

February 6, 2018

Chair Gomberg  
House Economic and Trade Committee

**Re: HB 4121**

Dear Chair Gomberg and Members of the Committee:

I had planned to testify in person, but a good dose of the flu has precluded that.

The solar and energy retrofit industries are at a crossroads. My company, Neil Kelly, has an eleven-year history with energy retrofits and a five-year history with solar. Especially during the first few years, the results of the "East" bill and the AARA funds from Washington were a welcome stopgap that blunted the impacts of the "Great Recession" on our business and, most importantly, on jobs. In 2009, 2010 and 2011, we were able to shift employees from other parts of the company into our Home Performance division. With the addition of solar, we grew that division to 45 employees. Today we have 15 employees in solar and Home Performance. At the same time, a budding new industry developed, with hundreds of employees engaged in family wage jobs and opportunities were created for entrepreneurs to test their business skills.

Fast forward to 2015 and we started to see a significant decline in the energy efficiency and solar industries due to the following factors:

1. The low cost of natural gas limited the Energy Trust rebates for measures.
2. With declining funding for Clean Energy Works of Oregon (now Enhabit), their marketing efforts and rebates were limited.
3. Homeowners began spending their money on more tangible projects like bathrooms and kitchens.

With the recent elimination of the Residential Energy Tax Credit (RETC), an already vulnerable industry, is quite frankly, threatened. For the energy retrofit industry, the last significant support has been removed. In addition to the loss of the RETC, the solar industry is threatened by tariffs and the likely resultant price increases. If we are to meet our statewide climate goals, both industries need to grow, not decline

The Home WRAP is a great temporary measure to keep these industries alive. Over the coming years, as climate change becomes apparent even to the non-believers, we will see federal and state support grow for renewable energy and energy efficiency. When that support comes, we don't want to be in the position of having to rebuild the infrastructure of these industries from scratch. Additionally, the Home WRAP is designed to serve lower income homeowners, those who need the incentive most.



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