

House Energy and Environment Committee  
Gary Bauer  
NW Natural  
February 7, 2013

Mr. Chair and members of the committee, I am appearing on behalf of NW Natural in support of HB 2436. The bill makes some minor housekeeping amendments to the Energy Efficiency and Sustainable Technology Act (EEAST) that was developed by Chair Bailey and passed in 2009. EEAST provides financing for residential and commercial energy efficiency and renewable energy projects in Oregon by providing 100% upfront long term, low-interest loans to property owners that can be paid back on the utility bill.

The legislation provided for a “pilot” phase to identify any issues that might arise as utilities and others implemented the program. A work group consisting of Oregon Department of Energy, Oregon Public Utility Commission, utilities, the Energy Trust of Oregon, vendors, and consumer groups, was established to address any implementation issues.

As a result of this process, some minor changes are being proposed to the statutes that created the EEAST program.

In Section 1 of the bill, the following changes are made:

- The bill adds a definition of “Primary Contractor.” The bill defines a primary contractor as the sole responsible party for any work that is contracted with a property owner. In addition, the Prime Contractor is responsible for the supervision and warranty of any subcontractors.
- It also replaces the term “sustainable energy territory” with “utility service territory.” The intent of this change is to simplify the boundaries where an energy efficiency and sustainable technology loan program is offered and establishes that the program boundaries should coincide with each utility's service territory.

Section 5 addresses how the program is to work when there are overlapping utility service territories. NW Natural's service territory overlaps with 17 different electric utilities and we have the largest number of customers taking advantage of the EEAST program. Making the boundaries consistent with each utility's service territory provides a more uniform and cost effective program for customers.

Section 12 deletes language that states if there is a change in ownership of the property, the utility is required to transfer the responsibility of repayment of the loan to the new account holder. The utility holds no interest in the loan, is not a party to the loan contracts, and cannot lawfully reassign the repayment of this debt. If the new customer picks up the loan and wants to pay it off through on-bill financing that can still occur.

The other sections contain a number of minor amendments that are necessary for consistency and clarification purposes as a result of the addition of the terms “primary contractor,” and “utility service territory” plus the deletion of the term “sustainable energy project manager.”

We encourage your passage of HB 2436.