

# A shaky start to 2011 for renewable energy

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Oregon has benefited from several years of innovative and market transformational legislation passed in Salem. Oregon has led the nation, from the 25% Renewable Portfolio Standard, to the expansion of the BETC Tax Credit Program to renewable energy manufacturing, to utility bill financing of residential energy efficiency, to the solar feed-in tariff pilot program, to creation of the Oregon Innovation Council and its subsequent investment in clean-tech commercialization and wave energy technology (one could go on and on). Clean Edge, a research firm devoted to the clean-tech sector, recently identified Oregon as the No. 2 state (behind California) in clean technology policy and programs.

How will Oregon continue to position itself in the emerging clean energy economy? There are ominous signs brewing, one being a legislative proposal to abolish the Oregon Department of Energy (ODOE). Abolishing the state's energy policy agency counters Oregon's clean energy commitment, while

offering no relief from budget deficit, since ODOE uses few general fund dollars.

A second proposal is to end the BETC program for renewable energy and energy efficiency projects. The program already has been cut back significantly in the past two years, particularly for the maturing large-scale wind sector. Ending the program, which has resulted in the investment in Oregon of billions of dollars in private sector money, would be extremely shortsighted.

Fortunately, there are several interesting legislative concepts circulating as well. One is to provide school districts with new borrowing tools to invest in energy efficiency. Another is to create a new clean energy economic development fund, administered by the Oregon Innovation Council, and supported in part by state revenue bonds and a charge on utility bills, to invest through loans or grants in clean technology. A third is to create new financing and incentives for biomass energy projects. And a fourth is to invest in a new electric vehicle industry

to foster development of an electric vehicle cluster of supply chain products and manufacturing in Oregon.

All four of these proposals would move the ball forward, but in combination with elimination of ODOE and of the BETC program, the result is likely a net step backward. My New Year's wish is that the Legislature and new governor move Oregon forward and not backward this year.



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