



TO: May 28, 2013

TO: Ways and Means Subcommittee on Natural Resources

FROM: Diana Enright, Communications Director

Subject: HB 3169 – Green Energy Technology Requirement

HB 3169-A is not a new mandate but a clean-up bill to revise and clarify requirements to public improvement contracts so that public agencies can more easily meet the 1.5% green energy technology obligation. This is for the construction, reconstruction or major renovation of a public building, when certain monetary thresholds are met. A public building is one used by the public, and enclosed by walls and a roof allowing employees to work.

Eligible facilities are those where the total contract price is \$1 million or more for new construction. It also covers major renovations that exceed \$1 million and more than 50% of the insured value of the building.

The bill clarifications include:

- Specifying that green energy technology means a solar or geothermal system that employs energy directly to generate electricity or a building design that uses solar energy passively to reduce energy use from other sources by at least 20%.
- Requiring geothermal technology to use a heat source from ground or water temperatures of more than 140 degrees Fahrenheit, a finding that stems from rulemaking on the 2012 bill SB 1533. The temperature delineation came from Oregon Tech and is consistent with other agencies involved in geothermal activities.
- Directing that state monies used for construction of green energy technology must fund “new” green energy technology and not replace existing.
- Setting a point in time for establishing “new” green energy technology.
 - For solar, “new” capacity is a system that is added after the date of issuance of the original building permit.

- For geothermal, construction of “new” capacity is that which has been completed on or after January 1, 2013, which is the effective date for SB 1533.
- Allowing the public agencies to compare like technologies. In other words, the costs of using onsite solar are compared to offsite solar, and the costs of using onsite geothermal are compared to offsite geothermal. This eliminates the complexities of cross-technology comparisons.
- Allowing for the construction of green energy technology away from the site of the public building if the construction is more cost effective.
 - Spells out what costs must be compared with doing a cost analysis for onsite versus offsite green energy technology construction, such as the cost of transmission.
- Restoring a public body’s ability to step out of the deferral process if no state funds are used. The intent of SB 1533 was that if you use state funds, but determine the project is not feasible for this particular building, then you defer the 1.5% to the next building. And the intent was also that if you use no state funds, determine the project is not feasible for this building, you’re done and don’t need to defer. Examples of when green energy technology may not be feasible include buildings on the National Historic Register, those with too much shading for solar or security issues for prisons.
- Requiring that public agencies collect and maintain records to indicate compliance or non-compliance with the 1.5% green energy technology obligations. These records must be provided to the Oregon Department of Energy, which will report to the legislature prior to the start of every annual session. Previous reporting requirements mandated by the original 2007 bill HB 2620, expired January 2011.
- Putting reporting requirements into statute. We will work with DAS, AOC, LOC, Community Colleges, architects, CUB and the Special Districts Association of Oregon to send out annual reminders.

In summary, HB 3169 will improve the ease of implementation, consistency among technologies and predictability for contracting agencies when they are required to meet the 1.5 percent green energy technology mandate. We ask you to support HB 3169.