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Dear Chairman Barnhart and members of the House Revenue Committee,

This testimony reflects the U.S. Green Building Council's (USGBC) support for HB 2448.

We believe extending the sunset period will provide building owners and managers the predictability they need to plan and implement energy conservation measures. In addition, the recertification process under the new authority for performance agreements provides Oregon the accountability it needs to ensure that the energy conservations funded through the tax credit are realizing true energy savings.

USGBC and a group of more than 85 real estate owners, builders, contractors, building managers, energy service companies, building efficiency manufacturers and suppliers, energy efficiency financiers, environmental advocates, architects, engineers and other stakeholders have identified key features to make tax incentives effective. As outlined below, USGBC believes that HB 2448 enhances Oregon's existing incentives to incorporate several of these key features:

- **Link the amount of the incentive to energy savings achieved.** Greater energy savings and deeper retrofits warrant larger incentives to reward innovation and to reflect the larger investments and greater environmental benefit. Oregon's incentive is proportional to investment, and requires deep savings for new construction and total retrofits.
- **Tie a portion of the tax incentive to implementation of efficiency measures and a portion to demonstrated energy savings.** Building owners should be rewarded for implementing energy savings measures, and even more so for energy savings actually realized. The increased accountability will encourage the proper operations and maintenance in high performance buildings. HB 2448 adds the authority for recertification on more significant projects, which will help ensure energy savings are actually realized to obtain the out year credits.
- **Measure energy savings compared to the existing building baseline.** Rather than requiring existing buildings to meet and exceed the requirements of the energy code for new construction, measure improvements in how much energy consumption was reduced compared to where the building started. Under the programs referenced, existing building projects will generally include such a comparison.

Energy conservation is no longer a “nice thing to do,” but an economic necessity for states and the private sector to see economic growth. Even though the mindset has changed for private energy conservation investments to buildings, the cost barrier still remains. USGBC and its members believe that measures like HB 2448 will help businesses reduce that obstacle and unlock the potential for them to realize future savings through lower utility costs, which in turn, frees up capital for investment and job creation.

The State of Oregon is a leader in green construction and LEED certified buildings and we are excited to see the state continue to encourage this leadership through HB 2448.

Sincerely,

Christina Kuo  
State and Local Campaign Manager  
U.S. Green Building Council