

House Bill 2626

Sponsored by Representatives READ, BAILEY, C EDWARDS, FREEMAN; Representatives BARNHART, BARTON, BENTZ, CANNON, DEMBROW, ESQUIVEL, GALIZIO, GARRARD, GARRETT, GILLIAM, HOLVEY, SHIELDS, J SMITH, WITT, Senators BATES, BONAMICI, DEVLIN, DINGFELDER, MORSE, NELSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires State Treasurer to solicit investors for State Department of Energy program for installation of energy efficiency features and packages in one and two family residential dwellings. Requires State Treasurer to administer investor accounts.

Creates Energy Efficiency and Productivity Fund for use by department in developing and administering energy efficiency program for one and two family residential dwellings in cooperation with certain nongovernmental entities and public and private utilities. Requires establishment of pilot program during biennium beginning July 1, 2009, and statewide implementation by January 2, 2012.

Increases State Treasurer expenditure limit for biennium beginning July 1, 2009, for purpose of attracting investors in energy efficiency program and administering investor accounts.

Requires State Treasurer to report to interim committee of Legislative Assembly no later than October 1, 2010, regarding efforts to attract energy efficiency program investors.

Increases State Department of Energy expenditure limit for biennium beginning July 1, 2009, for purpose of funding energy efficiency pilot program.

Requires State Department of Energy to report to interim committee of Legislative Assembly no later than October 1, 2010, regarding implementation of pilot program.

Declares emergency, effective July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to energy use; appropriating money; limiting expenditures; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The State Treasurer shall establish and administer a program for the**
5 **purpose of soliciting long-term investment moneys from public and private financial sources**
6 **for use in carrying out the energy efficiency program established by the State Department**
7 **of Energy under section 3 of this 2009 Act. The State Treasurer shall deposit investment**
8 **moneys described in this section to the Energy Efficiency and Productivity Fund established**
9 **in section 2 of this 2009 Act.**

10 **(2) The State Treasurer shall provide assistance to the department in processing and**
11 **administering investments under this section, including, but not limited to, soliciting and**
12 **collecting investments, keeping investment account records, managing payouts and repay-**
13 **ments, risk management and interaction with rating agencies.**

14 **(3) The State Treasurer may advise and assist the department in identifying and utilizing**
15 **grants, incentive moneys, federal funding and other sources of permanent or long-term**
16 **noninvestment financial support for deposit to the Energy Efficiency and Productivity Fund**
17 **established under section 2 of this 2009 Act.**

18 **(4) A utility that invests with the State Treasurer under this section may claim the in-**
19 **vestment amount as an investment in renewable energy generation facilities under ORS**
20 **757.247.**

21 **SECTION 2. The Energy Efficiency and Productivity Fund is established in the State**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Treasury, separate and distinct from the General Fund. Interest earned by the Energy Effi-
2 ciency and Productivity Fund shall be credited to the fund. Moneys in the fund are contin-
3 uously appropriated to the State Department of Energy for carrying out sections 3 and 4 of
4 this 2009 Act and for sending moneys to the State Treasurer for payment to investors de-
5 scribed in section 1 of this 2009 Act.

6 **SECTION 3.** (1) The State Department of Energy shall establish and administer an energy
7 efficiency program for the purpose of retrofitting existing one and two family dwellings to
8 increase the energy efficiency of those dwellings. The duties of the department in adminis-
9 tering the program include, but need not be limited to, the following:

10 (a) Identifying one and two family dwelling energy efficiency features that, on average,
11 have a high benefit to cost ratio.

12 (b) Developing energy conservation packages consisting of two or more high benefit en-
13 ergy efficiency features that work in a complementary or synergistic fashion to reduce en-
14 ergy consumption in one and two family dwellings to an extent that may reasonably be
15 expected to result, over time, in energy costs savings that exceed the cost of the package.

16 (c) Prioritizing properties and neighborhoods for energy efficiency program efforts.

17 (d) Developing programs to assist nongovernmental entities that receive public purpose
18 charge moneys under ORS 757.612 and public and private utilities in:

19 (A) Actively marketing energy efficiency packages to homeowners;

20 (B) Making homeowners aware of the potential benefits of installing particular energy
21 efficiency features and packages in the dwellings occupied by those homeowners and making
22 homeowners aware of energy efficiency payment plan options;

23 (C) Facilitating customer contact with construction contractors participating in the en-
24 ergy efficiency program;

25 (D) Providing energy efficiency program project management within a service area;

26 (E) Verifying the proper installation of energy efficiency features and packages by a
27 participating construction contractor; and

28 (F) Arranging for the verification of energy savings in residences where energy efficiency
29 packages are installed.

30 (e) Developing payment plan options to allow the recovery of energy efficiency feature
31 or package installation costs from a homeowner over an extended period, including, but not
32 limited to, the addition of feature or package cost payments to the homeowner's utility bills
33 or the imposition of a surcharge on the homeowner's property taxes.

34 (f) Establishing a training, qualification and approval process for licensed construction
35 contractors to participate in the energy efficiency program by:

36 (A) Actively marketing energy efficiency features and packages and the energy efficiency
37 payment program to homeowners;

38 (B) Supplying information to the department for the purpose of calculating projected
39 energy efficiency savings for a particular dwelling; and

40 (C) Entering into contracts with the homeowner for the installation of energy efficiency
41 features or packages in one and two family dwellings.

42 (g) Calculating projected energy savings for a homeowner purchase of an energy effi-
43 ciency feature or package based upon information supplied by a participating construction
44 contractor. The department may establish caps for the energy savings projections that the
45 department supplies to homeowners.

1 (h) Processing homeowner applications for the installation of energy efficiency features
 2 or packages by a participating construction contractor.

3 (i) Arranging, to the extent moneys are available from energy efficiency package cost
 4 payments, energy savings fees, federal moneys or grants, for the payment of appropriate
 5 principal and interest to investors described in section 1 of this 2009 Act.

6 (2) The department may assess a construction contractor fees for application processing,
 7 training and program participation.

8 (3) The department may adopt any rules the department considers reasonable for the
 9 administration of this section and section 4 of this 2009 Act.

10 **SECTION 4.** (1) The unpaid balance of an energy efficiency feature or package purchase
 11 is a debt that runs with the property on which the dwelling having the installed energy effi-
 12 ciency feature or package is located.

13 (2) A utility participating in the energy efficiency program may collect a processing fee
 14 from utility customers that purchase energy efficiency program features or packages. The
 15 fee imposed by the utility may not exceed the actual processing cost of the utility.

16 (3) A utility participating in the energy efficiency program shall collect an energy savings
 17 fee from utility customers purchasing energy efficiency features or packages. The utility
 18 shall collect the energy savings fee on behalf of the State Department of Energy and shall
 19 forward the fee to the department. The department shall establish the fee amount. The de-
 20 partment may vary the energy savings fee amount by feature or package, housing charac-
 21 teristics or other factors the department considers relevant.

22 (4) The department may appoint a nongovernmental entity that receives public purpose
 23 charge moneys collected under ORS 757.612 to carry out management of the energy efficiency
 24 program within the service district of a utility. A nongovernmental entity appointed under
 25 this subsection may exercise any powers that a utility could exercise under this section or
 26 section 3 of this 2009 Act, except that the entity may not offer homeowners a payment plan
 27 option that adds feature or package costs to utility bills without permission of the utility.

28 (5) The department shall deposit moneys received from the energy savings fee to the
 29 Energy Efficiency and Productivity Fund. In addition to any other use authorized for mon-
 30 eys deposited to the fund, the department may use moneys received from energy savings fees
 31 for grants to homeowners to reduce debt on energy efficiency feature or package purchases
 32 that have failed to produce sufficient energy savings to offset the feature or package pur-
 33 chase price or to enable homeowners to purchase energy efficiency features or packages that
 34 otherwise would not produce sufficient energy savings to offset the costs to the homeowners.

35 **SECTION 5.** Notwithstanding any other law limiting expenditures, the limitation on
 36 expenditures established by section 1, chapter _____, Oregon Laws 2009
 37 (Enrolled Senate Bill 5550), for the biennium beginning July 1, 2009, as the maximum limit
 38 for payment of expenses from fees, moneys or other revenues, including Miscellaneous Re-
 39 cepts, but excluding lottery funds and federal funds, collected or received by the State
 40 Treasurer, is increased by \$_____ for the purpose of carrying out the duties of the State
 41 Treasurer under section 1 of this 2009 Act.

42 **SECTION 6.** Notwithstanding any other law limiting expenditures, the limitation on
 43 expenditures established by section 1, chapter _____, Oregon Laws 2009 (Enrolled House
 44 Bill 5013), for the biennium beginning July 1, 2009, as the maximum limit for payment of ex-
 45 penses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding

1 lottery funds and federal funds, collected or received by the State Department of Energy, is
2 increased by \$_____ for the purpose of establishing a pilot program for the marketing of
3 energy efficiency features and packages as described in sections 3 and 4 of this 2009 Act.

4 **SECTION 7.** (1) The State Treasurer shall report to an interim committee of the
5 Seventy-fifth Legislative Assembly dealing with energy or natural resource issues no later
6 than October 1, 2010. The report shall include information regarding the investment pro-
7 gram established and administered by the State Treasurer under section 1 of this 2009 Act.

8 (2) The State Department of Energy shall report to an interim committee of the
9 Seventy-fifth Legislative Assembly dealing with energy or natural resource issues no later
10 than October 1, 2010. The report shall include information regarding the establishment of
11 an energy efficiency program, including, but not limited to, the pilot program described in
12 section 6 of this 2009 Act.

13 **SECTION 8.** The State Department of Energy shall establish the energy efficiency pro-
14 gram described in sections 3 and 4 of this 2009 Act on a statewide basis no later than January
15 2, 2012.

16 **SECTION 9.** This 2009 Act being necessary for the immediate preservation of the public
17 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
18 July 1, 2009.

19 _____