



## Taxpayers can't tolerate abuse of Oregon renewable energy program

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New rules aimed at curbing a state program that grants lucrative tax credits for wind, solar and other renewable power plants are welcome.

Wind and solar power can be environmentally friendly ways to create energy

But simply tossing more and more money at renewable energy sources doesn't make them any better, only more expensive.

Unfortunately, Oregon laws aimed at spurring development of renewable energy sources were doing just that. And those laws have been abused, resulting in taxpayers being fleeced.

The Oregonian newspaper did an investigation that found some projects were getting multiple tax breaks. In addition, some companies that got the tax credits filed for bankruptcy protection or failed to perform as promised.

The threshold to qualify for tax credits hasn't been high. To this point, 97 percent of applicants were granted tax credits. Since 2007, the cost of the subsidies has jumped from about \$10 million a year to an estimated \$167 million in the 2009-11 biennium, the paper reported.

In the wake of that investigation, Oregon officials took swift action aimed to curb the abuses.

Oregon Department of Energy last week issued new rules aimed at improving a state program that grants lucrative tax credits for wind, solar and other renewable power plants.

The changes are intended to make it more difficult for a single project to qualify for multiple tax credits. State officials have also been granted more latitude to deny an application.

The rules, which were announced just days after The Oregonian's report, allow the state to withdraw a tax break if a company doesn't produce the amount of energy, conservation or jobs it promised in its application.

"We took this action because we wanted to preserve the program but also to make sure we were reducing the fast growth in the program and reducing its impact on the general fund," Energy Department Director Mark Long said.

The changes are a good start.

Ironically, the Legislature had previously approved some of the changes to the law adopted by the DOE last week. But those changes, which were proposed by Sen. Ginny Burdick, D-Portland, were ultimately vetoed by Gov Ted Kulongoski.

Still, the Kulongoski administration believes it remains on the right track. A spokeswoman said the governor had ordered DOE to make changes to the program after the Legislature adjourned.

Kulongoski "thinks the conversation needs to continue in February (when the Legislature goes into session) and the 2011 session," his spokeswoman said. Agreed.

But the zeal to increase the amount of energy obtained from renewable or "green" sources cannot be allowed to crush common sense.

As lawmakers look at what's happened and debate the future of wind and solar programs they must stay focused on writing rules that are effective and fair. Regulations need to remain in place that protect the taxpayers' investment in "green" energy.

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