

March 17, 2017

Members of the 79th Legislative Assembly:

Our coalition of business, labor, and local government is opposed to HB 2710, the -2 amendments, and any other bill that undermines Oregon's statewide building code and code adoption process.

The building codes adopted in Oregon are based on national standards. The robust code adoption process is directed by Oregon's seven statutory boards, which are made up of stakeholders who are in the best position to determine the code provisions that are technically and economically feasible and safe for Oregonians.

We want to ensure that Oregon remains a leader in energy efficient building codes. We recognized the importance of efficient buildings, and the process that is already in place is well designed to balance efficiency, safety, and cost.

It is important that Oregon's building code remains predictable and consistent. HB 2710 and proposed amendments undermine the predictability and consistency of the building code by adopting a long-term efficiency goal that supporters admit they have no idea how to achieve.

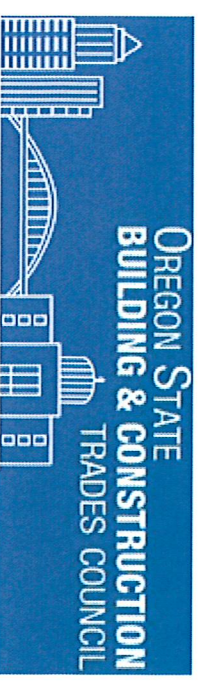
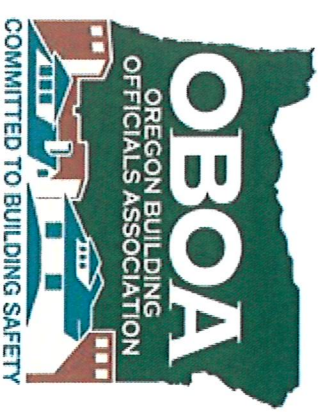
Oregon's unique building code system has been around since 1974, and it is one of the most successful systems in the nation. Writing codes at the legislative level undermines the system that has placed Oregon as a leader on efficiency and has the buy off of key stakeholders. Putting code provisions in statute would undermine the ability of the statutory boards to respond nimbly to new innovations and market demands.

Some efficiency advocates may say that Oregon has fallen behind on efficiency in the building code. There is no objective data to support those claims. The American Council for an Energy Efficient Economy (ACEEE) ranked Oregon at number four in its state efficiency scorecard for 2015. Oregon fell to number seven in 2016 because of changes to the utility ranking, but that ranking is expected to rise again to the top five. Oregon's compliance rate on efficient building code requirements is one of the best in the nation, exceeding 90% compliance. U.S. Department of Energy information suggests we are at least on pace with other states, and does not support the claim that we are behind in energy efficient codes.

In closing, we ask that you oppose HB 2710 and any amendment that would undermine Oregon's robust and efficient building code and code adoption process.

Sincerely,

The businesses, labor organizations, and local governments that drive Oregon's construction industry



PORTLAND BUSINESS JOURNAL

Is Oregon losing its energy efficiency mojo?

While Oregon remains a top performer, other states are gaining.

Oct 6, 2016, 10:42am PDT **Updated** Oct 6, 2016, 10:51am PDT – Portland Business Journal

As we reported earlier this week, Oregon ranked No. 7 in the recently released 2016 State Energy Efficiency Scorecard. That gave Oregon 10 top-10 appearances in the 10 years that the American Council for an Energy-Efficient Economy (ACEEE) has been ranking the states.

Here's the "but": This was the first time Oregon didn't crack the top five – last year it was fourth, and the year before it was third.

We asked report author [Weston Berg](#) what the slippage might say about the state's efforts on energy efficiency, an often under-appreciated tool in reducing greenhouse gas emissions.

"Oregon is a very strong state in energy efficiency," Berg said. "There shouldn't be any mistake about that. It scored well in transportation policies. It's excellent in building energy codes. Oregon is doing a lot of very good things in energy efficiency."

The metric where Oregon suffered in the latest rankings, Berg said, was in savings from electricity efficiency programs. That's a category where other states have stepped up their games, and one that got increased emphasis in this year's report, Berg said, accounting for seven of the total 50 points available across a range of categories.

Oregon earned just 3.5 points in the category, based on savings of 1.09 percent of retail electricity sales from 2015 programs. Twelve states did better than that, led by Massachusetts at 2.91 percent.

Berg said the better-performing states have been ramping up electricity efficiency programs in response to more aggressive “energy efficiency resource standards,” which ACEEE defines as quantitative, long-term energy savings targets for utilities.

Oregon doesn’t have an explicit energy efficiency resource standard, according to [Hannah Cruz](#), communications manager for Energy Trust of Oregon. Instead, the state pursues “cost-effective energy efficiency through least-cost planning at the investor-owned utility level and regulated by the Oregon Public Utility Commission.”

Energy Trust implements efficiency programs for the investor-owned utilities, including Portland General Electric and Pacific Power, who together deliver about 70 percent of the state’s electricity. Those programs are funded in part through a portion of the 3 percent “public purpose” charge that’s been added to monthly bills since 2002. In addition, in 2007 the Legislature gave the utilities the ability to request rate recovery for additional efficiency investments.

All told, Oregon’s spending on electricity efficiency programs amounted to \$142.9 million in 2015, 3.45 percent of utility revenues, according to ACEEE. That was good enough for sixth in the country, but was a far cry from the investments made in the leading states, like Vermont (6.89 percent) and Massachusetts (6.16 percent).

[Stan Price](#), executive director of the Northwest Energy Efficiency Council, a trade group of businesses that provide efficiency services and products, said he thinks Oregon remains a leader in energy efficiency. He saluted Energy Trust for innovative programs “that make sure the savings that they are reporting are indeed there.”

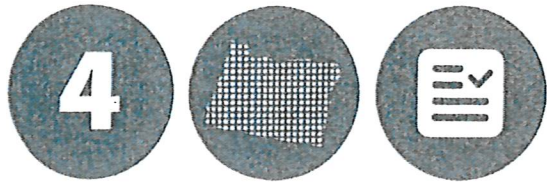
But Price said there was one thing that Oregon could do to seize more efficiency opportunities – rethink its conception of “cost-effective energy efficiency” (the phrase used by Cruz).

“I’m not opposed to cost-effective,” Price said, “but while we do a really good job of capturing all of the costs of energy efficiency, the methodology of the Oregon Public Utilities Commission does an inadequate job of capturing the value of the benefits.

“That’s one of the reasons you see states like California, and Massachusetts and Vermont vaulting to the top of the ACEEE list. They’re recognizing the full benefits of energy efficiency, so they’re making greater investments.”

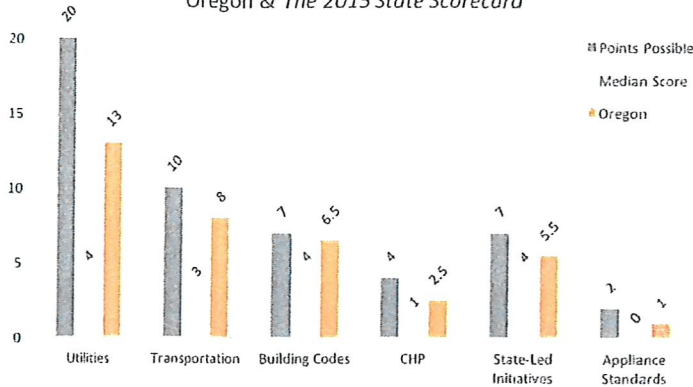
Specifically, Price said, the PUC should take into account the environmental benefits of efficiency, and also what energy efficiency delivers to the overall economy. “Energy efficiency makes the state economy better,” he said.

Oregon

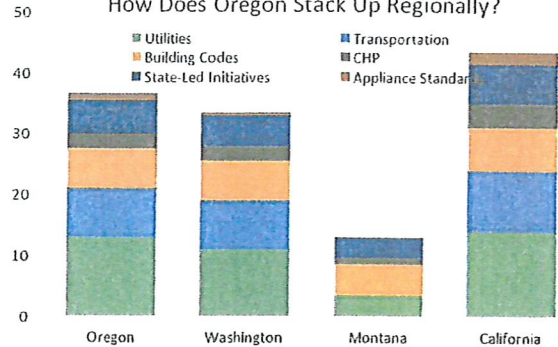


Oregon ranked 4th in the 2015 State Energy Efficiency Scorecard, dropping one position and tying with Rhode Island for the second year in a row. The state scored 36.5 points out of a possible 50, one point less than it earned last year.

Oregon & The 2015 State Scorecard



How Does Oregon Stack Up Regionally?



UTILITIES

Oregon earned 13 points out of 20 for its utility policies and programs. Oregon's third party efficiency administrator, Energy Trust of Oregon, offers a comprehensive portfolio of electricity and natural gas efficiency programs and achieves higher-than-average savings. The Bonneville Power Administration and the Northwest Energy Efficiency Alliance also work with utilities to generate energy savings within the state. An energy efficiency resource standard is in place that sets long-term energy savings targets.



TRANSPORTATION

Oregon earned 8 points out of a possible 10 points for transportation policies. The state has a comprehensive set of efficient transportation policies in place, including targets for reduced vehicle miles traveled, tailpipe emission standards, and complete streets legislation. Oregon integrates transportation and land use planning and has had a freight plan in place since 2011.



BUILDING ENERGY CODES

Oregon earned 6.5 points out of 7 for its building energy code stringency and compliance efforts. Building codes are developed by the state and are mandatory. The state's residential building code is equivalent to the 2012 IECC, while the commercial building code is expected to be within plus or minus 2% of ASHRAE 90.1-2013. Oregon has completed a variety of activities to ensure compliance, including establishing a stakeholder advisory board and involving utilities in code compliance efforts. A baseline compliance study of the region completed in 2013 measured compliance on two scales and returned results of 91% and 96%.



COMBINED HEAT & POWER

Oregon scored 2.5 out of 4 points for its combined heat and power policies. The state has an interconnection

standard and offers incentives for CHP projects. The Energy Trust facilitates feasibility studies for potential CHP system owners, and the state has policies to encourage the use of renewable-fueled CHP systems. No new CHP systems were installed in 2014.



STATE GOVERNMENT-LED INITIATIVES

Oregon scored 5.5 out of 7 points for state-led energy efficiency initiatives. The state offers tax credits for energy-efficient construction and runs loan and grant programs to encourage energy efficiency in homes and businesses. The state government leads by example by requiring energy-efficient public buildings, benchmarking energy use, and encouraging energy savings performance contracts. Oregon hosts a variety of research centers focused on energy efficiency.



APPLIANCE STANDARDS

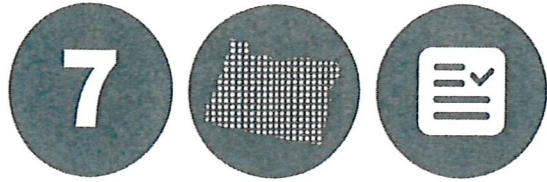
Oregon scored 1 point out of 2 for its appliance standards. The state established standards in 2005 and 2007, most of which were later preempted by federal standards. In 2013, Oregon passed standards for battery chargers and televisions, among other things.



LOOKING AHEAD

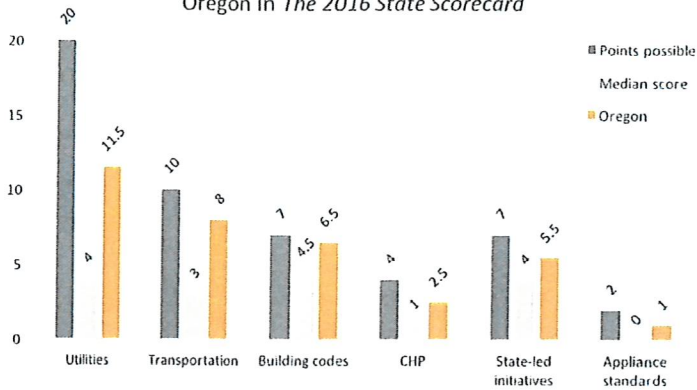
Oregon remains a national leader in energy efficiency. The Energy Trust of Oregon, along with other efficiency administrators, consistently achieves high levels of energy savings for the state's homes and businesses, and policymakers emphasize efficiency across a variety of areas. As leading states begin to realize electricity savings exceeding 2%, Oregon must push for even greater levels of energy savings in order to maintain its position in the State Scorecard.

Oregon

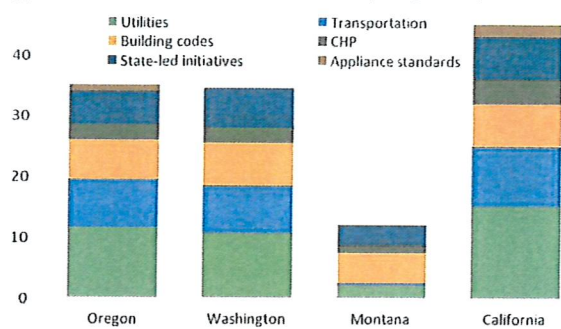


Oregon ranked 7th in the 2016 State Energy Efficiency Scorecard, dropping three positions compared to 2015. The state scored 35 points out of a possible 50, 1.5 points fewer than it earned last year.

Oregon in *The 2016 State Scorecard*



How does Oregon stack up regionally?



UTILITIES

Oregon earned 11.5 points out of 20 for its utility policies and programs. Oregon's third party efficiency administrator, Energy Trust of Oregon, offers a comprehensive portfolio of electricity and natural gas efficiency programs and achieves higher-than-average savings. The Bonneville Power Administration and the Northwest Energy Efficiency Alliance also work with utilities to generate energy savings within the state. An energy efficiency resource standard is in place that sets long-term energy savings targets.



TRANSPORTATION

Oregon earned 8 points out of a possible 10 points for transportation policies. The state has a comprehensive set of efficient transportation policies in place, including targets for reduced vehicle miles traveled, tailpipe emission standards, and complete streets legislation. Oregon integrates transportation and land use planning and has had a freight plan in place since 2011.



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Energy Trust facilitates feasibility studies for potential CHP system owners, and the state has policies to encourage the use of renewable-fueled CHP systems. Two new CHP systems came online in Oregon in 2015.



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LOOKING AHEAD

Oregon remains a national leader in energy efficiency. The Energy Trust of Oregon, along with other efficiency administrators, consistently achieves high levels of energy savings for the state's homes and businesses, and policymakers emphasize efficiency across a variety of areas. Oregon's fall in the rankings this year is a sign of stiff competition. As leading states begin to realize electricity savings exceeding 2%, Oregon must push for even greater levels of energy savings in order to maintain its position in the *State Scorecard*.