
WEATHERIZATION INDUSTRIES SAVE ENERGY

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COMMENTS ON HB 4121

The weatherization contractors, distributors, and manufacturers of Oregon strongly support HB 4121 and all of our State's efforts to decrease housing costs, improve our economy, and protect our environment through energy efficiency. We do have several suggestions on how to improve HB 4121 to make the best use of taxpayer dollars.

Require Cost-Effectiveness

There are many potential energy-saving projects that are simply not cost-effective and should not be incentivized by the State. WISE recommends that all project or measure types should be subject to an end-user simple payback test to ensure that the cost of the project does not exceed the savings that the project will generate over its life.

Prioritize Rental Housing

Generally speaking, rental housing is the least energy efficient segment of Oregon's housing stock. Primarily, this is because landlords must pay for efficiency investments while tenants receive the returns on those investments. In other words, landlords have very little reason to pay for energy efficiency. If the goal of HB 4121 is to help lower-income families through energy efficiency, it should give priority to rental housing and remove the \$200,000 annual income cap for landlords.

Pay for Savings, Not Costs

Section 2(2) requires that incentives be based on the energy savings of a project, but 2(3) then requires that the program pay an average of 20% (or higher based on income) of project costs. This could lead both to challenges in program design and increases in average project costs. A better way might be to pay a set rate per savings with a project cap based on cost. For example, the incentive could be set at \$0.60 times the first year energy savings of the project up to 20% of the project cost.

Define Success

Experience has shown that a successful incentive program must have clear goals and metrics to define success or failure. These goals and metrics are essential both to program design and administration as well as for defending the costs of the program to future legislatures. WISE very strongly recommends adding a clear statement of the purpose and goals of HB 4121 as well as laying out specific ways to measure its success or failure in meeting those goals.

Weatherization Industries Save Energy (WISE) is a trade association of weatherization and HVAC contractors, distributors, and manufacturers. It is dedicated to promoting energy conservation through the services of its members, keeping conservation measures affordable, and providing policy-makers with the experience-based knowledge of business owners. For more information contact Jeremy Anderson at (503) 569-1381.