

STAFF MEASURE SUMMARY

House Committee On Consumer Protection and Government Effectiveness

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 04/14/15

Action: Do Pass.

Meeting Dates: 04/02, 04/14

Vote:

Yeas: 7 - Buehler, Fagan, Holvey, McLain, Nearman, Rayfield, Stark

Prepared By: Wendy Simons, Committee Administrator

WHAT THE MEASURE DOES:

Removes requirement for contracting agency to reserve moneys for including green energy technology in constructing, reconstructing or renovating public building if contracting agency determines including green energy technology is not appropriate. Requires contracting agency to report to Department of Energy amount that would have been spent on green energy technology had contracting agency determined that including green energy technology was appropriate. Requires Department of Energy to report annually to Legislative Assembly on contracting agency compliance with reporting mandates. Declares emergency, effective on passage. Becomes operative January 1, 2016.

ISSUES DISCUSSED:

- Challenges in setting aside funds that were bonded for a particular construction project when green energy technology is not used in that project
- Accountability mechanism to ensure that 1.5 percent is set aside and eventually used for green energy technology in a future project
- Comparison to requirement that public buildings reserve a percentage of construction budget for artwork
- Enthusiasm of local government agencies for incorporating green technology in public buildings

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Oregon statutes require public agencies entering into a public contract to construct a public building, or to reconstruct or perform a major renovation of a public building, to reserve at least 1.5 percent of the total contract price for the purpose of including appropriate green technology as part of the construction, reconstruction or renovation of the building. Green energy technology is defined as a system employing solar or geothermal energy for space or water heating or to generate electricity, or passive solar building design that reduces energy use from other sources by at least 20 percent. If the contracting agency finds that green energy technology is not appropriate for the project, the contracting agency must set aside an amount equal to at least 1.5 percent of the total contract price for the purpose of including green energy technology in a future public building project.

House Bill 2987 requires contracting agencies to first make a determination as to whether green energy technology is appropriate for a construction project, and in the case the agency finds that green energy technology is not appropriate for the project, the agency does not need to set aside the 1.5 percent for future building projects but must report the amount to the Department of Energy.