



February 11, 2014

Senator Lee Beyer, Chair
Senate Business and Transportation Committee

Chair Beyer and Members of the Committee,

The Northwest Energy Efficiency Council (NEEC) is a business association of the energy efficiency industry. NEEC's mission is to promote policies and programs that enhance market opportunities for energy efficiency. We would like to provide some thoughts on SB 1501.

NEEC member companies include most of the energy service contractors providing ESPC services in the state. ESPC can be a very attractive project approach especially for public buildings as it ensures experienced and professional energy services coupled with an energy performance guarantee that delivers measured and verified cost savings that exceed the cost of the project. For some time, ODOE has conducted a process that reviews energy service companies' capabilities and experience such that they are sufficiently qualified to provide ESPC work. This bill, SB 1501, would allow agencies to directly award contracts to any firm they choose from that ODOE list of qualified contractors, without any additional competitive process.

This would indeed streamline the procurement process, which is generally a good thing. However, most energy service companies believe that any such streamlining like direct award should be accompanied by a thoughtful and transparent set of processes to ensure that the qualification vetting is appropriate and effective. These additional rules or procedures would be designed to ensure that agencies are properly protected and outcomes from ESPC projects are ultimately beneficial to the agencies. NEEC is supportive of direct award, but believes it should be done in the context of a broader discussion on how to make performance contracting in Oregon widely utilized and consistently successful. We are ready to work with ODOE, the Department of Justice, and other stakeholders to try to make that happen.

Sincerely,

A handwritten signature in black ink, appearing to read "Stan Price", written in a cursive style.

Stan Price, Executive Director