

## **Oregon Public Utility Commission, Energy Efficiency Deep Dive Workshop**

### **Oregon Department of Energy**

February 24, 2012

#### **APPLIANCE EFFICIENCY STANDARDS**

- The Pacific Northwest region has been a leader in implementing energy efficiency standards for residential and commercial appliances and industrial equipment.
- Oregon is statutorily required to periodically review minimum energy efficiency standards and update them if it promotes energy conservation and is cost effective for consumers.
- Oregon's preferred strategy is to influence and then to adopt standards established in our neighboring states. The Oregon Department of Energy influences through participation in Pacific Coast Collaborative initiatives on consumer electronics energy efficiency standards.

#### **ENERGY CODES FOR BUILDINGS**

- Oregon has been a leader in energy efficiency in building energy codes for both residential and commercial buildings. Oregon became the first state to include energy standards in a statewide building code, in 1974. Codes are reviewed and are generally revised on a three year cycle, through public processes conducted by the Oregon Building Codes Division (BCD).
- The most recent Building Energy Codes (Non-Residential, 2010 and Residential, 2011) require substantial advances in the energy efficiency of new construction. Oregon's position compared to other states and to the International Model Codes, is given at [www.energycodes.gov/states](http://www.energycodes.gov/states).
- Oregon also has a set of voluntary codes, called the Reach Codes (2011). The primary goal of these codes is to provide an optional set of statewide construction standards for energy efficiency that exceed the requirements of the state's mandatory codes.

#### **ENERGY EFFICIENCY IN PUBLIC BUILDINGS**

- State Owned Buildings are subject to requirements that exceed Oregon Building Energy Code.
- Oregon law requires that new construction or major renovations of State buildings incorporate all cost-effective conservation measures in the construction or renovation of the building.
- State agencies are required to reduce energy use in their State owned buildings by 20% over their 2000 baseline, by 2015.

## **FINANCING AND THIRD PARTY REVIEW**

- State agencies can borrow from the Small Scale Energy Loan Program (SELP) to finance energy efficiency improvements. Because SELP is a revolving loan program designed to promote energy conservation (and renewable energy development), other public and private entities are also able to access SELP to finance energy efficiency investments.
- The Oregon Department of Energy's State Energy Efficiency Design Program (SEED) provides third party review of energy efficiency plans and savings projections for state owned buildings. This third party review by SEED engineers is required by ORS 276.900-.915 and can be used to fulfill the third party review requirement found in SELP rules.
- State Agencies may utilize Energy Savings Performance Contracts as a tool to reduce energy use, with review by ODOE's SEED program and under contracts that include third party commissioning and third party measurement & verification processes (M&V).

## **ENERGY EFFICIENCY IN PUBLIC SCHOOLS**

- The Senate Bill 1149 (SB 1149) Energy Efficient Schools Program serves Oregon's K-12 Public Schools located in Pacific Power (PP) and Portland General Electric (PGE) service territories. These schools receive ~\$7.5M/year in Public Purpose Charge (PPC) funding to carry out energy efficiency audits and make energy efficiency improvements. ODOE provides technical oversight of energy audit quality and provides administration of program eligibility and project cost reimbursement.
- Schools in Idaho Power and Consumer Owned Utility (COU) service territories received shell and lighting audits financed by Federal Stimulus funds through the 2011 Governor's Audit Initiative. Audits point to about \$20 million in cost effective energy efficiency investments.
- House Bill 2960 (HB 2960, 2011) established the Cool Schools Initiative, to assist K-12 Public Schools in Oregon to make investments in energy efficiency, create jobs, and improve learning environments. The program offers low interest financing for energy efficiency projects and encourages leveraging SB 1149 funds and/or energy savings to pay off these loans.

## **STATE and FEDERAL RESIDENTIAL PROGRAMS and INCENTIVES**

- Oregon Department of Energy (ODOE) and Oregon Department of Housing and Community Services (OHCS) serve as conduits for federal energy efficiency funds that serve Oregon.
- In 2010-2011, ODOE received \$3.6 million in federal Stimulus funds from US Department of Energy's State Energy Efficiency Appliance Rebate Program (SEEARP). These funds were dedicated to energy efficient appliances installed in low income homes. The program was a combined effort by ODOE and OHCS and provided over 3,200 rebates to low income families.
- Oregon Housing and Community Services (OHCS) coordinates the Low Income Weatherization Program, a program funded by both federal and SB 1149 funds that executes whole house energy efficiency upgrades for income qualifying households, with 100% reimbursement.

- The Oregon Department of Energy's State Home Oil Weatherization (SHOW) program provides energy audit checklists and rebates for homes heated primarily with oil, propane or wood.
- Oregon's Residential Tax Credit program (RETC) has been in place since the late 1990s. House Bill 3672 (HB 3672, 2011) narrowed the scope of RETC to pre-defined credits for qualifying heating & ventilation systems, tank-less water heaters, and duct sealing measures and extended the program sunset to 2018.
- No federal residential tax credits are active at this time. Tax credits for the purchase of home insulation, space and water heating systems, windows and cooling systems expired at the end of 2011. Tax credits for household appliances and for new high efficiency homes also expired.

### **STATE and FEDERAL COMMERCIAL/INDUSTRIAL PROGRAMS and INCENTIVES**

- The Oregon Department of Energy (ODOE) leads the new, annual Governor's Industrial Energy Efficiency Leaders Award, as part of the Northwest Industrial Collaborative.
- ODOE is responsible for oversight of the SB 1149 Industrial Self-Direct program. This program allows large industrial users to make energy efficiency investments in company facilities, in lieu of making Public Purpose Charge payments on their utility bills.
- ODOE administers tax credits offered to Oregon businesses to encourage them to invest in energy conservation. The Conservation Business Energy Tax Credit (BETC) historically offered 35% of the eligible cost of the project. House Bill 3672 (HB 3672, 2011) both conservation and renewable energy tax credit programs. The most notable impacts to the conservation tax credit are that 1) the bill created a separate pathway for smaller projects, 2) capped the conservation tax credit at \$28 M per biennium, and 3) extended the program to 2018.
- Federal tax credits remain in place for new and retrofitted commercial buildings that use one half the energy/sq ft (compared to model codes.) Tax credits for combined heat and power systems are also available.

### **Other Federal Grants and Funding**

- In 2010-11, the Oregon Department of Energy (ODOE) was awarded \$56 million in federal Stimulus funds through four separate grants; the projects associated with these funds will all be wrapped up this year. A fact sheet on the details of the federal Stimulus grants has been provided. This document is titled "Oregon Department of Energy Stimulus Fund Summary."
- Emerging federal programs establish a coordinated vision and goals, but largely rely on leveraged resources from State or private sources. Federal funding has become increasingly volatile and funding for conservation programs may decrease over time.