

Oregon Business Energy Tax Credit

**Application for
Preliminary Certification
for Renewable Energy Resource Generation Projects**
(For small projects, use Application for Solar Photovoltaic Projects
and Application for Solar Thermal Projects)

Business owners and others who invest in renewable energy resource generation projects in Oregon may be eligible for a state tax credit. The tax credit is 50 percent of eligible project costs. The tax credit is filed over five years: 10 percent each year. 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 50 percent 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 Conservation 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 tax credit recipient must receive a Final Certificate before the credit can be claimed on an Oregon tax return.

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 Renewable Energy Resource Generation Projects. He or she must send the signed form, supporting documentation, and payment for review costs 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 charge.

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 may issue a Final Certificate. Under no circumstances can the Oregon Department of Energy approve more than 10 percent above 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 (10 percent each year). 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

Renewable Energy Resource Generation Project

(For small projects, use Application for Solar Photovoltaic Projects
and Application for Solar Thermal Projects)

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"/> 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*:		
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 Oregon 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:

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

7. 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:

8. Resource supply—Which resource will the project use? (Check one.) Attach data that shows the resource can be used for the life of the project. Following are requirements by resource type.
<input type="checkbox"/> Biomass: Data that show the fuel characteristics and that the resource is available in an amount that exceeds the project's fuel needs. <input type="checkbox"/> Geothermal:(Not including heat pump systems.) A plot of well head temperature versus time at the design flow rate and steady state temperature. <input type="checkbox"/> Wind: The average monthly wind speed for 12 months. Measure wind speed at the hub height of a horizontal axis wind machine, or measure wind speed at two heights, one at least 10 meters above ground. <input type="checkbox"/> Hydro: Data that show that the head and average monthly flow of the source can provide energy at a level that meets or exceeds project requirements. <input type="checkbox"/> Solar: Data that show that the amount of solar energy available to the project site and the capacity of the storage system exceed the project's energy requirements.

9. Energy production—Estimate the net amount of energy the project will produce each month during the FIRST FULL YEAR it runs. Net means the amount available after subtracting transmission losses and the energy used to run the project. Be realistic about down time and difficulties as well as operation and maintenance.

Month	therms, kWh or MMBtu						
Jan		Apr		Jul		Oct	
Feb		May		Aug		Nov	
Mar		Jun		Sep		Dec	

Total energy production for the first full year (include units, i.e., therms, kWh or MMBtu):

If this is an electricity-generating project, what is the rated capacity? _____ kW

Show how these amounts were calculated. (Attach separate sheets if necessary.)

10. Project goals—What will you do with the energy the project generates? (Check one.)

- Sell it only to a utility or energy service supplier. (If checked, skip questions 11 and 12.)
- Use it on-site only. (If checked, skip question 14.)
- Use it on-site AND sell it to a utility or energy service supplier. (If yes, answer all questions.)

OVER

11. Energy use without project—Calculate the energy use for the past year for the building or process the project will serve. Show how the proposed system will accommodate both power and demand.

a. Energy use for the past 12 months:

Electricity: _____ kWh	Natural gas: _____ therms	Oil: _____ gallons	Other (specify fuel/units): _____
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b. Show how you calculated your answer. Use the space below or attach separate sheets. (Attach a copy of utility bills for the past 12 months if the building or process user is on a meter.)

c. What is the peak demand? _____ kW or therms

d. When does peak demand occur?

12. Conventional energy use displaced through project—Show net conventional energy use displaced by the project per year. “Net” is what is left after subtracting the energy used to run the project.

Electricity: _____ kWh	Natural gas: _____ therms	Oil: _____ gallons	Other (specify): _____
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Show how you calculated your answer. Use the space below or attach separate pages.

OVER

13. Project cost savings—Calculate the project cost savings per year using the table below.

Fuel type	a. Conventional energy use displaced (item 12)	b. Fuel cost per unit	c. Cost savings (a x b)
Natural gas	therms	\$	\$
Electricity	kWh	\$	\$
Oil	gallons	\$	\$
Other:		\$	\$
		Total	\$

14. Power sales

a. Is a power sales contract: Under negotiation? Yes No
 Completed? Yes No

b. Name of utility or energy service supplier you will sell power to?

c. List expected sales revenue for power generation sold to the utility or energy service provider:

Year	Annual kWh or therms	\$ per kWh or therm rate	= Sales revenue
1		X	=
2		X	=
3		X	=
4		X	=
5		X	=
6		X	=
7		X	=
8		X	=
9		X	=
10		X	=
11		X	=
12		X	=
13		X	=
14		X	=
15		X	=
16		X	=
17		X	=
18		X	=

14. Power sales continued

Year	Annual kWh or therms	\$ per kWh or therm rate	=	Sales revenue
19		X	=	
20		X	=	
Total energy revenue for 20 years:				\$
d. Does the power sales contract have seasonal and time-of-day clauses? <input type="checkbox"/> No <input type="checkbox"/> Yes (Please explain)				
e. Is there a penalty for under-production? <input type="checkbox"/> No <input type="checkbox"/> Yes (Please explain)				
f. Average annual revenue: Total energy revenue ÷ years project will operate = \$				
g. If applicable, what is the project's estimated sale of capacity?				
	kW X	\$/kW/year = \$		annual capacity payment
	therms X	\$/therm/year = \$		annual capacity payment
h. Total average annual revenue. Add energy and capacity revenues:				
\$	average annual revenue + \$			annual capacity payment = \$

15. Project description. Attach separate pages if needed.

a. Sketch the project layout. Label major equipment, such as pumps, generators and boilers. Use arrows to show directions of energy flow. Include flow rates in units such as gallons per minute, cubic feet per minute or pounds per hour.

15. Project description (continued). Attach separate pages if needed.

a. continued

b. List the manufacturer, model number, and size or rating of major pieces of equipment. For a wind project with turbines of 100 kW or less, attach a test report for each model of turbine.

c. Describe the control and protection equipment. Is it a DC, single-phase or three-phase system? Will the equipment protect the developer as well as the utility?

OVER

15. Project description (continued). Attach separate pages if needed.

d. Describe any needed transmission system. Is it overhead or buried? Describe installation of the lines.

e. If the utility's system must be upgraded, explain. Who will pay for the upgrade? Who will own the utility upgrading hardware that you pay for?

16. Licenses and permits—List all federal, state, and local licenses and permits the project requires.

License/permit type	Issuing agency	Status of application (check all that apply)				
		Developed	Applied	Approved	Denied	Appealed
		Developed	Applied	Approved	Denied	Appealed
		Developed	Applied	Approved	Denied	Appealed
		Developed	Applied	Approved	Denied	Appealed

17. Equipment specifications and estimated project 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.	
Materials:	Estimated cost:
Labor:	Estimated cost:
Engineering:	Estimated cost:
Other: (Do not include Business Energy Tax Credit review costs)	Estimated cost:
Total of Estimated Costs from above:	A. \$
Deduct any federal grants: Note: OAR 330-090-0110 (19) (n) 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 and the Business Energy Tax Credit may not exceed eligible costs.	B. \$
TOTAL Eligible Project Cost Take A and subtract B to get the total Eligible Project Cost (C)	C. \$

18. Simple payback period —Calculate how long the project will take to pay for itself.	
a. Total eligible project cost (See Section 17C)	\$
b. Project value. (Enter zero for any item below that does not apply to your project.)	
1. Cost savings per year (See Section 13)	\$
2. Total average annual revenue (See Section 14)	\$
3. Total project value (b.1 + b.2)	\$
c. Simple payback: total eligible cost (a) ÷ total project value (b.3)	years

19. Business Energy Tax Credit review charge

Applications will **not** be reviewed until review charge is paid in full.

Total eligible project cost (See Section 17C) _____ x .0060 = \$ _____

Minimum payment required is \$30; maximum payment is \$35,000. Make check payable to the Oregon Department of Energy and include with this application. You may also pay by Visa or MasterCard.

I want to pay by Visa/MasterCard. Please contact me at this phone number: _____.

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 eligible costs, an additional payment may be required. For more information, see Oregon Administrative Rule 330-90-0150(2).

20. 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: _____

Printed 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**