

## Renewable-energy sector shares insights with Smith

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From the Central Oregon tribal chairman to the downtown Portland utility executive to the professor who's nurturing new energy-generating technology off Oregon's coast, they all delivered an identical message Wednesday to U.S. Sen. Gordon Smith at his hearing on renewable energy:

Keep alive the tax credit that's helped encourage the pursuit of wind, solar, wave, biomass and geothermal energy.

The hearing, held on the University of Oregon campus, gave the Republican lawmaker more than two hours' worth of insight into the promise and challenges of Oregon's emerging renewable energy sectors.

Representatives of several segments of the renewable-energy front spoke as invited witnesses. Each brought unique concerns, but nearly everyone urged Smith to use his clout to renew and expand the Renewable Electricity Credit.

The credit was first passed in 1992 and was allowed to lapse in 2003. It was revived in 2004, but will expire again at the end of next year unless Congress acts.

It lets electricity producers to claim a credit against taxes owed, based on the amount of power generated from qualified resources, which include geothermal, biomass, solar, landfill gas and wind.

Oregon State University professor Annette von Jouanne said Oregon's proposed "wave park" near Gardiner could begin generating power commercially within two to five years, helping propel Oregon as a world leader in wave-generated electricity.

But von Jouanne, a professor of electrical engineering and computer science, said one of the biggest barriers to wave-energy development is the high cost of the electricity it produces: more than five times that of electricity produced by other renewable sources.

She said Congress could help by offsetting the above-market costs of wave-generated power - something that could be accomplished by expanding the tax credit.

Similar requests were issued by Ron Suppah, chairman of the Confederated Tribes of Warm Springs, which is seeking private investment to expand its biomass facility. Such

investment will be more likely with the assurances that the tax credit will be on the books for several years to come to offset costs, Suppah said.

The plant produces energy by burning woody debris, primarily the brush and thin trees removed from forests through logging and thinning projects.

Pacific Power President Stan Watters called the extension of the renewable production credit and similar incentives "the most effective and efficient means of increasing the deployment of renewable resources."

After the hearing, Smith said he intended to introduce such a proposal as a member of the Senate Finance Committee. He said convincing Congress to extend the credit is something he and other advocates "have to work at, but I'm optimistic we'll succeed in extending it. I think it's proving its worth to the economy and to our national-security future."