



**TESTIMONY OF DEREK SMITH, CEO, CLEAN ENERGY WORKS OREGON
FEBRUARY 14, 2013**

HOUSE ENERGY AND ENVIRONMENT COMMITTEE

Rep. Jules Bailey, Chair
Rep. Deborah Boone, Vice-Chair
Rep. Mark Johnson, Vice-Chair
Rep. Cliff Bentz
Rep. Michael Dembrow
Rep. Jeff Reardon
Rep. Jessica Vega Pederson
Rep. Jim Weidner
Rep. Gail Whitsett

Chair Bailey and Members of the Committee,

For the record, my name is Derek Smith. I am CEO of Clean Energy Works Oregon.

Clean Energy Works is a non-profit organization whose mission is to create jobs and reduce energy waste through the facilitation through home energy retrofits.

The organization makes it easy for citizens to upgrade their homes for energy efficiency. CEWO connects homeowners with local contactors, utilities and lenders. Currently, 50 different contractors throughout the state participate in the CEWO program. Likewise CEWO currently partners with five lenders, including Umpqua, SELCO, Pacific Crest, Advantis and Craft3.

CEWO connects homeowners to available public, utility and private dollars to fund home retrofits and in doing so has helped grow a vibrant marketplace. While much of the financing has existed previously, CEWO optimizes the investment each sector makes – utilities want energy savings, private contractors and lenders want a return on investment, and of course the public sector wants job creation and economic development. Clean Energy Works has been able to help each of them do this, and leverage each other's investment.

We've upgraded 2700 homes and generated \$50 million in economic activity throughout the state, which has meant tremendous revenue for small contracting firms. We've grown the market for whole-home energy remodels from 200 homes remodeled in 2009 (before Clean Energy Works Oregon was formed) to 1800 this past year. That is nine fold market growth over the last three years.



Clean Energy Works Oregon projects have led to over 1,000 workers receiving paychecks through Clean Energy Works projects. This has meant over 300 workers, previously unemployed, hired. CEWO is proud that among that 300 – 22 were veterans now employed by Clean Energy Works contractors.

Through data generated since CEWO's inception, we know that for every 10 homes upgraded through Clean Energy Works, one job gets created in the hard-hit construction industry. Likewise, citizens save thousands of dollars on energy expenses. And, because of the energy savings generated by those 10 homes, three other homes can receive energy without new generation of electricity.

We are now upgrading 10 homes every two days. And these numbers are all rising as we expand throughout the state.

CEWO is creating opportunities to grow small and medium sized firms and to hire workers who install insulation and windows.

There are also opportunities to grow traded-sector jobs, for example at Umpqua Bank in Roseburg and SELCO Credit Union in Springfield, JELD-WEN in Stayton, and Indow Windows, a Portland-based start-up that manufactures affordable, energy-saving window inserts. Indow Windows has indicated that the moderate volume of business already generated through Clean Energy Works has helped them hire 12 workers and is enabling them to build scale for national expansion.

We are in many of your communities – 82% of Oregon residents can sign up for our programs. We have created jobs, helped impact local business growth and helped your constituents get credit to upgrade their largest assets, their homes. We're making a small dent in the housing economy as appraisers begin to recognize the value of energy efficiency improvements in real estate transactions.

We interact with the State in a variety of ways:

- Fulfilling the EEAST law, HB 2626, which passed with overwhelming support in 2009
- Developed a registered apprenticeship program in coordination with BOLI program contractors, workers, training agents and others
- Arranged working capital for program contractors from a private lender supported by Business Oregon credit enhancement
- Engage local Worksource agencies in linking jobseekers with program contractors looking to hire

We are operating in:

Rogue Valley



Klamath and Lake
Central (Jefferson, Deschutes, Crook)
Lane County
Benton County
Mid-Willamette
Hood River
North Coast (Columbia, Clatsop, Tillamook)
Metro

82% of State's population has access to Clean Energy Works.

But we're just getting started. Our research shows that there are 600,000 homes in need of energy upgrades. That represents 60,000 jobs and \$8 billion in economic development.

I appreciate your time and support, and I am available for questions.