

## **SB 870 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Energy and Environment**

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**Meeting Dates:** 3/14, 3/16

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#### **WHAT THE MEASURE DOES:**

Requires Department of Consumer and Business Services (DCBS) to study how to build resiliency and efficiency into buildings. Directs DCBS to submit findings to interim committees of Legislative Assembly related to environment not later than September 15, 2024.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-1 Replaces measure. Makes legislative findings. Declares intent of Act is to provide incentives and regulations that encourage greater energy efficiency in existing and new buildings; establish energy performance standards (EPS) for existing large commercial buildings; and enhance access to commercial building energy consumption data to assist with monitoring progress toward meeting energy performance standards. Requires, no later than December 31, 2023, Department of Consumer and Business Services (DCBS) to adopt rules, using certain standards as model, to specify EPS. Requires DCBS update the EPS no later than July 1, 2029 and every five years after. Requires EPS to comply with Act, seek to maximize reduction in greenhouse gas (GHG) emissions from covered buildings, include energy use targets that apply to specific types of buildings; and provide for methods to achieve conditional compliance. Requires DCBS in adopting the EPS to: develop energy use targets for two or more climate zones that take into consideration regional and local data and a conditional compliance method that requires owners of covered commercial buildings that does not meet energy use intensity target to take action to reduce energy and specifies investment criteria to ensure progress toward meeting energy intensity targets. Makes certain requirements of investment criteria that is part of conditional compliance method. Provides allowance from meeting energy efficiency requirement that would compromise historical integrity if building meets certain conditions. Requires Department to create database of eligible buildings and covered commercial buildings that are subject to Act based on county assessor records and other information available to the DCBS. Requires DCBS to notify eligible business owners of requirement to comply no later than July 1, 2024. Requires building owner to report to DCBS, including certain information, concerning compliance with EPS at the end of each five-year period. Provides criteria for measuring financial hardship. Requires DCBS to provide support program to eligible building owners to assist in complying with EPS. Establishes the following EPS compliance schedule for eligible building owner's covered commercial buildings: a gross floor area of 200,000 square feet or more, not later than June 1, 2028; a gross floor area of 90,000 square feet or more but less than 200,000 square feet, not later than June 1, 2029; and a gross floor area of 35,000 square feet or more but less than 90,000 square feet, not later than June 1, 2030. Requires DCBS to notify eligible building owner of failure to comply. Authorizes DCBS to impose civil penalty if the building owner was issued a notice and is determined to not be in compliance with certain provisions of Act. Stipulates civil penalty may not exceed \$5,000 for each violation or amount to be determined based on buildings square footage for continuing violation of up to one year. Requires proceeds from civil penalty be deposited to DCBS to be used to administer energy efficiency programs. Requires DCBS to report no later than January 15<sup>th</sup>, and every year after until 2035 to the Governor and Legislative Committees related to the environment concerning the implementation of the EPS. Declares emergency, effective on passage.

#### **BACKGROUND:**

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In 2022, the Oregon Legislative Assembly enacted Senate Bill 1518 which established the Resilient Efficient Buildings Task Force (Task Force). Senate Bill 1518 directed the Task Force to identify and evaluate policies related to building codes and building decarbonization for new and existing buildings that would enable the state to meet the greenhouse gas emissions reduction goals (ORS 468A.205) while maximizing additional benefits.

Senate Bill 870 directs the Department of Consumer and Business Services (DCBS) to study how to build resiliency into buildings and to submit findings to Legislative Assembly no later than September 15, 2024.