

# Energy tax credits pay off for buyers, sellers

By **HILLARY BORRUD**  
Capital Bureau

SALEM — Oregon has given hundreds of millions of dollars worth of tax credits to help developers kick-start investment in renewable energy and efficiency projects around the state. The credits were meant to either offset the taxes of the energy project owners, or to be sold to provide them with project capital.

Even when those projects have not proven viable, the tax credits have been sound investments for wealthy taxpayers who have bought them from developers for a fraction of their face value.

The sale of the credits were governed by rules that set out minimum prices that would limit the discounts buyers received.

But around 2011, the Oregon Department of Energy scaled back its oversight of the tax credit sales. The department quietly stopped enforcing pricing and other rules, which allowed private brokers to strike deals in which the prices were never verified by the state.

From 2006 to 2014, investors bought green energy and efficiency tax credits worth \$703.6 million for \$494.2 million, according to the EO Media Group/Pamplin Media Group Capital Bureau's analysis of non-refundable energy tax credits. That's a gain of \$209.4 million, or 29.8 percent.

The ZeaChem biorefinery in Boardman is an example of a project that has not yet lived up to its promise, but has provided a healthy return for investors who bought the tax credits given the project by the state.

ZeaChem told the state in 2009 that the plant would employ 20 people, and the Oregon Employment Department estimated that could fuel the creation of an additional 154 jobs in Oregon, said state employment economist Nick Beleiciks.

In late 2013, ZeaChem had a problem.

The state had certified a \$10 million credit for ZeaChem's cellulosic ethanol demonstration plant in Boardman, which was built to produce up to 250,000 gallons of cellulosic ethanol

per year from wood waste and other materials. But the company laid off employees in 2013 due to a cash shortage and has since operated with a staff of approximately 15 employees who continue to run tests.

Joe Regnery, ZeaChem's chief commercial officer, said in an interview last week the plant was always supposed to be a testing facility, despite a 2012 U.S. Department of Energy document that stated "the biorefinery will convert 10 bone-dry tons per day of cellulosic feedstock into ethanol."

"The demonstration plant does not generate income," Regnery said. "It's not a production asset ... Selling (the tax credit) was a better financial outcome than using it against taxes because we were not paying taxes in the state at the time."

The sale of those credits was facilitated by the Energy Department and followed rules that allowed for a discount of up to 33.5 percent.

ZeaChem split up the \$10 million Oregon business energy tax credit and sold pieces of various sizes

to a handful of investors — Portland industrialist and developer Jay Zidell, Union Pacific railroad and Lee and Becky Holzman — for \$6.7 million.

Zidell, whose family plans to develop its former Portland shipyard property on the south waterfront, purchased \$500,000 worth of the ZeaChem tax credit for \$335,000, according to state data. In all, Zidell has bought nearly \$2 million in renewable energy credits for \$1.4 million.

The credits have also attracted much larger investors. U.S. Bank has spent \$30.7 million to purchase tax credits that will allow the bank to cut its Oregon tax bill by approximately \$44.7 million. Wal-Mart paid \$30.2 million for credits that will reduce its state taxes by \$43.1 million.

Other major investors who are using the non-refundable BETC to save millions on their Oregon taxes include Costco, Comcast, Trader Joe's, Les Schwab and a long list of other corporations and wealthy individuals.

# Providence Seaside offers pain education

*The Daily Astorian*

SEASIDE — A pain education class, "Understanding pain: With Knowledge Comes Power," is being of-

fered from 12:30 to 2:30 p.m. July 10 in Education Center A (lower level) at Providence Seaside Hospital, 725 S. Wahanna Road in Seaside.

The class is designed to

help understand how pain works in the body and brain. Those attending will learn about what pain really is, and how much one's own actions and thoughts can improve

pain. There is no charge for the class, but registration is required. To register, go to [www.providence.org/classes](http://www.providence.org/classes) or call the Resource Line at 800-562-8964.

# Offices closed to observe Fourth of July

*The Daily Astorian*

In observance of the Fourth of July Saturday, all federal, state, county and city offices and services, including Astoria, Warrenton, Gearhart, Seaside and Cannon Beach city halls, are closed Friday.

All U.S. post offices are closed Saturday only, and there is no mail delivery, including express mail packages in Astoria.

Astoria, Jewell, Knappa, Warrenton/Hammond, Seaside (including Cannon Beach and Gearhart schools) and Ocean Beach School District schools are closed. Clatsop Community College is closed Thursday and Friday. Capt. Gray's Port of Play and Lil' Spouts is open from 10 a.m. to 1 p.m. Friday.

The Astoria Library, Seaside Library, and all Timberland libraries in Washington state, including Ilwaco, Ocean Park and Naselle, are closed Saturday only. The Warrenton Library is closed Friday and Saturday.

The Port of Astoria offices and services are closed Friday.

Garbage collection through Recology Western Oregon (covering Astoria, Seaside, Gearhart and Cannon Beach), city of Warrenton garbage collection, and Peninsula Sanitation (cover-

ing the Long Beach, Wash., Peninsula) are not affected by the holiday. The Recology Western Oregon and Peninsula Sanitation's transfer stations are open Saturday, but Recology's is closing at 2 p.m.

The Sunset Pool in Seaside is open from noon to 5 p.m. Saturday. The Astoria Aquatic Center is closed Saturday.

The Clatsop County Heritage Museum, Oregon Film Museum and Flavel House are open Saturday from 10 a.m. to 5 p.m., and the Carriage House is open from 9:30 a.m. to 5 p.m. The Uppertown Firefighters' Museum is open from noon to 3 p.m. Saturday. Fort Clatsop is open from 9 a.m. to 6 p.m. Saturday. The Columbia River Maritime Museum is open from 9:30 a.m. to 5 p.m. Saturday. The Seaside Museum is open Saturday, and holding its annual Old Fashioned Social & Silent Auction right after the parade.

Sunset Empire Transportation ("The Bus") is operating its regular weekend bus service routes in Clatsop County on Saturday, and the Astoria Transit Center and the Seaside Transit Kiosk will be open.

The Daily Astorian offices are closed Friday, but the newspaper will be printed and delivered as usual.

# ACCUWEATHER® FORECAST FOR ASTORIA

## Astoria 5-Day Forecast

**Tonight**  
A moonlit sky  
57°

**Tuesday**  
Partly sunny, pleasant, breezy in the p.m.  
71° 54°

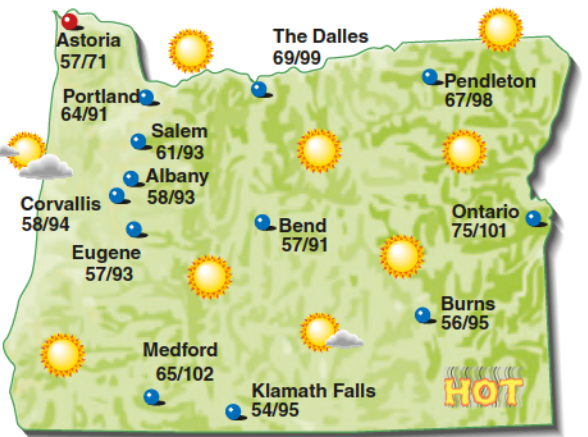
**Thursday**  
Mostly sunny, nice and warm  
76° 57°

**Wednesday**  
Mostly sunny and pleasantly warm  
77° 57°

**Friday**  
Mainly cloudy  
73° 55°

**Saturday**  
Mainly cloudy  
73° 55°

## Oregon Weather



## Almanac

Astoria through Sunday.		
Temperatures		
High	65°	
Low	52°	
Normal high	66°	
Normal low	51°	
Precipitation		
Yesterday	0.01"	
Month to date	0.71"	
Normal month to date	2.44"	
Year to date	27.37"	
Normal year to date	35.80"	

## Sun and Moon

Sunset tonight	9:11 p.m.						
Sunrise Tuesday	5:27 a.m.						
Moonrise today	6:48 p.m.						
Moonset today	3:44 a.m.						
Full	July 1	Last	July 8	New	July 15	First	July 23

## Regional Cities

City	Today			Tues.		
	Hi	Lo	W	Hi	Lo	W
Baker City	91	56	pc	91	51	s
Bend	91	57	pc	91	58	s
Brookings	68	55	pc	73	58	s
Eugene	90	57	pc	93	56	s
Ilwaco	65	56	pc	65	55	pc
Klamath Falls	92	54	t	95	56	s
Medford	99	65	pc	102	67	s
Newport	61	54	pc	62	50	s
North Bend	65	55	pc	66	54	s

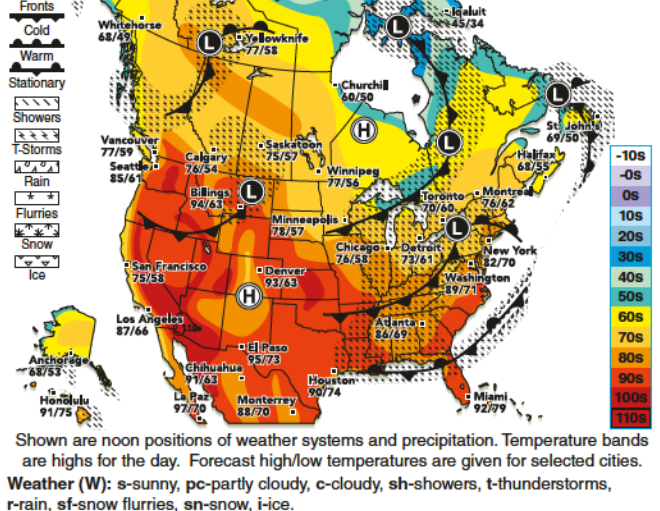
## Under the Sky

City	Today			Tues.		
	Hi	Lo	W	Hi	Lo	W
Olympia	87	56	pc	87	54	pc
Pendleton	99	67	pc	98	65	s
Portland	92	64	pc	91	62	s
Roseburg	90	63	pc	96	64	s
Salem	91	61	pc	93	59	s
Seaside	68	56	pc	67	55	pc
Spokane	92	68	t	94	66	s
Vancouver	90	63	pc	90	60	s
Yakima	101	66	pc	101	64	s

## National Cities

City	Today			Tues.		
	Hi	Lo	W	Hi	Lo	W
Atlanta	87	70	s	86	69	t
Boston	75	61	pc	77	62	s
Chicago	73	61	t	76	58	t
Denver	88	62	pc	93	63	pc
Des Moines	85	67	s	84	65	pc
Detroit	75	61	t	73	61	t
El Paso	97	74	t	95	73	s
Fairbanks	75	53	pc	75	55	c
Honolulu	90	75	pc	91	75	pc
Indianapolis	74	63	t	79	63	t
Kansas City	86	67	s	90	69	s
Las Vegas	108	87	pc	109	88	pc
Los Angeles	85	66	pc	87	66	pc
Memphis	91	73	t	92	74	pc
Miami	92	78	t	92	79	t
Nashville	84	67	t	88	67	t
New Orleans	87	76	t	92	76	t
New York	78	65	s	82	70	pc
Oklahoma City	96	69	t	98	73	t
Philadelphia	81	66	s	85	70	t
St. Louis	83	70	t	87	70	t
Salt Lake City	103	75	s	101	75	pc
San Francisco	69	55	pc	75	58	pc
Seattle	89	62	pc	85	61	s
Washington, DC	82	70	s	89	71	t

## Tomorrow's National Weather



# Now Accepting New Patients



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# Applications available for Head Start

*The Daily Astorian*

Applications are being accepted for Head Start, a free program for children ages 3 and 4 that provides a preschool

classroom, nutritious meals, home visits, and more.

For information, or an application, call the Seaside office at 503-738-0873, or the Warrenton-Astoria office at 503-861-9681, or go to [www.nworheadstart.org](http://www.nworheadstart.org)

## Deaths

**June 25, 2015**  
**FULWILER,** Kathleen D. (Markstrom), 75, of Tolovana Park, died at home. Services are pending. Hughes-Ranson Mortuary in Seaside is in charge of the arrangements.

**June 26, 2015**  
**PRITCHARD,** Gary L., 72, of Astoria, died in Portland on June 26th, 2015. Caldwell's Luce-Layton Mortuary in Astoria is in charge of the arrangements.

**June 27, 2015**  
**HAWKS,** Beverly A., 83, of Warrenton, died in Warrenton. Services are pending. Ocean View Funeral & Cremation Service in Astoria is in charge of the arrangements.

## Memorials

**Saturday, July 4**  
YAAKOLA, David Arthur — Celebration of life/campout at milepost 7.8, just past Henry Rierson Spruce Run Campground on Lower Nehalem Road, Seaside. All are welcome.

**Tuesday, June 30**  
CARUSO, Marie — Visitation from 2 to 4 p.m., Springer and Son Aloha Funeral Home, 4150 S.W. 185th Ave., Aloha. Wake follows at 7 p.m. Caruso, 69, of Portland, died Friday, June 26, 2015, in Seaside. Hughes-Ransom Mortuary of Seaside is in charge of the arrangements.

## Lotteries

**OREGON**  
**Sunday's Pick 4:**  
1 p.m.: 9-1-8-1  
4 p.m.: 0-9-9-8  
7 p.m.: 4-1-7-0  
10 p.m.: 2-8-6-3  
**Saturday's Megabucks:**  
11-14-21-32-34-37  
Estimated jackpot: \$2.4 million.  
**Saturday's Powerball:** 18-28-35-46-49, Powerball: 27, Power Play: 5  
Estimated jackpot: \$50 million.  
**Saturday's Pick 4:**  
1 p.m.: 3-4-8-9  
4 p.m.: 2-3-1-1  
7 p.m.: 4-5-1-2

10 p.m.: 6-5-9-0  
**Friday's Pick 4:**  
1 p.m.: 8-2-6-9  
4 p.m.: 0-9-5-2  
7 p.m.: 2-4-5-6  
10 p.m.: 7-4-1-4  
**WASHINGTON**  
**Sunday's Daily Game:** 8-8-8  
**Sunday's Keno:** 03-07-08-12-24-33-37-39-44-46-49-54-57-58-62-64-65-66-68-71  
**Sunday's Match 4:** 05-06-09-22  
**Saturday's Daily Game:** 5-7-9  
**Saturday's Hit 5:** 06-16-23-27-39  
**Saturday's Keno:** 01-02-

05-12-13-19-22-31-40-43-44-51-52-53-56-65-71-72-76-79  
**Saturday's Lotto:** 04-26-30-32-37-38  
Estimated jackpot: \$3.4 million  
**Saturday's Match 4:** 01-09-16-17  
**Friday's Daily Game:** 9-6-9  
**Friday's Keno:** 04-10-16-17-18-21-22-23-27-36-37-38-40-43-57-59-68-71-73-74  
**Friday's Match 4:** 02-14-21-22  
**Friday's Mega Millions:** 12-23-33-47-50, Mega Ball: 3  
Estimated jackpot: \$64 million

## Public meetings

**TUESDAY**  
**Clatsop Care Health District Board**, noon, special meeting, Clatsop Care Health District Office, 1777 Marine Drive  
**WEDNESDAY**  
**Gearhart City Council**,

7 p.m., City Hall, 698 Pacific Way., Gearhart.  
**THURSDAY**  
**Clatsop Community College Board of Directors**, 9 a.m. to 1 p.m., board retreat, Cannery Pier Hotel Chinook Board Room, 10 Basin St.,

Astoria.  
**Northwest Oregon Housing Authority Board**, 10 a.m., Gable Park Apartments, 2544 Gable Road, St. Helens.  
**Astoria Design Review Committee**, 5:30 p.m., City Hall, 1095 Duane St.

# CORRECTION

Because of a reporter's error, Thursday's story, "Alleged burglar wielding a sword arrested," mistakenly

said the alleged incident occurred one day after accused burglar Albert J. Burkleo was released from jail from a pre-

vious incident. Burkleo was released from jail in December, months before the new allegations.

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