

## Milestone Reached: Oregon Efficiency Standards

The most significant step ODOE has taken to implement EO 20-04 is the [completion of a rulemaking](#) to establish and update 11 new appliance and product efficiency standards to ensure that our state's standards are at least equivalent to other West Coast jurisdictions. Following a robust public involvement process over the summer of 2020 that included a rulemaking advisory committee, ODOE finalized the new rules at the end of August. Before the rules become effective, we were required to submit a legislative concept for the 2021 legislative session to align our rules with Oregon statute. That bill, [HB 2062](#), will be considered by the House Energy and Environment Committee on March 1, 2021.

[Energy efficiency](#) is the cleanest, least expensive, and second-largest electricity resource in Oregon – as well as an important tool for emissions reductions in the natural gas sector. [Initial staff analysis](#) found that updating and establishing standards for these products could, in the year 2025, result in annual savings to Oregonians of 200 gigawatt hours of electricity, 500 billion British thermal units of natural gas, 76,000 metric tons of carbon dioxide equivalent, and over \$35 million in utility bills.

The new standards could result in annual savings to Oregonians of 200 GWh of electricity, 500 billion Btu of natural gas, 76,000 metric tons of CO<sub>2</sub>, and over **\$35 million** in utility bills.

## Progress on ODOE EO 20-04 Directives

### APPLIANCE STANDARDS (7A-C)

*ODOE Role: Lead | Status: Complete/In Process*

- **Rulemaking: Complete**

ODOE completed [rulemaking](#) to establish and update energy efficiency standards for products at least to levels equivalent to the most stringent standards among West Coast jurisdictions on August 28, 2020. ORS 469.261 requires a one-year waiting period before rules can become effective and that legislation conforming the standards in statute to the new or modified standards in rule must be introduced in the following Legislative Assembly. ODOE has introduced [HB 2062](#), which will be the subject of a hearing in House Energy and Environment on March 1. ODOE will continue to participate in Pacific Coast Collaborative codes and standards committees and coordinate with the national Appliance Standards Awareness Project (whose role is to advance, align and inform standards adoption by states). These venues will allow ODOE to track when we are out of alignment with other west coast states and could prompt us to address our standards. We also track, on a regular basis, Federal standards that replace state standards requiring an update for Oregon. Passage of HB 2062 will make it easier for ODOE to keep Oregon's standards in alignment with other states by allowing ODOE to update existing standards through rulemaking.

- **Third-party validation for cost savings (7D): In Process**

ODOE is working with BCD to contract for third-party analysis of building code improvements in 2023, 2026, and 2029. ODOE and BCD have discussed with stakeholders a near-term cost/benefit analysis of building code advances. This would add to the cost-effectiveness analyses already being conducted by Pacific NW National Labs, Zero Energy Ready Homes program /USDOE (for the Oregon 2023 EO 17-20 goal code equivalence), and ASHRAE (for current and future Standards 90.1 for commercial buildings).

## BUILDING CODES (6A-C)

*ODOE Role: Supporting | Status: In process*

- **Energy Efficiency Goal for New Construction (6A): In Process**

ODOE is providing technical expertise and helping to facilitate engagement with the energy sector and the public. Since June 2020, ODOE has held [nine stakeholder meetings](#) that have covered the energy code development process, USDOE Zero Energy Ready Homes, the Reach code, and aligning the inputs and assumptions for the 2006 baseline.

- **Code Progress and Updates (6B): In Process**

ODOE also worked with BCD to [submit a report](#) on September 15, 2020, that evaluated and reported on Oregon's current progress toward achieving the goals in the executive order. Delayed until 2021 due to the COVID-19 pandemic, the updated residential code will include components of the USDOE Zero Energy Ready Home Program, putting us on a path to meeting requirements of EO 17-20 in 2023. Following final rulemaking in February 2021, BCD and ODOE will collaborate on determining the improvement of the 2021 Code over the 2017 Code.

- **Baseline Metrics and Reduction (6C): 2006 Baseline Complete**

ODOE worked with BCD to agree on metrics to inform the baseline and reductions associated with code updates. In cooperation with NEEA, and with input from the stakeholder panel, BCD completed a consensus baseline for 2006 residential and commercial buildings. To keep track of progress and assure consistency and transparency of the code evaluation process from 2006 to 2030, ODOE has collaborated with BCD and stakeholders to develop and review key assumptions and model inputs that inform measurement of code performance over time.

## TRANSPORTATION (9A AND 10A)

*ODOE Role: Supporting | Status: In process*

- ODOE has been working with ODOT, DLCD, and DEQ to prioritize implementation of the STS. The agencies delivered a two-year [workplan](#) to the Governor on June 30, 2020. ODOE has provided expertise, data, and analysis on fuels and vehicles, including the completion of an [electric vehicle dashboard](#) to provide a centralized source of information on electric vehicles in Oregon, across geographies and income groups.
- ODOE is also supporting ODOT's effort to conduct a statewide [transportation electrification infrastructure needs analysis](#). The TEINA project team has completed an assessment of stakeholder efforts to increase electric vehicle adoption in the state, led two equity-focused advisory group meetings, and conducted twelve listening sessions with a wide range of stakeholders to inform the study. The report is now in development and expected to be released in June 2021.

ODOE's Electric Vehicle Dashboard provides a centralized source of information on EVs in Oregon across geographic and income groups: [www.tinyurl.com/OregonEVDashboard](http://www.tinyurl.com/OregonEVDashboard)

## EXPEDITED AGENCY PROCESSES

*ODOE Role: Lead | Status: Complete/In Process*

In ODOE's EO 20-04 Implementation Report, we identified three rulemaking projects and one process evaluation project within the Siting Division that could accelerate GHG reductions.

- **EFSC Carbon Standard Rulemaking: Complete**

In 2020, the Energy Facility Siting Council held a public process to update the Carbon Standard for power plants. On June 26, 2020, EFSC updated the offset rate by the full 50 percent authorized by statute, raising it from \$1.90 to \$2.85 per ton of CO<sub>2</sub>e. By statute, the offset rate can be increased

every two years; Council anticipates initiating another rulemaking to potentially increase the monetary offset rate again in 2022.

- **Other Rulemakings: In Process**

EFSC's [2021-2023 Rulemaking Schedule](#) outlines a three-phased rulemaking to better align application requirements with EFSC standards. EFSC anticipates starting the first phase in 2021. EFSC also approved beginning a noise standard rulemaking in 2023 with a review of how DEQ noise control standards apply to energy facilities and an evaluation of whether the Council should consider rule changes to improve clarity and efficiency in verifying compliance for energy facilities. Both rulemakings will involve rulemaking advisory committees.

- **EFSC Program Review: In Process**

EFSC staff have begun drafting a request for proposal and associated statement of work and expect to have a consultant selected in the coming months.

## GHG REDUCTION GOALS AND AGENCY DECISIONS

*ODOE Role: Lead | Status: Complete/In Process*

ODOE's Implementation Report describes a number of ways the agency plans to build upon existing work to support the goals outlined in the EO. Following are highlights of our progress in this effort:

- **Biennial Energy Report: Complete.** Released on November 1, 2020, this report includes information on climate change policy, mitigation options, and decarbonization strategies.
- **EV Dashboard: Complete.** Released on September 22, 2020 (see above).
- **Oregon Renewable Energy Siting Assessment Project: In Process.** This project, funded by the U.S. Dept. of Defense, will assess data and develop a mapping tool about renewable energy and transmission development in Oregon.
- **Standard methodology for measuring the GHG impacts of ODOE programs: In Process.** ODOE will work with DEQ and ODOT in 2021 to establish a methodology through which it can measure GHG reductions in a consistent and transparent manner.
- **State Energy Efficient Design Program: In Process.** ODOE continues to monitor the energy use of state-owned buildings and identify opportunities for energy savings. ODOE will collaborate with state agencies in 2021 to figure out how to incorporate GHG emissions considerations in energy projects, and then measuring and reporting the impacts.
- **Climate Vulnerability Assessment: In Process.** The Biennial Energy Report included the first steps of conducting a climate vulnerability assessment: identifying relevant climate hazards, identifying potential impacts that may undermine or harm energy systems and assets, and discussing the outlook for these hazards in the years ahead. In 2021, ODOE will develop a full climate vulnerability assessment focused on Oregon's energy sector systems to help identify high-risk assets. This work will: quantify the level of risk posed by each hazard to each key system or asset; assess the sector's ability to respond to these risks; indicate the extent to which risks may disproportionately affect traditionally underserved and vulnerable communities; identify potential implications for the sector's broader goals; and assess and rank the sector's vulnerabilities to inform planners and policymakers.
- **Least Cost Plan for Climate Change Mitigation Measures in the Energy Sector: In Process.** In 2020, ODOE planned to conduct an analysis of the least-cost decarbonization actions and pathway options to achieve existing reduction targets. The Implementation Report acknowledged that additional funding would likely be necessary to complete this effort. While funding did not become available in 2020, ODOE has worked with the Oregon Global Warming Commission to secure funding for this effort in

Learn more about ODOE's upcoming Climate Vulnerability Assessment in the 2020 Biennial Energy Report: [energyinfo.oregon.gov/ber](https://energyinfo.oregon.gov/ber)

2021, the [Transformational Integrated Greenhouse Gas Emission Reduction \(TIGHGER\) Plan](#). The OGWC will work with a consultant to identify emissions reduction and sequestration actions, analyze the cost and GHG reductions associated with each action, develop sector-based marginal abatement cost curve analyses, and analyze co-benefits. The OGWC will use this information to create a roadmap for meeting the state’s 2035 climate goals.

- **Oregon Solar and Storage Rebate Program: Complete.** As of September 2020, all of the funding for this program, which provided rebates to homeowners and low-income service providers who installed solar panels and paired storage systems, had been expended or reserved. In September 2020, ODOE submitted a [report to the legislature](#) which estimated that the 174 completed projects that had received a rebate so far will displace 908.5 metric tons of CO<sub>2</sub>e per year (based on the carbon intensity of the electric utility serving the project).
- **Strategic Plan Development: Complete.** ODOE has completed its 2021-2024 strategic plan, outlining five imperatives the agency will make progress on over the next four years. Many of the imperatives and initiatives the agency will pursue will facilitate improvements in agency programs and activities that reduce GHG emissions. The imperative to “Assess and Modernize Agency Programs and Activities” includes an initiative requiring the agency to conduct a strategic evaluation of each program and activity. The agency anticipates working with stakeholders to identify appropriate evaluation metrics, which could include measuring and reducing GHG emissions. Another strategic plan initiative will involve a collaborative effort with energy stakeholders to identify key energy indicators to help the state measure progress towards state priorities and objectives (including statutory targets and goals, executive orders, and non-energy goals such as job creation and equity). ODOE will create dashboards to monitor and report on the status of these key energy indicators.

## Relevant 2021 Legislation

ODOE introduced [HB 2062](#), which will conform Oregon statute to the recently-adopted rules establishing and updating appliance standards.



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