

March 15, 2023

Chair Sollman, Vice-Chair Findley, members of the Committee:

MCAT. My name is Linda Craig, and I am writing on behalf of Metro Climate Action Team (MCAT). MCAT is a group of volunteers sponsored by Oregon League of Conservation Voters working to help bring significant greenhouse gas reduction policy into law in Oregon. More than 400 people respond to our action alerts and read our newsletters.

Recognizing hard work and strong support. This has been quite a year for greenhouse gas policy in buildings in Oregon. Both the Oregon Global Warming Commission and the Resilient Efficient Buildings Task Force worked hard on selecting cost-effective actions to advance and we thank them.

The Global Warming Commission contracted with Sustainable Solutions Group (SSG) to model various actions that the state could take to reduce greenhouse gas emissions. The result of their work is a report, Roadmap to 2035, available now in draft form, which details the most effective and cost-efficient actions to meet the state's climate goals. **Four of the top five** actions are directly or partially covered by the bills in the package we are discussing today. Those are:

- Weatherize 95% of existing commercial buildings by 2040 (SB 870)
- Weatherize 95% of existing residential buildings by 2040 (SB 868)
- Commercial code energy reduction in new buildings of 60% over 2006 levels by 2030 (SB 869)
- Residential code energy reduction in new homes of 60% over 2006 levels by 2030 (SB 869)

An exciting part of this study is that the modeling also measured the co-benefits of the actions, so we know that these measures result in job creation and in improved health and economic conditions for Oregonians; and **these results are presented by county**, so we know that rural Oregonians will benefit as well as urban residents.

As work was going on in the Global Warming Commission, the Resilient Efficient Buildings Task Force was also meeting and studying which actions would best reduce greenhouse gases in the building sector. They were able to also have selected actions modeled by SSG. The actions they chose to model were supported by most of the 27-member Task Force, and three of the actions with support by almost all Task Force members moved directly to these bills:

- Promote, incentivize, and/or subsidize energy efficiency and heating/cooling efficiency increases (25 supported, 2 did not support).
- Promote, incentivize, and/or subsidize heat pumps (24 supported, 2 did not support).
- Decarbonize institutional/public buildings (23 supported, 4 did not support).

So, lots of work has coalesced into the package of bills that you have before you today. **MCAT fully supports these bills and urges your advancing them with your strong recommendation to pass. In addition to being important for reducing Oregon's contribution to greenhouse gas emissions, they will significantly improve Oregon's economy, adding well-paid jobs, and Oregonians' health, as air quality is improved.**

Alignment with Oregon's climate goals. Regarding the package of all four bills, we whole-heartedly support language in these bills that requires that agency actions and programs be aligned with state greenhouse goals as defined in ORS 468A.205 or the Governor's Executive Order, whichever is stronger. (We are all aware by now that the goals in Oregon statute are badly out of date. We urge passage of SB 522 which will update the goals to those recommended by the Oregon Global Warming Commission). Oregon has multiple programs dedicated to energy efficiency upgrades and home health and safety improvements, but the goals and qualifications for these programs do not always align with each other or with our state's climate goals. These bills would fix that problem and assure that progress toward the goals can be consistently monitored so that Oregon can, with diligent implementation, stay on target to meet the goals.

Regarding individual bills:

SB 868. We support and urge generous funding for the Energy Efficiency Technologies Information and Training Fund. Modeling done for the OGWC found that the actions in the Roadmap to 2035 will result in **384,000 net job years**. Many of the jobs are in weatherization, construction, and appliance installation, and training will be critical to our meeting the timelines. Right now, there is a big shortage of knowledgeable contractors. Many of our members have tried to contract for electrical upgrades and heat pump installation and found that they face very long lead times before the work can be accomplished.

We have some concerns that can be rectified in a future amendment of SB 868:

- 1) We support the heat pump goals in SB 868, but we are concerned that the **quality of the heat pumps is not specified.** It is important that high quality appliances be used so that they will operate efficiently in all of Oregon's climate zones. We suggest that bill require extended capacity heat pumps as specified in the Energy Trust of Oregon guidelines.
<https://insider.energytrust.org/new-extended-capacity-heat-pump-incentive/>

- 2) We also ask that the bill **pay more attention to weatherization**. The top two priorities in the Global Warming Commission's Roadmap are to weatherize 95% of existing commercial buildings by 2040 and to weatherize 95% of existing residences by 2040. Commercial buildings are well addressed in SB 870, but we think that the residential goal is insufficiently stressed in SB 868. The bill should assure that weatherization is prioritized and monitored so that Oregon can meet this important goal for residences. The following sections could specifically insert "weatherization" to make the legislature's goals clear (Section #'s apply to the -1 amendment):

*Section 1 (2)(b)...that the state should provide programs and support for accelerating **weatherization** and purchases and use of heat pumps*

*Section 2 (2)(B)(b)...agencies should develop policies to support widespread **weatherization** and energy efficiency upgrades...*

*Section 3 (1)...include requiring that ODOE report on the rate of **weatherization** as well as the rate of heat pump adoption.*

Heat pumps will work best when they are installed in buildings that are well-insulated. We recognize that HB 3166 does speak to whole home energy efficiency, and we know that programs are underway in the state to help with weatherization, but we would like SB 868 to clarify that the important weatherization goal of 95% by 2040 is being monitored and will be met. Let's assure that weatherization is marching along simultaneously with heat pump adoption.

- 3) Strengthen the language to **prioritize greenhouse gas emissions reductions**. For example (Section #'s apply to the -1 amendment):

*Section 2. Current 2A: Consider greenhouse gas emission reduction goals in the designated state agency's regulatory decisions. Suggested 2A: **Prioritize** greenhouse gas emission reduction goals in the designated state agency's regulatory decisions.*

*Section 2. Current 2B: Align the designated state agency's creation and operation of existing and new programs with greenhouse gas emission reduction goals. Suggested 2B: **Prioritize** greenhouse gas emissions reductions in the creation and operation of existing and new programs in alignment with statewide greenhouse gas emissions reductions goals.*

- 4) Bring Energy Trust of Oregon and similar programs into this bill by adding language to clarify that the mission of these programs leads with greenhouse gas emissions reductions and equity instead of with energy efficiency only. Direct the PUC to consider GHG reduction in Energy Trust and other utility conservation programs and assure that incentive programs are available to residents of all parts of Oregon.
- 5) Finally, we suggest that the bill **declare an emergency** so that ODOE can begin this important work immediately to prepare for federal programs that will be available later this year.

SB 869. We greatly support this bill which will clarify that the Department of Consumer and Business Services should facilitate achievement of the state's greenhouse gas reduction goals in all their actions. That they should expedite and accelerate actions to reduce greenhouse gases is clear in this bill and adds to their mandate. We also support that the bill sets a priority for helping vulnerable populations and communities adapt to climate change.

The goal in the bill of building codes achieving 60% reduction in 2006 energy use by 2030 is what is currently targeted by the Governor's Executive Order, but including this goal in statute is very important.

We would suggest that this bill should **declare an emergency** so that there is no delay in making these changes to code adoption processes that are underway.

SB 870. As the Whereas section of this bill states, efficiency is the region's largest, cheapest, and lowest risk energy resource. The NW Power and Conservation Council says it will be possible to meet 100% of the projected electricity load growth in the region with energy efficiency improvements. We strongly support this bill which addresses large buildings in the commercial sector.

The bill is modeled after Washington's bill which was passed in 2019, so they can help with Oregon's learning curve. We support an addition to the -1 amendment that we understand is being considered to extend reporting requirements and incentives to Tier 2 buildings smaller than 35,000 square feet.

We support the **declaration of an emergency** so that work can begin at once.

SB 871. The third recommendation of the Resilient Efficient Building Task Force is to decarbonize institutional/public buildings. It was supported by 23 of the Task Force's 27 members. It only makes sense for the state to lead by example, but we have no further comments until we see the language of the -1 amendment.

Thank you for allowing us to provide this testimony and for taking the lead to bring these important bills to Oregonians.

Sincerely yours,

Linda Craig
for Metro Climate Action Team

