



Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

Representative Helm
House Committee on Energy and Environment
900 Court Street NE
Salem, OR 97301

RE: HB 2496 and the – 3 amendment

Chair Helm and Members of the Committee:

Thank you to the committee for the opportunity to submit written testimony in support of House Bill 2496 and the -3 amendment. The City of Portland's comments are borne from our recent experience applying existing 1.5% for Green Energy Technology (1.5% GET) rules to public improvement contracts on municipal buildings, and our desire to help the committee craft the most effective framework for public agencies to implement 1.5% GET rules to achieve maximum impact.

The City of Portland supports the inclusion of battery storage and energy efficiency as allowable costs towards 1.5% GET requirements for the following reasons:

- Solar, energy storage, and energy efficiency are all key components in the development of RESILIENT buildings.
- Energy efficiency is the most cost effective decarbonization strategy municipal buildings can employ. Investment in energy efficiency is thus a higher value investment to publicly funded projects than renewable energy systems.
- The inclusion of energy efficiency as eligible for up to half of Green Energy Technology costs, or all of the 1.5% GET costs at a site where renewable energy is impractical, is integral to a whole building design approach and increases the value of a renewable energy installation. By decreasing overall energy use, renewable energy produced onsite can offset a greater percentage of the overall building load.
- Portland's municipal building retrofit strategy is rapidly evolving. While rooftop solar continues to be an integral strategy to decarbonize our buildings, it has increasingly become essential to tie these investments to more than sustainability goals alone in order to justify these public investments. The incorporation of battery storage and efficiency and their associated resiliency value adds additional value streams to these investments.

The addition of energy efficiency and battery storage is a common-sense revision to the proposed legislation. Given the continued drop in solar costs, the reality is that spending 1.5% of project budgets on renewable energy installations is likely to create situations where municipalities are



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required to spend more of the public’s money on renewable energy installations than the projects may otherwise reasonably require. Allowing up to half of the GET budget to be spent on energy efficiency and battery storage is a positive step that promotes more cost-effective investments in decarbonization and resiliency.

Case study: The Portland Building renovation

The City commissioned a solar survey to measure the solar resource factor on the rooftop of The Portland Building in downtown Portland. The study concluded that the majority of the roof does not meet the minimum solar resource threshold; however, localized areas on the roof did meet the minimum 0.75 total solar resource factor requirement. Thus, per program admin rules, solar was deemed “appropriate” by the technical review panel when the City submitted an exemption request.

In this project, 1.5% of total contract price would result in a renewable energy system with a cost exceeding \$2M, which would have been completely impractical for the project. Instead, the building design team included passive solar measures that did exceed 1.5% of the total contract price, and energy modeling confirmed that the overall building design met the current program requirement to be 20% below energy code. However, existing program rules require the energy reduction to be attributed to the passive solar elements alone.

By allowing energy efficiency investments in combination with active or passive solar design elements, the legislation will create more flexibility for building designers to implement appropriate design elements that yield significant benefits to the public at reasonable cost. Furthermore, we support the proposed language to change the passive solar energy reduction requirement from 20% to 10% below code, as this amendment is far more feasible to attain for buildings throughout the state, and thus more appropriately incentivizes building designers to incorporate passive solar features into the building design.

The City also supports allowing for renewable energy systems to be built at alternative locations when it is more cost effective to do so. This common-sense amendment should result in fewer exemption requests and allows contracting agencies greater latitude in maximizing the value of their investments in renewable energy.

Finally, the City supports language in the -3 amendment raising the minimum total contract price from \$1M to \$5M dollars. In our view, the scale and scope of a \$1M project will include buildings and projects where the application of solar is inappropriate, and the budget is insufficient to build a solar array of any significance.

Case study: Portland Parks Maintenance Barn at Delta Park

The City’s bureau of Parks & Recreation was seeking to retrofit a maintenance barn with a total contract price that slightly exceeded \$1M, which triggered the 1.5% GET requirement. A solar



array using 1.5% of the contract price installed at this site would have produced more energy than the building consumes on an annual basis. In most other applications, \$15,000 (1.5% of \$1M) for a commercial scale renewable energy installation is simply not enough budget to build a renewable energy system of any significance. It's easy to imagine other public organizations with less resources than the City of Portland to be put in a similar position at the \$1M threshold.

The City is committed to expanding the applications of renewable energy technology. We view HB 2496 and the -3 amendment as an opportunity to strengthen the existing 1.5% GET rule by creating flexibility and realistic options to implement the legislation in a manner that maximizes the value of the public's investment in these technologies.

Sincerely,



Michele Crim
Chief Sustainability Officer
City of Portland Bureau of Planning and Sustainability

