



March 10, 2016

KATE BROWN  
Governor

The Honorable Jeanne P. Atkins  
Secretary of State  
136 State Capitol  
900 Court Street NE  
Salem, OR 97310

Dear Secretary Atkins:

Today I signed into law SB 1507, which creates or provides adjustments to various state tax credit programs.

SB 1507 includes specific provisions related to the issuance of tax credits for biomass collection and transport that is used to generate energy. The biomass program, originally set to sunset on January 1, 2018, will now be extended to January 1, 2022. Other changes include an adjustment to pricing and procedures for revoking a biomass-related tax credit.

The biomass tax credit is one of several incentive programs overseen by the Oregon Department of Energy. In December 2015, I called for an evaluation of ODOE programs, with a directive for the departments of Administrative Services, Revenue, and Energy to review ODOE's administration of tax credit programs and develop recommendations for how those programs might operate in the future. In January, the Oregon Legislature's Joint Committee on Department of Energy Oversight met for the first time. The committee will continue to meet through October 2016 to review the agency's programs and develop recommendations for the 2017 session.

Though the biomass producer and collector tax credit program is being extended, there are still outstanding questions about the effectiveness, scope, and administration of energy tax credits. Processes already underway are attempting to answer these questions, and I respectfully offer that we must remain open to additional changes and improvements to how or whether the state provides energy-related incentives.

I look forward to recommendations from the directors of the three agencies above and from the Joint Committee on Department of Energy Oversight to help chart this path forward.

Sincerely,

Governor Kate Brown

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