



March 29, 2017

Chair Helm and Members of the Committee
House Committee on Energy and Environment
900 Court Street NE
Salem, Oregon 97301

RE: Support for House Bill 2681, extending and amending tax credit incentives for Oregonians to invest in residential energy efficiency improvements and solar energy systems

Dear Chair Helm and Members of the Committee:

Enhabit is pleased to provide this unique information in SUPPORT of HB2681.

Enhabit, formerly Clean Energy Works, is an Oregon non-profit that has worked with local contractors to help motivate and facilitate over 5,000 Oregon families to retrofit their homes for improved energy efficiency, solar energy systems, utility affordability, seismic strengthening, health-related improvements and other upgrades.

We know from our work with thousands of customers that incentives and signals are crucial to helping homeowner make choices toward long-term improvements in their homes. The deep energy efficiency improvements made by Enhabit customers typically include investments of \$12,000 to \$15,000 in their homes. Approximately 40% of these projects are motivated by Oregon's residential energy tax credit, with those incentives typically ranging from \$400 to \$1,200 depending on the project—an important contribution and a significant impetus for action. Contractors list these important incentives directly in their proposals to homeowners.

Enhabit has tracked and demonstrated the correlation between incentive levels and customers taking action. Those actions are critical to the maintenance of good family wage jobs, and to the thriving small businesses in this strategic sector of our economy. With low energy costs and utility sector incentives reduced accordingly, these public sector incentives are all the more important for encouraging homeowners toward these beneficial, carbon emission-reducing investments. Additionally, due to utility cost effectiveness calculations, some of the utility incentives that remain may be cancelled if the residential energy tax credit incentives end—compounding the impact on homeowners and contractors.

The state of Oregon also receives significant benefits from these incentives. By unlocking homeowner investments, these residential improvements not only help create local jobs, they also improve the health, value and durability of our housing stock and ultimately help to build more resilient communities. At the same time, homeowners reduce their energy bills, and many see reductions in health-related costs (e.g. from asthma and other respiratory illnesses) due to improved air quality and moisture management in their homes. These benefits result in improved affordability and housing stability for many of Oregon's lower income families.

Enhabit has unique experience working with local contractors to deliver important upgrades for homeowners throughout Oregon. With our broad offerings for energy, health and resilience improvements, we often see homeowners start with energy efficiency investments and those benefits lead them to other important improvements such as adding solar systems, bolting their homes to their foundations, and mitigating radon risks—all enhancements that increase long-term property and create Oregon jobs. In rural parts of Oregon (outside Energy Trust territory), we see that residential energy tax credits are often the only incentives available to spur homeowners to make such investments.

Without the residential energy tax credit program, the increased energy savings, job creation, affordability and health benefits that home upgrades provide will be greatly reduced. There are certainly ways to make this program even better, more impactful, and more targeted for the benefit of Oregonians, and we support the proposed amendments to advance those goals.

With our first-hand experience and perspective on these industries, Enhabit strongly supports the extension of the residential energy tax credit program.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Miller". The signature is fluid and cursive, with a large initial "T" and "M".

Tim Miller
CEO, Enhabit