



MEASURE: HB 3606
EXHIBIT: J
HOUSE REVENUE COMMITTEE
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SUBMITTED BY: GABE JOHNSON

**House Revenue Committee Testimony RE: HB 3606
20 April 2011**

Introduction

My name is Gabriel Johnson, and I represent McKinstry. McKinstry has been in the construction business for 50 years, and has served Oregon for over 40 years. We work with both private and public entities to design, build, operate, and maintain high performance buildings. We currently employ 250 office staff and union craft labor in Oregon and added 75 fulltime employees this year alone.

Oregon Schools

As you know, Oregon's K-12 schools have been severely impacted by the recent economic downturn. While these schools struggle to retain teachers and offer core programs, they are spending hundreds of thousands of dollars each year to operate inefficient and outdated equipment and infrastructure. During these tough economic times, schools have and continue to look to the BETC conservation program to help fund projects that produce utility-bill savings that can be reinvested back into the classroom.

McKinstry and BETC

BETC has allowed McKinstry to partner with Oregon's K-12 schools across the state to develop energy conservation projects that save schools money on utility bills while creating high wage local construction jobs. In most instances, McKinstry's school clients would be unable to finance such projects without BETC assistance.

Unfortunately, the readjustment of BETC precertification amounts has retroactively altered financing for several McKinstry projects throughout the state. As a result, these projects, and the jobs and utility savings they create, are currently in jeopardy. I would like to tell you about an example project that demonstrates the importance of BETC as an integral funding source that keeps the project alive:

- Estacada School District – Biomass Boiler Installation at Estacada High School
- Replace Existing Oil-Burning Boiler with Pellet-Fed Biomass Boiler
 - Required to be Budget Neutral Project because school board could not justify spending general fund dollars for construction while teachers and classes are being cut
 - Funded with Fuel Switch Savings (Energy Savings) (QSCB – approx \$520,000)
 - Funded with State Energy Program Grant (\$420,000)
 - Funded with (\$65,000) BETC
- Potential lost energy savings (\$112,000 during 1st 20 years of project), jobs (local boiler manufacturer out of St. Helens, OR and OR-based fuel supply company), and GHG reduction (505,000 lbs of CO2 reduction = planting 80 acres of trees or removing 33 cars from the road)

To ensure these projects, and many more like them move forward, I urge a yes vote on HB 3606.

Thank you for considering McKinstry's testimony. I am happy to answer any questions the committee may have.