

Oregon Business Energy Tax Credit Application for Preliminary Certification for Renewable Energy Resource Equipment Manufacturing Facility

Business owners of facilities used to manufacture equipment, machinery, or other products that will be used exclusively for renewable energy resource facilities may be eligible for a state tax credit. The tax credit is 50 percent of eligible facility costs. If issued, the tax credit is claimed over five years (10 percent per year).

The maximum eligible system cost for a renewable energy manufacturing facility shall not exceed \$40 million in a single calendar year. Eligible system costs will be determined by the Oregon Department of Energy.

Eligible Applicants

An eligible applicant (a facility owner) must meet the following three requirements:

1. Be a trade, business or property owner of a business site in Oregon
or
2. Be the owner or be the contract buyer of the facility and
3. Use the facility to manufacture equipment or materials that will be used **exclusively** for renewable energy resource generation/harvesting.

Pass-through Option

Facility owners may “pass-through” or transfer their 50 percent tax credit facility eligibility to a pass-through partner in exchange for a lump-sum cash payment. The Oregon Department of Energy determines the rate that is used to calculate the cash payment. Both the facility owner and pass-through partner must sign the Application for Final Certification for Pass-through Facilities before a Final Certification is issued to the pass-through partner. The same review, rules and standards apply to facilities approved under the Pass-through Option as those using the regular Business Energy Tax Credit Program. **Please note: There may be tax implications to using the Pass-through Option. Please consult your tax preparer.**

Timing

The Oregon Department of Energy must receive the Application for Preliminary Certification for renewable energy manufacturing facilities **BEFORE** the facility owner financially commits to start the construction of the facility. For example, an owner must apply before purchasing equipment or signing a contract. If a facility owner starts a facility and then decides to apply for the tax credit, the owner must submit a written request for a waiver with the application. The waiver request and application must be sent within 90 days of the facility start date and must demonstrate an extenuating business circumstance that caused the delay in the application. Under extraordinary circumstances, the Director of the Department of Energy may extend the waiver period.

Work on the facility must begin within five years of the approval date of the Preliminary Certificate or within five years of the approval date of any changes to the facility. A facility owner must receive a Final Certificate before the credit can be claimed on an Oregon tax return or a pass-through option is exercised.

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Confidential Information and Disclosure

The State of Oregon's Public Records Law (ORS 192.410 et seq.) (PRL) applies to tax credit applications submitted to the Oregon Department of Energy. The law states every person has a right to inspect any public record of a public body, subject to certain exceptions.

Trade secrets and confidential business records information may be exempt from disclosure. Certain information, including trade secrets (ORS 192.501(2) and confidential submissions (ORS 192.502(4)), may be exempt from disclosure under exemptions to the PRL. Please consult your legal counsel to determine whether these or other exemptions could apply to your application.

Mark on each page any information that you believe are trade secrets, business records or that is otherwise protected under the PRL and that you request to be kept confidential. Marking information does not guarantee that it will be kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the PRL, the Oregon Department of Energy is authorized to withhold your address, phone number and electronic mail address. If you want to claim this exemption under the PRL, please contact the Oregon Department of Energy prior to sending in your application for a Business Energy Tax Credit. Please consult your legal counsel to determine whether this exemption applies to you.

The Oregon Department of Energy does not endorse any company that requests application information and does not sell this information as a mailing list.

Before the facility begins:

1. A facility owner must complete the Application for Preliminary Certification for Renewable Energy Manufacturing Facility. The applicant must send the signed form, supporting documentation, and payment for review charges to the Oregon Department of Energy before the project begins. Incomplete applications will not be accepted. Note: If using Microsoft WORD version of the application, check the Web site to ensure the latest version is being used. (Dates are in the lower right-hand corner.)
2. A facility owner may start construction of the facility when they receive a Preliminary Certificate. A facility owner may start construction of the facility before receiving a Preliminary Certificate, however, there is no guarantee the facility will be approved.
3. If vital characteristics of the facility change after receiving the Preliminary Certificate, the facility owner should submit a signed, written, detailed description of the changes to the facility and energy savings estimates. An increase in cost only does not qualify as a facility change. If the Oregon Department of Energy approves a facility change, a facility owner may be required to pay an additional review charge.

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After the facility is complete:

1. A facility owner should apply to the Oregon Department of Energy for final certification when the facility is completed. If facility costs are \$50,000 or more, an owner must send a letter from a certified public accountant (not permanently employed by the facility owner) stating that the CPA has reviewed the facility costs. If facility costs are less than \$50,000, the facility owner should send copies of the dated invoices, canceled checks or receipts that are marked "paid."
2. The Oregon Department of Energy will review the final application and may issue a Final Certificate. Under no circumstances can the Oregon Department of Energy approve more than 10 percent above the amount of estimated facility costs shown on the Preliminary Certificate unless the preliminary certificate was amended in writing and received approval before completion of the facility. The sum of all financial incentives and the tax credit may not exceed the total eligible facility costs.
3. A tax credit recipient may file the tax credit over five years (10 percent per year). If the eligible facility costs are \$20,000 or less, a tax credit recipient may file for the tax credit in one year. A tax credit recipient may begin claiming the tax credit the year the facility is finished or the year the Oregon Department of Energy issues the Final Certificate.

Questions? For questions on claiming the tax credit, contact the Oregon Department of Revenue (www.oregon.gov/DOR) or call 1-800-356-4222.

For questions concerning a facility, call the Oregon Department of Energy at 1-800-221-8035 (toll-free in Oregon) or (503) 378-4040 (Salem), or visit our Web site (www.oregon.gov/energy).



**Business Energy Tax Credit
Application for Preliminary Certification**

Renewable Energy Resource Equipment Manufacturing Facility

Are you eligible?	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/> Have you submitted this application before financially committing to start this energy facility? (e.g. signing a contract, ordering equipment, etc.)
<input type="checkbox"/>	<input type="checkbox"/> If no, did you attach a request for a waiver
<input type="checkbox"/>	<input type="checkbox"/> Do you intend to use the Pass-through Option?
<p>*The Pass-through Option will allow you to transfer your tax credit facility eligibility to another business or individual (a pass-through partner) in exchange for a lump-sum payment. The payment amount is calculated using the pass-through rate. To use the Pass-through Option, check the Yes box above, complete this application form and send the form to the Oregon Department of Energy. There may be tax implications to using the Pass-through Option. Please consult your tax preparer.</p>	

For office use only
Application #:
Date received:

1. Facility owner information (We will send all correspondence to this person.)		
Facility owners name:		
Tax I.D. # or SSN*:		
Facility/project name:		
Phone:	E-mail:	
Mailing address:		
City/state/zip:		
Business activity or SIC:		
Contact person for facility (Who can answer technical questions about the facility?)		
Title:	Phone:	E-mail:
Company/organization CPA or CFO: (If interested in Pass-through Option)		
Title:	Phone:	E-mail:

*OAR 330-090-0130 authorizes the Oregon Department of Energy to use your federal tax identification or social security number as an identification number in maintaining internal records and may be shared with the Oregon Department of Revenue to establish the identity of an individual in order to administer state tax law.

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2. Architect, engineer, contractor for facility

Firm name:

Contact person:

E-mail

Address

Phone:

City/state/zip

3. Facility site

Site address:

City:

County:

Zip:

Total square footage of this facility

4. Estimated construction or installation dates

Estimated start date:

Estimated completion date:

5. May the Oregon Department of Energy publicize your facility?

Yes No

6. How did you learn of the Business Energy Tax Credit Program?

Associate Advertisement Workshop Utility Vendor Other: ODOE Staff

7. Renewable Energy Manufacturing Category

What renewable energy resource will your product be used exclusively for:

Solar Wind Hydro Biomass Ocean wave Geothermal Alternative fuels

8. Tax credit essential to the facility

Is the allowance of the tax credit essential to your decision to expand or locate your facility in Oregon?

Yes

No

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9. Facility or Project Description

Attach a document that describes in detail your project. The attached document should contain the following sections in narrative form:

1. **Overview** – Describe in general what your company intends to do. Include
 - a) An overview of the facility
 - b) The timeline and critical path actions
 - c) Quantity of materials produced
 - d) Resources needed, and
 - e) Long-term project plans for expansion or further development.

2. **Product and facility** – Describe in detail what will be manufactured, researched, or developed and why the product will be used exclusively for a renewable energy resource facility. Describe in detail why the facility is used solely for renewable energy manufacturing.

3. **Jobs** – Describe the minimum level of direct employment that will be provided by the facility during each of the tax years in which the tax credit will be claimed and describe the anticipated average annual direct employment during each of those years, including the number of average hourly and annual wages of employees by employment classifications by geographic location. The applicant must also describe actions it will take to achieve cultural diversity in its work force.

4. **Financial viability**– Identify the projected facility construction costs. Break this down in by project appropriate components (e.g. design, construction, equipment, training, research, start-up, land, etc.) Demonstrate your financial ability to construct and operate the proposed facility through documentation such as independent credit ratings; credit references, including letters from banks or other financial institutions attesting to the applicant's credit worthiness; and other documentation.

5. **Likelihood of success** – Demonstrate that the facility will achieve long-term success by documenting the qualifications, capabilities and experience of the applicant in the construction and operation of such facilities and the long-term commercial viability of the renewable energy resource equipment that will be manufactured.

6. **Essential characteristics** – If an applicant is applying for a preliminary certification for a facility qualifying under the same specific facility definition under OAR 330-090-0110 as any other facility which the applicant has received preliminary or final certification, the applicant must demonstrate that the facility has distinct essential characteristics or the facility will be considered as one facility subject to the facility cost limitation imposed under OAR 330-090-0150 (1)(a). Address the essential characteristics of the manufacturing facility including, but not limited to the following criteria:
 - a) How is the land, structures, buildings, installations, excavations, machinery, equipment or devices that have been subject in whole or in part to the facility cost limitation of OAR 330-090-0150 (1)(a)(A) distinct from a facility that has received preliminary or final certification?

 - b) What is the purpose or end-use product of the facilities and how are those purposes or end-use applications distinct?

 - c) What are the applicable permits, licenses or site certificates and will those permits, licenses or site certificates and how are those permits, licenses or site certificates distinct?

 - d) Where and how closely are the facilities located, including supporting facilities such as access roads, substations, water or discharge lines, perimeter fencing, storage or parking

areas, and how are the facilities distinct?

e) What will be the construction agreements or arrangements and how are those agreements or arrangements distinct construction agreements?

f) What are the operating characteristics and will the facilities have distinct operating characteristics?

g) What will be the financing arrangements and how are the financing arrangements distinct?

7. Other – Provide any additional information which you believe will aid in the Oregon Department of Energy in favorably reviewing the application.

10. Business Energy Tax Credit review charge

Applications will **not** be reviewed until the review charge is paid in full.

Eligible Project Cost (From your budget narrative #9) _____ x .0060 = \$ _____

Minimum payment required is \$30; the maximum payment required is \$75,000. Make check payable to the Oregon Department of Energy and include with this application. You may also pay by Visa or MasterCard.

I want to pay by Visa/MasterCard. Please contact me at this phone number: _____.

If all or a portion of your application is denied, or if a change in your project results in lower costs, a portion up to 75 percent of this payment may be refunded within two years of pre-certification. If you add to your approved project, you must send a written description of the additions and the costs to be eligible for a tax credit. If the Oregon Department of Energy approves the additional eligible costs, an additional payment may be required. For more information, see Oregon Administrative Rule 330-90-0150(2).

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11. Project Owner Preliminary Statement

1. I understand that Oregon Department of Energy approval and certification of my project is for tax credit purposes only. The Oregon Department of Energy does not guarantee or in any way ensure the performance of any equipment, the quality of any system or the reliability of any dealer.
2. I agree that the project will comply with all local, state and federal requirements. I will obtain all necessary permits.
3. I will permit the Oregon Department of Energy or its agents to inspect the project at its discretion to make sure the project qualifies for the tax credit. I understand that if I give false information about the project, or if I refuse to permit the Oregon Department of Energy to inspect the project, I will not get the tax credit.
4. I understand that this tax credit application is a public record and that the Oregon Department of Energy may be required by law to disclose information in this tax credit application to the public on request. I have marked any information that I request be kept confidential. I understand that marking information does not guarantee that it will be kept confidential and that the Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with the Oregon Public Records Law.
5. I understand that the Oregon Department of Energy does not endorse any company that requests information on this application and does not sell information as a mailing list.
6. I hereby release the State of Oregon and its commissions, agencies, officers, employees, contractors, and agents, and agree to defend and indemnify the foregoing from and against any claims, demands, or costs (including attorney and expert witness fees at trial and on appeal) arising from or in any way related to the Oregon Department of Energy's issuance or failure to issue any pre-certification or final certification for a Business Energy Tax Credit, or any party's inability to obtain a Business Energy Tax Credit.
7. I understand that the sum of all financial incentives and the tax credit can not exceed the total eligible project cost.
8. I have enclosed a check to the Oregon Department of Energy or will pay by Visa or MasterCard for the review charge.
9. I verify that the project owner does not restrict membership, sales, or services on the basis of race, color, creed, religion, national origin, sexual preference or gender.
10. I have completed this form to the best of my knowledge.
11. I certify that I am the project owner or the authorized agent.

I have read and agree with the terms, conditions of the Project Owner Preliminary Statement.

Signature: _____ Title: _____

Print Name: _____ Date: _____

Send completed application with payment to: **Oregon Department of Energy, 625 Marion St. NE Salem, OR 97301-3737.** If you have questions, call: **1-800-221-8035 (toll-free in Oregon).**

