



June 2, 2017

Co-Chairs Hass and Barnhart, Members of the Committee
Joint Committee on Tax Credits
900 Court Street NE, Room 354
Salem, Oregon 97301

RE: Support for House Bill 2681 A and Senate Bill 177 A, extending and amending tax credit incentives for Oregonians to invest in residential energy efficiency improvements and solar energy systems

Dear Co-Chairs Hass and Barnhart and Members of the Committee:

Enhabit is pleased to provide this unique information in SUPPORT of HB2681 and SB177.

Enhabit 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, 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 motivator to 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 development and maintenance of good family wage jobs, and to the thriving small businesses in this strategic sector of our economy. With energy costs low and utility sector incentives reduced accordingly, these public sector incentives are all the more important to encouraging homeowners toward these beneficial investments. And, due to utility cost effectiveness calculations, some of the remaining utility incentives may even be cancelled if the tax credit incentives end – a double impact on homeowners and contractors.

Finally, there are other powerful co-benefits the state gets from the multiplying impact of 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 build more resilient communities. At the same time, homeowners reduce their energy bills, and many see reductions in health-related costs (e.g. asthma costs) 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 offering of 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 house to its

foundation, and mitigating radon risks – all building long-term value, and creating Oregon jobs. And in rural parts of Oregon (outside Energy Trust territory), we see that these tax credits are often the only incentives available to spur and help homeowners toward these benefits.

Without the residential energy tax credit program, these smart, investment-multiplying benefits of energy savings, job creation, affordability and health enhancements would be lost. There are certainly ways to make this program even better, more impactful, and more targeted for the benefit of Oregonians, and we've supported the 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", with a stylized flourish at the end.

Tim Miller
CEO, Enhabit