



# Annual Conference Call Proposed Program Rules Update for 2011

**Oregon Department of Energy**

# Presentation Outline

## Proposed Changes to the RETC Rules

- TCCT Re-certification Requirements
- PV Rates change from net cost back to \$/watt

# Common Comments

- Rule changes should be open and transparent
- The current “net cost” calculation is confusing
- The “net cost” calculation devalues the ETO incentives
- The “net cost” approach promotes higher cost systems

# Rule Making Web Page

The screenshot shows a Mozilla Firefox browser window displaying the Oregon Department of Energy - Conservation Division website. The browser's address bar shows the URL: <http://oregon.gov/ENERGY/CONS/Rulemaking2010-RETC.shtml>. The page header features the Oregon Department of Energy logo and a search bar. The main content area is titled "Oregon Department of Energy - Conservation Division" and "Residential Energy Tax Credit Rulemaking". A sidebar on the left contains navigation links such as "Department", "Search", "About Us", "Contact Us", "For Businesses", "For Residents", "For Industry", "For Government", "For Schools", "Energy Savings Performance Contracting", "Energy Savings", "Energy Loan Program", and "Energy Home". The main content area includes a "Current Rulemaking" section with a green banner that says "Sign up to receive RETC Rulemaking email updates." Below this, there is a paragraph explaining the proposed changes to the Residential Energy Tax Credit Program rules and opportunities for interested parties to provide input and suggestions. The text states: "The Department is proposing changes to the Residential Energy Tax Credit Program rules. Opportunities for interested parties to provide input and suggestions are identified below. Permanent rules must be filed by December 28, 2010." A link to the "Residential Energy Tax Credits Home Page" is provided. Below this, there is a section for contact information, stating: "If you have any questions or need further information about this committee process, please contact:" followed by contact details for Andrea Simmons and Jo Morgan. At the bottom of the page, there are links for "Permanent Rules (DRAFT, 12/2/2010)", "Temporary Rules", "Temporary Rule Justification", and "Certificate and Order for Filing".

Oregon Department of Energy - Conservation Division Residential Energy Tax Credit Rulemaking - Mozilla Firefox

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OR <http://oregon.gov/ENERGY/CONS/Rulemaking2010-RETC.shtml>

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### Residential Energy Tax Credit Rulemaking

#### Current Rulemaking

 [Sign up to receive RETC Rulemaking email updates.](#)

By subscribing, you will be notified of any substantial changes in the information on this page.

The Department is proposing changes to the Residential Energy Tax Credit Program rules. Opportunities for interested parties to provide input and suggestions are identified below. Permanent rules must be filed by December 28, 2010.

[Residential Energy Tax Credits Home Page](#)

If you have any questions or need further information about this committee process, please contact:

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[Permanent Rules](#) (DRAFT, 12/2/2010)

[Temporary Rules](#)

[Temporary Rule Justification](#)

[Certificate and Order for Filing](#)

# TCCT Certifications

**330-070-0026**

TCCT Certifications Valid for Three Years

# Staying Certified

1. Attend conference call (if scheduled)
2. Verify systems and take technical continuing education.
  1. 4 hours if you did 2 systems
  2. 6 hours if you did 1 system
  3. 8 hours if you didn't do any

# PV RETC

- **330-070-0022**
  - **Amount of Tax Credit**
- (4) For photovoltaic systems:
- (b) Installed on or after January 1, 2011, the credit allowed under this section shall equal \$3 per watt of the “installed output”.

# PV RETC

“Installed Output” -- The rated capacity of a photovoltaic system measured in average alternating current watts for the purpose of determining the tax credit. Installed output equals 0.7 multiplied by the rated direct current capacity as measured at standard test conditions.

$$\text{Installed Output} = \text{WattsDC} * 0.7$$

# PV RETC

Proposed rules eliminate the partial credit  
for  $\text{TSRF} < 75\%$

# Residential Energy Tax Credit

- \$3 per watt of the “installed output”
- \$6,000 maximum
- $\text{TSRF} \geq 75\%$
- \$1,500 maximum claimed per year
- Must be claimed within 5 years
- **MUST BE VERIFIED BY TCCT**

# RETC Credit Amount Examples

**2000 Watt(dc) PV w/TSRF = 90%**

*Current RETC Calculation Under the Temporary Rules:*

System Cost :	\$14,000 (\$7 per Watt)
– ETO Incentive	\$3,000
– <u>Fed Tax Credit</u>	<u>\$3,300</u>
<b>Net Cost</b>	<b>\$7,700</b>

**Tax Credit is lesser of \$3/watt or 50% of Net Cost**

**\$3/Watt = \$3 \* 2,000Watts = \$6,000**

**50% of Net Cost = \$7,700 / 2 = \$3,850**

**Tax Credit = \$3,850**

# RETC Credit Amount Examples

**2000 Watt(dc) PV w/TSRF = 90%**

*Proposed New RETC Calculation:*

Installed output= 2,000Wdc \* 0.7Wac/Wdc =1,400Wac

Tax Credit = \$3.00\*1,400 = **\$4,200**

# RETC Credit Amount Examples

**2000 Watt(dc) PV w/TSRF = 90%**

**Current Temporary Rules \$3,850**

**Proposed Rules \$4,200**

# RETC Credit Amount Examples

**2857 Watt(dc) PV w/TSRF = 76%**

Proposed RETC Calculation:

$$2,857\text{Wdc} * 0.7 = 2000\text{Wac}$$

$$\text{Tax Credit} = \$3.00 * 2000 = \mathbf{\$6,000}$$

# RETC Credit Amount Examples

**2857 Watt(dc) PV w/TSRF = 74%**

Proposed RETC Rules eliminate the tax credit completely  
for systems with  $\text{TSRF} < 75\%$