

Draft Criteria for Consideration

The Oregon Department of Energy seeks public comment and input on criteria that will be used when certifying tax credits authorized in ORS 315.141. The following options are presented for consideration and comment. The department will accept written comments on these criteria through June 16, 2010.

<p>Biomass Producer or Collector Tax Credit - Draft Criteria for Consideration</p> <p>Criteria that apply to all biomass feed stocks:</p> <ul style="list-style-type: none"> • Biomass must be produced or collected in Oregon • Biomass must be used as biofuel or used to produce biofuel in Oregon • Applicant must hold title to the biomass when the biomass is delivered to a biofuel producer • Only one taxpayer may receive a certified credit for each unit of biomass. If there is a conflict or misunderstanding about who is eligible for the credit, priority will be given to the agricultural producer or biomass collector that originally produced or collected the biomass
<p>Oil Seed Crops - \$0.05/pound.</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to a liquid biofuel
<p>Grain Crops - \$0.90/Bushel.</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to a liquid biofuel
<p>Virgin oil or Alcohol - \$0.10/gallon</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to a liquid biofuel
<p>Used cooking oil or waste grease - \$0.10/gallon</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to a liquid biofuel • Brown grease that is not dewatered prior to delivery to a biofuel producer will be provided a credit based on 20% of the delivered weight of the oil and water mixture, unless the applicant can demonstrate additional measurement
<p>Wastewater Biosolids - \$10/ton</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to energy at a biofuel producer with a heat rate of 7,200 Bth/Kwh* or less or used to produce a densified fuel with a minimum Btu value of 9,000 Btu/Pound
<p>Woody Biomass - \$10/ton</p> <p><i>Criteria:</i></p> <ul style="list-style-type: none"> • Biomass must be converted to energy at a biofuel producer with a heat rate of 7,200 Bth/Kwh* or less.

<ul style="list-style-type: none"> • Credit is only provided to solid biofuel production from woody biomass that does not have a consumer tax credit that is provided by the state of Oregon • Credit is only provided for biomass collection activities that are not provided a payment or incentive from the federal government • Credit is only provided to biomass that is collected within 100 miles of the biofuel producer
Grass, wheat, straw or other vegetative biomass from agricultural crops - \$10.00/ton
<i>Criteria:</i> <ul style="list-style-type: none"> • Biomass must be converted to energy at a biofuel producer with a heat rate of 7,200 Bth/Kwh* or less or used to produce a liquid biofuel
Yard debris - \$5.00/ton
<i>Criteria:</i> <ul style="list-style-type: none"> • Biomass must be converted to energy at a biofuel producer with a heat rate of 7,200 Bth/Kwh* or less or used to produce a liquid biofuel • Credit is only provided to solid biofuel production from woody biomass that does not have a consumer tax credit that is provided by the state of Oregon • Yard debris must meet the definition in ORS 459
Municipally generated food waste - \$5.00/ton
<i>Criteria:</i> <ul style="list-style-type: none"> • Biomass must be converted to energy at a minimum efficiency of 30%.**
Animal manure or rendering offal - \$5.00/ton
<i>Criteria:</i> <ul style="list-style-type: none"> • Biomass must be converted to energy at a minimum efficiency of 30%.**

*Heat Rate calculated using the fuel chargeable to power heat rate calculation:
The equation for the fuel chargeable to power heat rate calculation is $FCP = (FI - FD) / P$, where:
(a) FCP = Fuel chargeable to power heat rate.
(b) FI = Annual fuel input applicable to the co-generation process in Btu (higher heating value).
(c) FD = Annual fuel displaced in any industrial or commercial process, heating, or cooling application by supplying useful thermal energy from a co-generation facility.
(d) P = Annual net electric output of the co-generation facility in kilowatt-hours.

**Engine-Generator Set Electrical Efficiency:
Electrical energy generated (kWh) / Biogas consumed by engine (ft³ or Btu's)