

Legislators support clawback of fraudulent energy tax credits

More than \$300 million questioned

By **CLAIRE WITHYCOMBE**
Capital Bureau

SALEM — Members of a legislative committee assessing the future of the state's energy department agreed Friday that they would encourage the state Department of Justice to find ways to recoup money lost to renewable energy projects that may have improperly received tax credits.

The Business Energy Tax Credit program, referred to by its acronym, BETC, has become the bane of the Department of Energy in recent years, after allegations that the program was improperly administered.

All in all, about \$1 billion worth of tax credits were issued to scores of wind, solar and other renewable energy projects, and more than \$300 million worth of credits have been called into question after auditors labeled scores of projects "suspicious" or "concerning."

Although auditors hired to inspect the program this year found no direct evidence of fraud in the administration of the program, they forwarded a host of projects that received credits under suspicious circumstances to the Attorney General's Office for further review.

A list of those suspicious projects — including multiple projects at the same site address and projects that exceeded costs eligible for the credits — was released publicly last week.



EO Media Group

The legislative oversight committee considering the future of the state Department of Energy Friday encouraged the Department of Justice to recoup money obtained through improperly issued Business Energy Tax Credits.

The Department of Justice, through a spokeswoman, said earlier this week that the state was reviewing the projects for any potential civil or criminal violations.

Some members of the legislative committee expressed interest in opportunities to reclaim what auditors estimated was about \$347 million in tax credits issued to projects that provoked auditors' concern.

State Sen. Doug Whitsett, R-Klamath Falls, described some of the suspected problems outlined by auditors.

"The people of Oregon have not been reimbursed for any of that," Whitsett said. "Where is the opportunity within this BETC program, if any, to claw back some of this stuff, to get some of that money back?"

One of the committee's chairs, Sen. Lee Beyer, D-Springfield, agreed that the department ought to encourage the state to recoup any "ill-gotten" money, but noted that the

committee should be realistic about already-issued credits and that the cost of recouping those amounts could be higher than what may be recovered.

Under Oregon law, the energy department can suspend or revoke tax credits in certain circumstances, such as when the certification is obtained by misrepresentation or fraud, or when the facility is not in operation.

However, that statute did not include those exact provisions throughout the entirety of the program's lifetime, and department officials have previously said it can be difficult to recoup money, as some tax credits were sold to other entities.

Beyer added that the attorney general is an independently elected official.

"We have no control over the Department of Justice," Beyer said.

Bentz said the approximately \$300 million allegedly lost to "concerning" projects stuck in his mind.

"We just want to make sure we've asked the right people to look into that and make sure we're not leaving \$300 million somehow on the table," said Rep. Cliff Bentz, R-Ontario.

More broadly, legislators agreed, language should be included in the committee's final recommendations reflecting "lessons learned" from the failures of the program.

Bentz advocated for determining what benefits the state may have gotten out of the program, although, he said, "I don't want to spend huge amounts of time delving through the wreckage."

The Department of Energy's future has been under review by the committee since January, after several significant issues, including the tax credit program, came to the fore.

In the first draft of a report released this week, the committee's co-chairs, Beyer and Rep. Paul Holvey, D-Eugene, stated there is a continued need for the department and suggested the governor appoint a board to oversee it.

They identified problems with a longstanding loan program for small-scale local energy projects, and noted controversy over the process of siting energy facilities and over the annual fee that energy suppliers are supposed to pay to the department.

The discussion on potential clawbacks came in the context of the committee's broader recommendation that future energy incentives offered by the state ought to track project performance and outcome.

The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.

Oregon tourism grows, generating income and problems

Associated Press

SALEM — Oregon is expecting a record number of visits to its state parks and federal lands for the second year in a row.

The Statesman Journal reported that data from multiple agencies shows that the crowds began growing in 2013 and show no signs of slowing down. The Columbia River Gorge and central Oregon are the fastest-growing recreation areas, but visits to the coast, Crater Lake

National Park and John Day Fossil Beds have also increased.

Oregon Parks and Recreation Department spokesman Chris Havel says the agency appreciates the tourism but is having problems keeping up with the trash and the wear and tear on parks.

Travel Oregon, the state's tourism bureau, says the \$10.8 billion industry accounts for more than 105,000 jobs. But it has also resulted in damage to ecologically sensitive areas and fatal accidents.

Truck slammed by train south of Portland

Associated Press

AURORA — Authorities say a truck slammed by an Amtrak train in Oregon had been forced to stop on the tracks because of heavy traffic.

Lt. Chris Baldrige of the Marion County Sheriff's Office says the truck was hauling paper pulp, and 65,000 pounds spilled Monday morning at an intersection in Aurora, 25 miles south of Portland.

The lieutenant says the train was traveling 35 mph at the time. Only minor scrapes and bruises were reported by passengers and the truck driver.

Amtrak spokeswoman Vernae Graham says the train was going from Eugene to Seattle when the accident happened at 7:25 a.m. Forty-three passengers were aboard, and they were being taken to Portland by bus.

Graham says there was no derailment.

Thank You!

To the lady that told me to lean on her after I fell, Thank you, thank you! Slowly I am better.

Dems want state GOP to stop robo calls

Associated Press

PORTLAND — The Oregon Democratic Party wants the state's GOP to stop making automated calls that falsely tell voters their ballots won't count.

Democratic Party chair Frank Dixon says the Republican Party claimed the robo calls targeted "inactive" Republican voters. But Dixon

says non-affiliated and Democratic voters received the calls.

Dixon says election officials across Oregon have been contacted by voters who received the calls and are concerned about their right to vote.

Secretary of State Jeanne Atkins says the state's GOP acknowledged making the calls.

The GOP said it arranged

for automated calls on a county-by-county basis, but an investigation will determine if the party was the only source of the calls. There were variations in the scripts that voters heard.

Atkins says political parties can legally reach out to voters who are officially "inactive," but it's critical to make sure lists are up-to-date to avoid confusion.

Inslee issues disaster directive

Associated Press

OLYMPIA, Wash. — Gov. Jay Inslee is directing several state agencies to work together to prepare for a coordinated plan in case of a catastrophic earthquake and tsunami.

Friday's directive creates a subcommittee group of the Washington Military Department's Emergency Management Division to work with several state agencies, including the Department of Transportation and the Department of Health.

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PUBLIC NOTICE
Notice of Availability of the Northwest Training and Testing (NWT) Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS) Record of Decision
The U.S. Navy has announced its decision to implement its Preferred Alternative (Alternative 1) to conduct military readiness training and testing activities primarily within existing range complexes, operating areas and testing ranges of the NWT Study Area. The Navy made its decision after carefully considering the potential impacts training and testing activities may have on the human, natural and cultural environment, as well as comments from government agencies, tribal governments and the public on the proposal and environmental analysis.
Minimizing impacts on the marine environment from training and testing is an important goal for the Navy. In its commitment to environmental protection, the Navy will implement revised mitigation measures in accordance with Endangered Species Act and Marine Mammal Protection Act authorizations.
The Navy's Record of Decision and Final EIS/OEIS are available online at www.NWTTEIS.com and at 21 community libraries. Please call 360-396-0965 for library locations.

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