

## SB 871 -3 STAFF MEASURE SUMMARY

### Senate Committee On Energy and Environment

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**Meeting Dates:** 3/14, 3/16, 3/28, 4/4

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#### WHAT THE MEASURE DOES:

Requires Department of Consumer and Business Services (DCBS) to study how to build efficiency and resiliency 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:

-3 Replaces measure. Requires **energy savings performance contract** to: include certain funding sources; authorize contracting agency to purchase or finance costs of energy conservation measures if the utility cost savings resulting from the energy conservation measure is sufficient to pay for the cost of the energy conservation measures and financing over the useful life of the energy conservation measure; and provide guarantee to contracting agency of specific and measurable reduction in energy use and utility costs as result of energy conservation measures. Stipulates contracting agency may only enter into energy savings performance contracts that are cost effective. Requires contracting agency to choose qualified energy service company as contractor for energy savings performance contract. Requires Department of Administrative Services (DAS), in cooperation with Oregon Department of Energy (ODOE), to develop methodology and work plan for agencies to implement a **comprehensive assessment** of energy use and greenhouse gas emissions of state-owned buildings. Establishes minimum requirements for assessment. Authorizes DAS to direct agencies to conduct assessments in phases or stages and may specify minimum building size subject to assessment. Requires DAS, with support from ODOE to create a **searchable and modifiable database** with information collected by assessment. Requires state agencies to use baseline data from database as tool for planning energy use reduction and greenhouse gas emission reduction targets in capital projects. Requires DAS in collaboration with Department of Environmental Quality and ODOE to **oversee all state agency capital projects** to construct or perform a major renovation on state building where the estimated contract price exceeds \$1 million. Requires DAS **performing oversight** to: develop and implement guidelines for sustainable design; provide guidance and technical expertise to each agency with respect to construction methods, materials, energy conservation measures, greenhouse gas emission reductions methods, green buildings construction, and renovation and other techniques and technologies; and use existing work performed by ODOE. Requires each state agency to **report** regularly to DAS concerning progress on capital project with emphasis on meeting goals of Act. Requires DAS and ODOE to participate on behalf of state in **National Building Performance Standards Coalition**. Redefines "energy savings performance contract" in statute. Removes statutory requirement to provide right of first refusal for conservation and direct use renewable resources to local utility providing services. Authorizes state agency to retain 100 percent of net savings to agency after debt services rather than 50 percent. Establishes components of Act applying to procurement for energy savings performance contracts are operative January 1, 2024. Takes effect on 91st day following adjournment sine die.

- No revenue impact
- Fiscal statement issued - This measure warrants a subsequent referral to the Joint Committee on Ways and Means

#### BACKGROUND:

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*This summary has not been adopted or officially endorsed by action of the committee.*

### **SB 871 -3 STAFF MEASURE SUMMARY**

The Department of Consumer and Business Services (DCBS) stated mission is to protect and serve Oregon's consumers and workers while supporting a positive business climate. DCBS is Oregon's largest consumer protection and business regulatory agency with work in the following areas: finance (insurance, investments, Oregon-chartered banks and credit unions, consumer finance companies, mortgage lenders, pawnbrokers, payday lenders), workplace health and safety, and building safety.

Senate Bill 871 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.