

## Background and Need for Legislation

The Oregon Department of Energy (ODOE) recently evaluated its existing programs to make them more effective and efficient. Evaluators will propose recommendations including statutory adjustments that will affect the State Energy Efficient Design (SEED) Program and the Small-Scale Local Energy Loan Program (SELP).

The new Building Performance Standard will make parts of the existing SEED program redundant. By eliminating the old SEED requirements, ODOE can make state agency reporting more streamlined, more efficient, and free up staff resources to focus on supporting other state priorities.

In 1991, the Legislature adopted a policy for the State of Oregon “that facilities to be constructed or purchased by authorized state agencies be designed, constructed, renovated, and operated so as to minimize the use of energy resources and to serve as models of energy” efficiency. ODOE implemented this policy with the SEED program as required in ORS 276.900-915. Current SEED program rules require state agencies to report to ODOE the annual energy use of state-owned facilities that are 5,000 square feet or greater and use 10,000 Btu/square foot/year or more. ODOE also provides technical support to state agencies and establishes facility-specific energy use performance benchmarks based on national standards for their facilities.

HB 3409 (2023), in sections 8-17, created a Building Performance Standard (BPS) program to regulate the energy consumption of many existing commercial buildings in Oregon. The BPS Program requires state agencies to report annual energy use and also requires ODOE to establish building energy use benchmarks. The BPS Program also requires buildings with energy use above the median to take action and install energy efficiency measures to bring their energy use down to the median level of energy performance. However, rules from both the SEED and BPS programs create redundant reporting requirements and redundant establishment of energy use benchmarks for state-owned buildings.

ORS 276.915 also contains outdated references to previous state agency energy reduction goals from 2015. Energy reduction plans and new building energy goals are slated for state buildings covered by Building Performance Standards.

SB 825 will impact one other program, the Small-Scale Local Energy Loan Program (SELP), by eliminating the issuance of annual reports as it is no longer issuing new loans.

## Proposed Solution

This Senate Bill (SB) proposes to eliminate parts of the SEED program that are also required by the new BPS Program requirements. This solution will streamline the process by removing redundant reporting requirements and benchmarking creation, making more efficient and effective use of state agency staff resources. Additionally, SB 825 will remove the outdated references to previous state agency energy reduction goals. SB 825 will also remove no longer needed reporting requirements for the Small-Scale Local Energy Loan Program.

## Expected Fiscal Impact

State agency building energy use reporting is done by staff across multiple agencies and supported by staff at ODOE and DAS. SB 825 is expected to eliminate future duplication of reporting tasks. This will free up staff resources to focus on supporting other state priorities, and there is no expected fiscal impact.

## Contact

Christy Splitt

Government Relations Coordinator

[christy.splitt@oregon.gov](mailto:christy.splitt@oregon.gov)

503-510-4473