly-manufactured truck, a new trailer with two or more Smartway efficiency measures may also be included with this project.**
- 35% tax credit of 71.5% of eligible certified costs
- Payback period returned to >1 to 15 years
  - The facility's simple payback period must be between more than one and fifteen years.**

# Renewable Amendments OAR 330-090-0130(7)

- Capacity modifications instead of equipment modifications

**Equipment capacity modifications within 10 percent of the approved specification.**

- Increase allowable amendments for renewable projects with preliminary certificates on or after July 1, 2010

**Changes in ownership.**

# Final Applications OAR 330-090-0133(1)

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- Safe harbor date to submit final application at program sunset

**Prior to the program sunset, the Director will process a complete final certification application received by April 30, 2012. The Director does not guarantee that a complete final certification application received after April 30, 2012, will be processed prior to the program sunset.**

# Investor Owned Utilities OAR 330-090-0140

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- Detailed work plan for preliminary certification
- CPA letter when an individual rental dwelling has costs more than \$50,000
- Updating the requirements for the cash payment to the owners of the rental unit

# Tier Process

OAR 330-090-0350

- Updated tier one process relating to when applications are accepted
- Clarified allocation of tax credits between funding periods
- Updated list of tier two and three criteria

# Questions & Comments

