



April 1st, 2019

House Energy & Environment Committee
900 Court Street NE
Salem, Oregon 97301

RE: Testimony before the House Energy and Environment Committee in support of House Bill 3094

Dear Chair Helm and Members of the Committee,

My name is Tom Kelly and I am the owner and president of Neil Kelly, a construction firm based in Portland, with branches in Eugene and Bend.

I am here in support of House Bill 3094.

Our business was founded 72 years ago, but we started an energy retrofit division in 2006, thirteen years ago. The next several years were strong growth years because of the federal "ARRA" funds and the support of this legislature. We were able to save many jobs at Neil Kelly as a result. The rest of our business was deeply impacted by the "Great Recession."

We were the largest HP company west of the Mississippi back between 2013-2015, and now we have a fraction of the economic impact in the State. At the peak, we had almost sixty employees in our retrofit and solar division. Now we have fifteen and closed that part of our operations in Eugene two years ago, and last year in Bend.

Neil Kelly Home Performance Sales:

2012 - \$4.3M
2013 - \$5.1M
2014 - \$4.9M
2015 - \$4.0M
2016 - \$3.5M
2017 - \$3.1M
2018 - \$784K

The beginning of the decline is directly linked to the ARRA funds dissolving and the steep decline in 2018 coincides with the State Tax Credit going away. Our sales and subsequently the number of people we employ is directly linked to the available incentives.



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Neil Kelly

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The industry was able to perform over 5,000 retrofits. Today, we are doing a fraction of what we were doing just five years ago. What we have learned is that homeowners are not likely to do retrofits unless there are incentives.

The project size has scaled back. Homeowners are less likely to install “full package” retrofits that create a one-time benefit in comfort, health, and energy conservation. A phased approach to an individual home reduces the effectiveness of each implemented measure and lengthens the time to reach our goals.

With low energy costs in the Pacific Northwest it can be difficult for homeowners to weigh out the monetary gain of doing energy efficiencies measures. Not recognizing the real costs have made archaic forms of energy more accessible to homeowners. This bill will help bridge the gap between paying more for energy over time and doing the measures at an upfront cost and saving more with added benefits of equity and safety.

HomeWRAP deserves your support because:

1. It will help maintain and create family wage jobs.
2. It will help Oregon meet its stated climate goals.
3. It will help maintain the infrastructure of contractors to perform this work.
4. It will help lower income and rural households live a healthier life and save important energy dollars.
5. It will help Oregon “bridge” to future funding streams.

I am in this business because I am passionate about fighting climate change and helping families live healthy lives, while providing jobs for Oregonians.

Sincerely,

A handwritten signature in black ink that reads "Tom Kelly". The signature is written in a cursive, flowing style.

Tom Kelly
President, Neil Kelly Co.