

LEGISLATIVE CONCEPT

A concept proposed to the Renewable Energy Working Group (REWG)

From the REWG Incentives Committee – August 14, 2008

Concept Subject/Title **BETC Technical Changes / Fuel Cells**

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◆ BRIEF DESCRIPTION OF THIS CONCEPT:

Would amend BETC standards to provide for the full 50% tax credit for "any fuel cell system which can use renewable fuels, represents a significant improvement in emissions compared to existing technology, and which is at least 30 percent more energy efficient than existing technologies or the technology it is designed to replace."

◆ PURPOSE OF THIS CONCEPT (DESCRIBE PROBLEM YOU ARE TRYING TO SOLVE AND SUGGESTED SOLUTION):

Six other states have provided large scale investment and support for their fuel cell manufacturers. Expanding the BETC credit for Oregon fuel cell purchases could help level the playing field and lead to reductions in per-unit costs and thus more rapid commercialization in the fuel cell market, which is expected to increase by more than 10-fold in the next several years. Potential purchasers of Oregon fuel cell systems have been dissuaded from acquiring systems because energy efficient, ultra low emissions fuel cells which can use renewable power are currently only eligible for the 35% discount. Increasing to 50% and certifying fuel cells as clean, efficient and renewable will help marketing and sales efforts of Oregon manufacturers.

◆ POLICY IMPLICATIONS:

Potentially, this small change in state policy could result in dramatic increases in production of fuel cells by the state's three fuel cell manufacturers. Such a change could lead to increased employment, increased state tax revenue, and further development and deployment of large scale fuel cells which could replace dirty sources of power (i.e. diesel generators) and help meet the Governor's climate goals.

◆ PARTNERS OR OTHER AGENCIES AFFECTED:

Agency:

Person you talked to about concept:

Phone:

◆ KNOWN SUPPORT

ALL OF OREGON'S FUEL CELL MANUFACTURERS, BEND CHAMBER OF COMMERCE, NUMEROUS LEGISLATORS,

◆ KNOWN OPPOSITION:

NONE.

◆ THIS CONCEPT: (Do not skip answers. Enter *none* or *N/A* as needed.)

Revises or repeals ORS Revises.

Adds new sections to ORS Chapter _____

Check one: Major program change Minor program change Technical correction/housekeeping only

Was previously proposed in: Year _____ as Bill No. _____

Why are you proposing it again (what changed)? _____

Is a PLACEHOLDER? No Yes Expected date of completion: _____

Reason not completed: _____

Is due to legal decision: Case cite: or AGO No./date (*attach copy*)

Raises fees or assessments? No Yes (*attach Fiscal Impact Estimate and form 107BF22*)

Imposes or adds to unfunded mandate on local governments? No Yes (*attach Fiscal Impact Estimate*)

Has other fiscal, revenue, or position impacts? No Yes (*attach Fiscal Impact Estimate*)

Have you discussed this Concept with your Attorney General liaison? No Yes
