



February 11, 2020

Senator Michael Dembrow
Chair, Senate Environment and Natural Resources Committee
Oregon State Legislature

RE: SB 1530

Dear Chair Dembrow and Members of the Committee:

The Northwest Energy Efficiency Council (NEEC) is a non-profit business association representing over 100 businesses in Oregon and Washington that deliver energy efficiency products and services. Our members have long worked to increase energy conservation within Oregon by increasing building and home efficiency.

We are supportive of SB 1530 with the -27 amendment and believe it will accelerate decarbonization in Oregon. In particular, we appreciate the bill's energy efficiency program for Trade Exposed Natural Gas Users (TENGUs). Previously, industrial energy customers have had limited access to Oregon's energy efficiency incentive programs, and it is vitally important to give these customers incentives to produce energy efficiency savings. Initial analysis suggests that incentivizing TENGUs to submit to energy system audits and complete all efficiency improvements with five-year paybacks could reduce CO2 emissions by 500,000 tons per year while simultaneously providing energy bill savings of \$39 million annually. Although energy efficiency upgrades are very cost effective in the long run, the upfront cost of such projects can be significant, so NEEC does recommend the creation of a loan program to help companies offset the initial cost of energy efficiency improvements.

HB 2020 included language prioritizing Climate Investments Fund moneys for projects that "reduce greenhouse gas emissions through electrical grid decarbonization efforts, including but not limited to investments in energy generation from renewable resources, distributed energy resources, transmission and storage projects for renewable energy, demand response, community solar projects and other community-scale renewable energy projects." NEEC was very supportive of this language because it promoted ways for Oregon to assure grid reliability and promote innovation while further accelerating decarbonization. Studies consistently show the importance and cost effectiveness of energy efficiency in reducing emissions, and energy efficiency projects also create jobs and spur local economic development. This language is absent from SB 1530, and NEEC supports reinserting it in the bill.

Despite this omission, NEEC supports SB 1530 and commends the Oregon Legislature on its efforts to reduce the state's carbon emissions and combat climate change. A market-based cap-and-invest program like the one in SB 1530 is an important component in Oregon's ongoing work to build an energy system that is clean, reliable, and efficient.



Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Kerry Meade".

Kerry Meade
Executive Director,
Northwest Energy Efficiency Council