

# Buehlers invested \$100,000 in energy credits before lambasting the program

Purchase was before he was lawmaker

By **CLAIRE WITHYCOMBE**  
Capital Bureau



**E.J. Harris/East Oregonian**  
**Knute Buehler invested in a controversial business energy tax credit.**

SALEM — Knute Buehler stumped on the floor of the state House to decry the state's controversial business energy tax incentives.

Buehler, now the Republican nominee for governor, left out one fact in his speech.

He and his wife once had personally invested in \$100,000 of the tax credits that later mushroomed into a multimillion dollar scandal at the state Energy Department, according to agency records.

Buehler didn't respond to a telephone message Friday seeking comment. His campaign instead issued a statement.

"The Buehlers purchased tax credits years before he was a lawmaker and before state mismanagement of the program forced the Legislature to repeal the program," campaign spokeswoman Monica Wroblewski said.

The Bend surgeon invested in the state's business energy tax credit program — referred to as BETC, pronounced "Betsy" — that was designed to encourage businesses to develop renewable energy projects.

Nearly 30 years after its creation in 1979, the incentive became a boondoggle for the state. Lawmakers questioned the program in 2008, when the state issued \$180 million in credits, triple the amount of the previous year.

The state shut off the credits in 2014 and soon after it became a talking point for state lawmakers who didn't like how the state was managed. That included Buehler.

completed or whether the tax credits were claimed on his tax returns. The credits would offset other tax liabilities.

A year ago, Buehler criticized the tax credit program again in an opinion piece he wrote for The Oregonian.

"Oregon is just beginning to clean up the mess from its notorious business-energy tax credit scandal, which sent millions of tax dollars to energy speculators and well-to-do investors that could have been better spent on Oregon students," Buehler wrote in October 2017.

Gov. Kate Brown's campaign said in a statement that Buehler should release all of his tax returns. He disclosed his 2016 and 2017 tax returns in June.

"We've been calling on Knute Buehler to release his tax returns for this very reason," said Christian Gaston, a spokesman for the Brown campaign. "Voters need to be able to see what other special tax breaks he's taken, and what else he's hiding. It's amazing that he took advantage of these credits and then turned around and decried that well-to-do investors were benefiting."

The infamous tax credit was back in the spotlight last week, as the Oregon Department of Justice announced it was recouping \$13 million from Tesla Energy Solutions.

Tesla Energy Solutions bought SolarCity, a solar energy company that the state said reported inflated project costs to get more tax credit money from the state.

"The BETC program was meant to channel public funds to help local businesses, create clean energy jobs, and stimulate the economy during a period of economic uncertainty. Unfortunately, some companies abused the program," Attorney General Ellen Rosenblum said in a statement Thursday.

In 2015, the then-freshman lawmaker from Bend lambasted the incentives during a debate on the state's low carbon fuels standard on the House floor.

He said a proposed fuels program was "another risky taxpayer financed energy jobs scheme having zero credibility."

He said the state had "presided over a scandalous and perhaps even criminal waste of tax credit giveaways that mostly benefit out-of-state corporations and well-heeled investors at the expense of Oregon taxpayers, and more important funding priorities like K-12."

In about 2008, according to state records, Buehler bought \$50,000 in tax credits for \$33,500. His wife, Patricia, had an identical but separate transaction at the same time.

In purchasing the credits, the couple were pass-through partners in an arrangement that allowed them to buy tax credits at a discounted rate from SeQuential-Pacific Biodiesel LLC, for a new biodiesel production plant, according to Energy Department records.

Buehler's campaign didn't respond to written questions about when the purchases were

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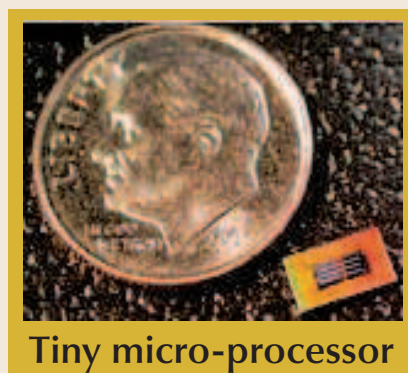
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