

May 24<sup>th</sup>, 2017

Re: Testimony on HB 2132

From: Sam Baraso, Senior Policy Analyst, Office of Sustainability, Multnomah County

Chair Beyer, Vice-Chair Thomsen, members of the committee,

My name is Sam Baraso and I work in Multnomah County's Office of Sustainability.

I am responsible for the development of Oregon's first Commercial Property Assessed Clean Energy (CPACE) Program under ORS 223.680. In addition, I oversee Oregon's first Property Assessed Seismic Rehabilitation Program under ORS 223.685.

Both of these programs were designed to leverage public and private resources to increase the resiliency of the state's building stock. This is accomplished through energy efficiency and renewable energy upgrades that reduce energy demand and carbon emissions, as well as seismic upgrades to ensure buildings remain standing long after the "big one".

Multnomah County's CPACE Program is being developed in collaboration with the Portland Development Commission, which plays a key role as administrator, and the Energy Trust of Oregon, which provides technical resources.

CPACE programs mirror a century-old system that cities and counties have used for decades, called local improvement districts. These districts have been used for sidewalk and street lighting upgrades, and for water infrastructure upgrades in irrigation districts.

They are used for projects that benefit both public and private users. Specifically, they allow local jurisdictions to support the financing of these upgrades, through bonds, private capital, or other sources, paid back over time, on property tax bills. However, a key differentiation here is that these measures are voluntarily accepted by the property owner.

The Oregon Legislature originally authorized CPACE programs in 2009, and amended the program in 2014. Multnomah County just this month launched our CPACE program, branded as [PropertyFit Oregon](#). We have over 15 project leads and a project pipeline totaling nearly \$35 million.

However, as we've evaluated the scopes on several projects, there is a key element missing that is central to building resiliency: water efficiency. Water efficiency measures must be part of our toolkit. They are necessary to help building owners take on upgrades that conserve critical natural resources, reduce bills, and delay the need for costly local utility upgrades.

In some instances, these upgrades may be so cost-effective that they can help carry the cost of other expensive upgrades, such as on HVAC systems. While no two projects are identical, water efficiency projects, such as low-flow fixtures, are an essential tool. They advance whole building resiliency and adhere to the intent of the original law. We must bring a holistic perspective to building retrofits anytime we have a property owner's attention.

In addition to water efficiency measures, we are asking you to include energy storage and smart electric vehicle charging stations as eligible improvements. With each passing day, costs are going down and these technologies are becoming more economical, especially in places with higher utility costs. We see these technologies as a critical means towards balancing power needs both onsite and further offsite, and central to managing one's utility bills. We need to be proactive in explicitly including these measures so that property owners may incorporate these technologies where they make economic sense.

Lastly, we are asking the legislature to clarify a provision relating to the mechanism by which financing is secured. Under the Local Improvement District mechanism, local governments must pass a resolution or ordinance to finalize a property assessed lien. This is a relevant and necessary step when local improvements districts are created as they are authorized across multiple properties without the direct consent of a property owner.

However, this is a redundant and onerous step under our programs authorized under ORS 223.680 and ORS 223.685 whereby a property owner voluntarily imposes an assessment on their property for the eligible improvements sought. Adding this clarity is key towards efficient operation of the program as necessitating local government action on a project by project basis adds unnecessary delays that undermine the intent of the programs.

Numerous other jurisdictions are looking to our leadership in advancing and proving the viability and potential of such property-assessed resiliency programs. Your support of this bill will advance our collective work in ensuring the health of the state's building stock, while conserving natural resources and meeting the state's greenhouse gas emissions goals.

I want to thank the committee for its time today.