



Oregon

Kate Brown, Governor



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AGENDA

Energy Advisory Work Group

Monday, October 23, 2017

1:30 p.m. to 3:00 p.m.

Meitner Conference Room

Welcome and Director Transition	Janine Benner	5 min
Energy Advisory Work Group Roundtable and Introductions	Janine Benner	15 min
Governor's Office Updates	Ruchi Sadhir	15 min
Building the Biennial Energy Report	Janine Benner	25 min
Project Updates		15 min
- Jordan Cove and Pacific Pipeline	Sean Mole	
- ODOE Incentive Programs Sunset	Michael Williams	
2017-2019 Biennial Budget Update	Blake Johnson	5 min
Agenda Suggestions and Closing Comments	Janine Benner	10 min

Biennial Energy Report

A comprehensive report on the state's energy outlook

Oregon's energy landscape is changing.

In 2017, the Oregon Legislature, recognizing that the energy world has changed dramatically since the 1970s, charged the Oregon Department of Energy with developing a new Biennial Energy Report. This report will summarize and analyze Oregon's current energy resources while exploring energy topics important to stakeholders across the state.

A 21st century energy report: here's what it will cover.

The report, based on analysis of data and information collected and compiled by ODOE, will address trends, impacts, and changes in the energy sector and what that means for Oregon.

Understanding Oregon's Energy Landscape - What We Make, What We Buy, and How We Use It

Energy costs, Oregon's resource mix, and more will be covered, along with relevant data and trends in energy consumption, generation, transmission, and production.

Examining the Policies that Shape the Development and Use of Oregon's Energy Resources

ODOE will assess energy policy planning, investment, and development across the state, with information that can be used to inform and shape new policies and regulations.

Exploring Oregon's Energy Opportunities, Resource Trends, and New Technologies

This report is by Oregonians for Oregonians, with an emphasis on energy issues important to the state. That includes topics such as energy markets, new technologies, and forecasts of energy sector changes.

Here's how you can be involved.

This report is for Oregonians - particularly those involved in energy-related planning, policies, and decisions. We'll be gathering feedback on what should be included in the report throughout the fall and early winter of 2017. Tell us what kind of information **you** would like to have to do your job or to learn about energy in Oregon. We can't guarantee that every good idea will make it into the first report, due in November 2018, but we absolutely believe that input will shape and improve our final product.





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MEMORANDUM

To: Energy Advisory Workgroup

From: Sean Mole, Federal Projects Coordinator

Date: October 23, 2017

Re: Jordan Cove Liquefied Natural Gas Export Facility and Pacific Connector Gas Pipeline

Project Description

Jordan Cove Energy Project (see map on page 3)

A natural gas liquefaction and liquid natural gas (LNG) export facility located on the North Spit of Coos Bay, capable of producing and exporting 7.8 million tons per annum of LNG. The site will include: liquefaction facilities; slip access channel; and loading and emergency lay berths.

Additionally, the Coos Bay navigation channel would be dredged to accommodate the approximately 120 annual LNG tankers passing in and out of the bay. These tankers will be limited to daylight travel for the first year of operations.

Pacific Connector Gas Pipeline (see map on page 4)

229-232 miles of 36-inch steel pipeline transporting a maximum 1.2 MDth/d across Klamath, Jackson, Douglas, and Coos counties; originating near Malin, Oregon, where it connects the Ruby Pipeline and Gas Transmission Network pipeline to the proposed export facility in Coos Bay.

The combined components of the project have an estimated total construction cost of approximately \$10 billion.

Permits

The Jordan Cove Energy Project and Pacific Connector Gas Pipeline proposal is the third iteration of this project. This project falls within the jurisdiction of the Federal Energy Regulatory Commission (FERC); however, many state and local permits and/or concurrence determinations need to be obtained as well. Jordan Cove and Pacific Connector filed formal applications with FERC on September 21, 2017. The company anticipates approval by November 2018, construction to commence in early 2019, and to be fully operational in 2024. State agency permits are available to view on ODOE's website.

Additional Information

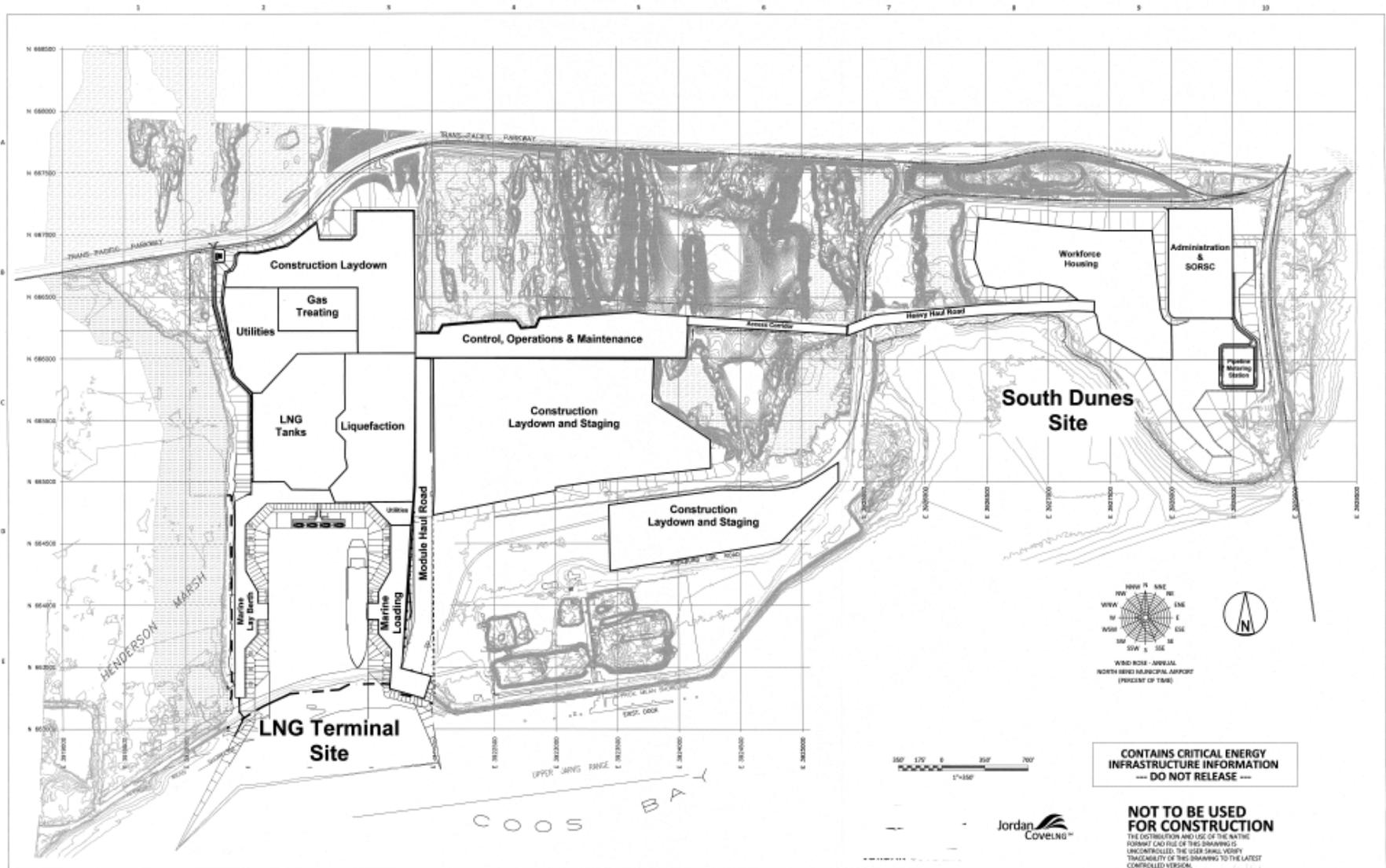
Applicant Info: <http://jordancovelng.com/>

<http://pacificconnectorgp.com/>

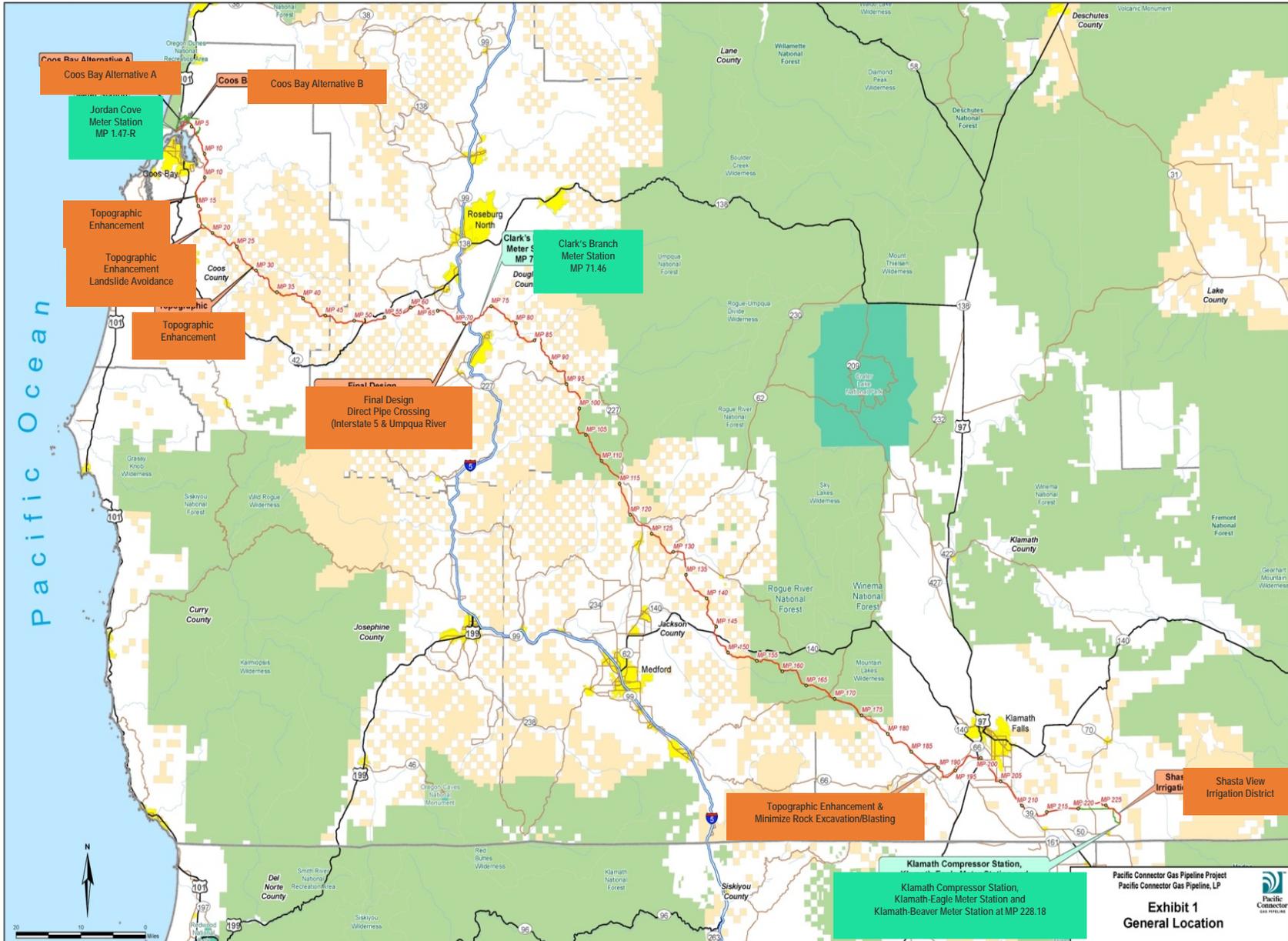
FERC Info: https://elibrary.ferc.gov/idmws/docket_search.asp (search docket PF17-4)

ODOE Info: <http://www.oregon.gov/energy/facilities-safety/facilities/Pages/Jordan-Cove.aspx>

Jordan Cove Export Facility



Pacific Gas Connector Pipeline



Pacific Connector Gas Pipeline Project
 Pacific Connector Gas Pipeline, LP
Exhibit 1
General Location



Changes are coming to many Oregon Department of Energy programs!

Most of the energy incentives overseen by the Oregon Department of Energy are scheduled to sunset at the end of the 2017 tax year. The following information can help you plan ahead and see if your project qualifies for an incentive as current programs wind down.

Programs scheduled to sunset:

- Residential Energy Tax Credits
- Conservation and Transportation Energy Tax Credits Under the Energy Incentives Program
- Biomass Collector & Producer Tax Credit

The above programs will sunset with the end of the 2017 tax year. For residential programs, that means all eligible devices must be purchased by December 31, 2017, and operational by April 1, 2018. For commercial programs, the end of the 2017 tax year depends on the applicants' tax year. For the Biomass Collector & Producer program, all feedstocks, including manure, will expire. Read on for details about preparing for the sunset of these programs.

Programs administered by other state agencies:

- **State Home Oil Weatherization Program** – SHOW will move to Oregon Housing & Community Services as of January 1, 2018, where it will dovetail with that agency's work with housing advocates and low-income communities
- **Zero Emissions Vehicle Rebate Program** – the Oregon Department of Environmental Quality is developing a **new** program to offer rebates on purchases or leases of electric vehicles that operate with zero emissions
- **Bovine Manure Tax Credit Program** – the Oregon Department of Agriculture will administer a **new** program focused on dairies that collect manure that is used to produce biofuel. The program will begin with the 2018 tax year

Programs that will continue at ODOE:

- **Renewable Energy Development Grants** – these grants, which help fund renewable energy generation, will continue until funds are exhausted
- **The Small-Scale Energy Loan Program**
- **Energy-related services and programs** that help Oregon businesses, residents, nonprofits, tribes, and public agencies save energy and generate renewable energy
- **Energy-related emergency preparedness programs and Hanford cleanup oversight**
- **Energy facility siting and oversight**
- **Energy policy work** covering everything from electric vehicles to grid modernization to energy storage



Changes to the Residential Energy Tax Credit Program

The Oregon Department of Energy will offer tax credits for solar photovoltaic systems, heat pump water heaters, ductless heat pumps, furnaces, and other select energy efficiency devices through the end of the 2017 tax year.

A full list of eligible devices is available on our website: <https://tinyurl.com/eedevices>.

The top three dates to keep in mind if you'd like to qualify for a RETC:

- December 31, 2017: deadline for purchasing your device. If you're installing a rooftop solar PV system, your contractor must submit your initial application to PowerClerk by this date.
- April 1, 2018: deadline for having your device installed and operational.
- June 1, 2018: deadline by which ODOE must receive your final application.

What else do I need to know about the sunset of this tax credit program?

- Any eligible device purchased by December 31, 2017 and operational by April 1, 2018 will be eligible to receive a RETC as long as your final application is received by June 1, 2018.
- Residential Energy Tax Credits do not run out. All eligible projects purchased, installed, and applied for within the timeframes outlined above may receive a tax credit.
- The program's sunset affects when tax credits may be sold. RETC is a personal income tax credit. ODOE must receive your application to sell your credit by June 1, 2018.
- The sunset of the program does not affect your ability to redeem multi-year residential energy tax credits previously issued by ODOE.

For More Information:

We welcome your questions! Please contact the Oregon Department of Energy at askenergy@oregon.gov or 1-800-221-8035. Questions about the Residential Energy Tax Credit can also be sent to askRETC@oregon.gov. For questions about your taxes, please consult your tax advisor, accountant, or the Oregon Department of Revenue at www.oregon.gov/dor.



Changes to the Energy Conservation & Transportation Tax Credit Program

The Oregon Department of Energy will offer tax credits through our Energy Incentives Program through the end of the 2017 tax year for projects that already applied under an open opportunity announcement. Read on for details.

Your Tax Year Drives Application Deadlines

- Incentive programs expire at the end of **your** 2017 tax year, which for some may be as early as December 31, 2017.
- ODOE must receive your final application before the expiration of your preliminary certificate or before the end of your 2017 tax year, **whichever comes first**. Your preliminary expiration date is listed on your preliminary certificate.

Completing Your Conservation/Transportation Project

- To be eligible for a tax credit, your project needs to be completed and operating, and ODOE must receive your final application by the end of your 2017 tax year.
- Time needed to complete the application varies by project owner. ODOE must receive your final application before your preliminary certificate expires or before the end of your 2017 tax year, whichever comes first.
- If you don't think you can complete your project, you may be able to amend your preliminary certificate to receive an incentive for what can be completed by the sunset. The amended project must meet program criteria and be completed as amended.

Selling Your Tax Credit?

- You can sell your credit once you have submitted a final application, your project has been inspected, and ODOE has issued a certified amount letter or a tax credit certificate.
- People or entities purchasing your tax credit must do so within their 2017 tax year, which could be different than yours.
- Remember: when determining when to submit your final application, please factor in time for final application review – including inspection – and the time to complete a sale of the tax credit within the 2017 tax year of the person or entity purchasing the credit.

What else do I need to know about the sunset of these programs?

- The sunset of the program does not affect your ability to redeem any final tax credit certificate previously issued by ODOE.

For More Information

Contact us at askenergy@oregon.gov or 1-800-221-8035. Questions about our commercial incentive programs can also be sent to energy.incentives@oregon.gov. Please consult your tax advisor, accountant, or the Oregon Department of Revenue to verify your tax year or for other tax-related questions.



Information for Project Owners with an Energy Incentives Program Performance Agreement

EIP Performance Agreements

- Conservation projects with certified project costs over \$1 million that submitted an application for final certification on or after September 1, 2015 are required to enter a Performance Agreement with the Oregon Department of Energy.
- If your project has a performance agreement, the program sunset does not change your responsibility to submit required quarterly or annual reports to ODOE. Not doing so could affect your tax credit. Please refer to your performance agreement for more information.

Tax Credit Recertification

- Conservation projects with certified project costs over \$1 million subject to a performance agreement are required to recertify tax credits.
- Affected projects must meet the recertification requirements of their performance agreement to receive the entire value of the tax credit, even after the sunset of the program.
- For projects subject to recertification, the tax year 2017 sunset applies to the first tax year for which the credit can be claimed.
- The sunset will not affect your ability to redeem or transfer the remaining portions of your tax credit as long as the first year for which the credit will be eligible is before the sunset. Subsequent portions of the tax credit may be recertified and then claimed or sold after the sunset of the program pursuant to the performance agreement.

For Additional Information

Contact us at askenergy@oregon.gov or 1-800-221-8035. Questions about our commercial incentive programs can also be sent to energy.incentives@oregon.gov. Please consult your tax advisor, accountant, or the Oregon Department of Revenue to verify your tax year or for other tax-related questions.



Changes to the Biomass Collector or Producer Tax Credit Program

The Oregon Department of Energy will offer tax credits through the Biomass Collector or Producer Tax Credit Program through the end of the 2017 tax year.

For All Biomass Program Participants:

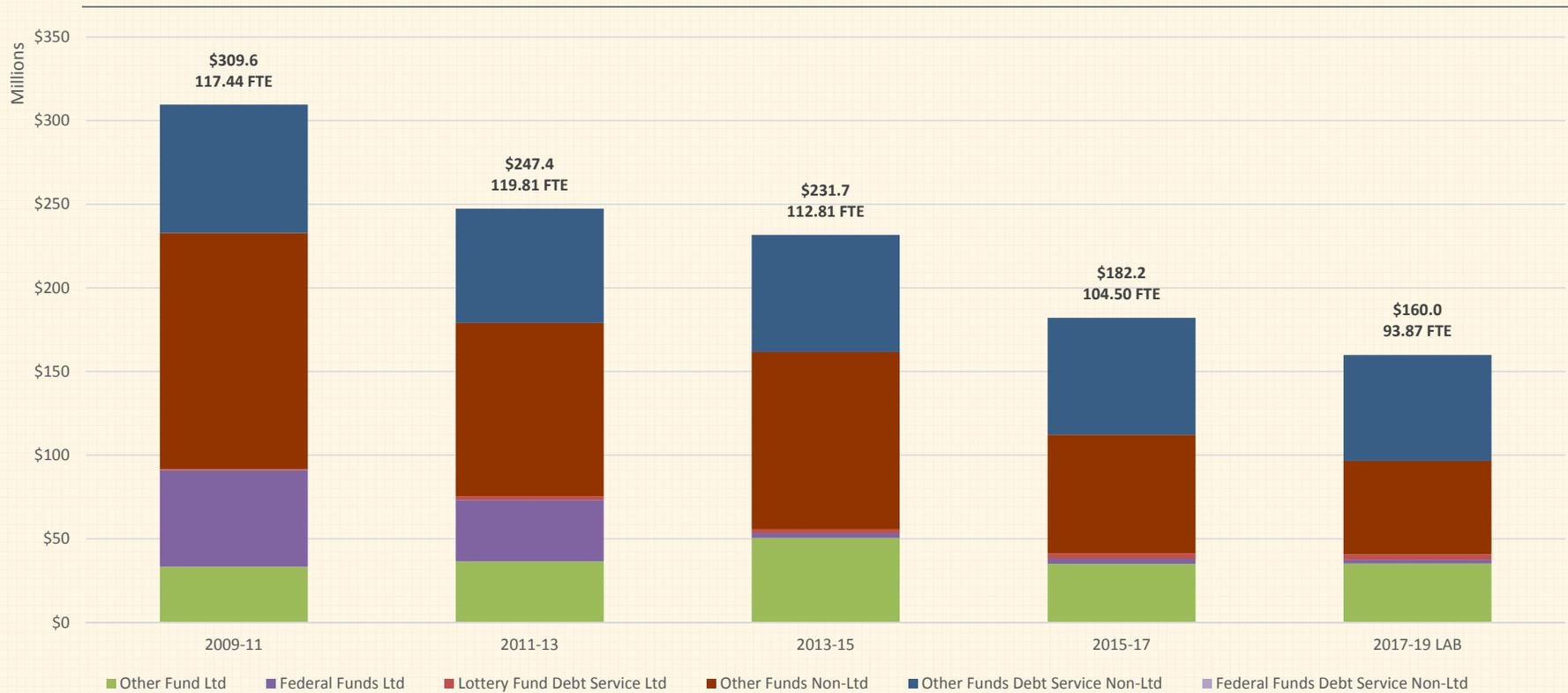
- ODOE's biomass tax credit program sunsets with your 2017 tax year for all feedstocks.
- ODOE must receive your biomass tax credit application within 60 days of the end of your 2017 tax year.
- A **new** Bovine Manure Tax Credit Program will be administered by the Oregon Department of Agriculture beginning with the 2018 tax year.

For More Information:

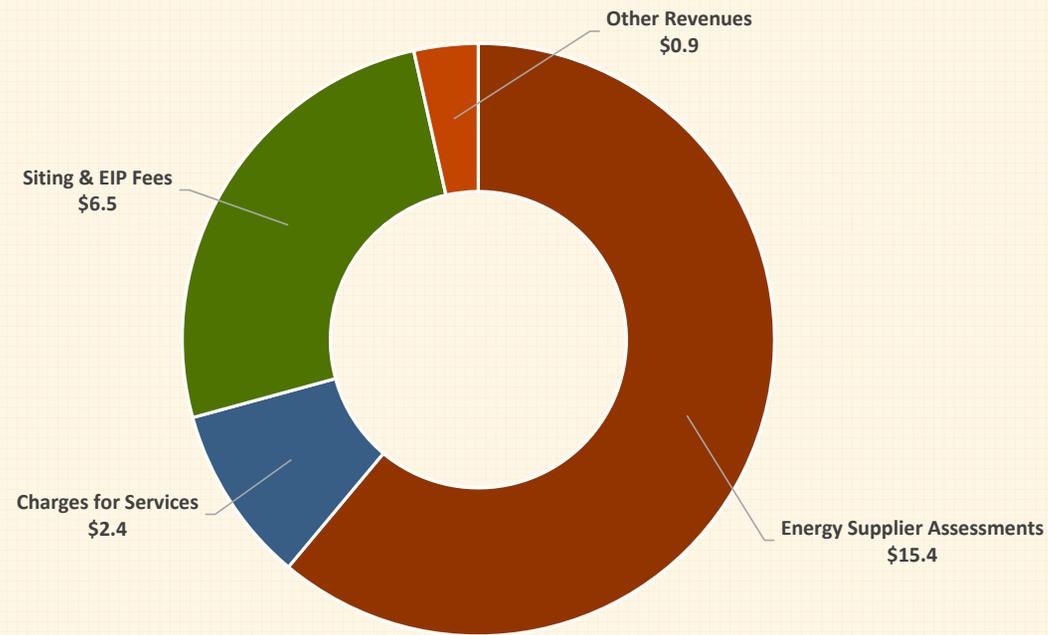
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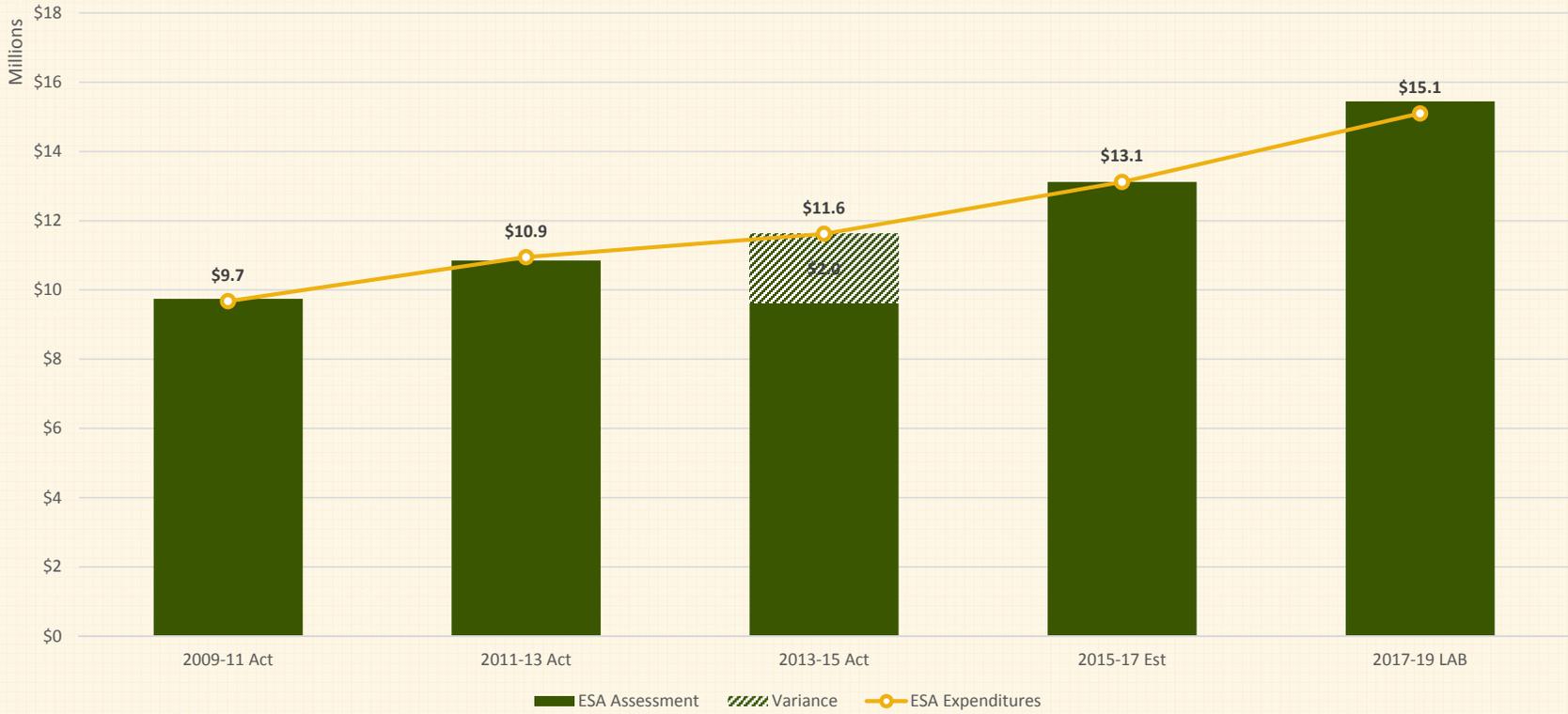
Legislative Adopted Budget



Other Funds Revenue



Energy Supplier Assessment



Federal Funds Revenue



Operating Expenditures by Division

