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2021 House Bill 2062 - Frequently Asked Questions

Which products are included in the proposed HB 2062?

HB 2062 seeks to update and create new standards for the following list of products, matching standards set by our West Coast neighbors:

- 1. High CRI fluorescent lamps
- 2. Computer and computer monitors
- 3. Faucets
- 4. Shower Heads
- 5. Commercial fryers
- 6. Commercial dishwashers

- 7. Commercial steam cookers
- 8. Residential ventilating fans
- 9. Electric storage water heaters
- 10. Portable electric spas (update to existing standard)
- 11. Water coolers (update to existing standard)

What outreach has ODOE done during development of the standards in rule and legislative proposal?

ODOE conducted significant notification and outreach to stakeholders as part of the standards development process. A history and timeline for the rulemaking process is on ODOE's <u>public rulemaking</u> <u>page</u>. Identification and review of standards in statute began in 2018 with ODOE's public <u>report</u> to identify categories of appliances for improved efficiency in 2018 as part of EO 17-20.

After <u>EO 20-04</u> was issued in March 2020, ODOE held multiple rounds of public outreach and meetings to receive comments and develop the standards as part of rulemaking for OAR 330-092, which administratively adopted the standards that are in HB 2062. ODOE also provided an overview of its planned legislative concept for energy efficiency standards to its Energy Advisory Workgroup (EAWG) meeting on April 9, 2020, and again provided an update on rulemaking and legislative concept development to the EAWG during its June 29, 2020 meeting. The agency also presented on this work in legislative hearings. For the 2020 rulemaking, outreach started with early notification of upcoming activity and requests for input on April 28, 2020 that identified the specific list of standards to be developed. ODOE also emailed more than 600 stakeholders on May 12, 2020 with a notification of an upcoming stakeholder advisory meeting and a summary of proposed standards and draft rules for review.

An open stakeholder advisory committee meeting was held on May 20, 2020 and attended by more than 45 industry representatives and interested parties, and included dedicated time for discussion of each proposed standard, an early look at draft rule language, and the opportunity to propose additional standards for ODOE to consider. ODOE's distribution list for this and other notifications included 600+ delivered email addresses, including representatives and stakeholders from affected manufacturers, trade associations, Oregon building trades, utility companies, Oregon cities and counties, and energy efficiency advocates, among others.

ODOE used the valuable input from the stakeholder process to inform draft rules that were issued for formal public review and comment in early July 2020, in advance of a public rulemaking hearing later in the month. ODOE held the public rulemaking hearing on July 23, 2020 which included written or oral

comments from approximately 29 different organizations. ODOE's multiple rounds of interest group and stakeholder engagement activities were well-attended. After multiple rounds of stakeholder input and many helpful public comments, ODOE then filed the final rules on August 28, 2020.

The bill provides definitions and gives ODOE authority to define some products. How broadly do these definitions apply?

The definitions provided in HB 2062 and ODOE administrative rule would apply only to ORS 469.229 through 469.261, which are the statutes governing energy standards for consumer products, and would not extend to other areas of Oregon statute or regulations such as the building code. For consistency and market alignment, the definitions proposed in HB 2062 and ODOE administrative rule match the definitions for similar product standards in other states.

How do product efficiency standards relate to building codes?

In short, standards apply to products and building codes apply to construction. Standards specify the minimum efficiency for specific products that manufacturers must meet in order for those products to be sold in Oregon in compliance with state law. Building codes in general regulate methods and materials that can be used in building construction. While energy efficiency standards and the building code are separate and distinct, they are complementary, and ODOE has included provisions in this bill requiring a direct interaction with the appropriate building codes boards to ensure future collaboration. ODOE also regularly works with our sister agency and colleagues at the Oregon Building Codes Division to coordinate the work of our respective agencies.

The bill would provide ODOE with the limited authority to update existing standards by administrative rule to maintain or improve consistency with other states, without requiring legislative action for those updates. Why is this needed?

For the majority of products, once a standard is established, that standard remains in place and does not require updates or amendments. This is beneficial for state alignment, marketplace consistency, and manufacturer certainty. However, some products in rapidly developing markets, such as information technology equipment, often require technical updates to standards to consider new technology, features, or components. Oregon standards often directly reference the identical standards of another state, such as California, as of a certain date. If the referenced state makes updates to its standard for a particular product, Oregon would benefit from being able to also quickly make updates to the more recent version of the referenced standard for manufacturer certainty and marketplace alignment. Given the development times and variable effective dates of referenced standards and the required lead time and resources for proposing state legislation, it may not be feasible for Oregon to efficiently respond to a dynamic market through legislative action to ensure manufacture confidence and market alignment.

The new administrative authority proposed for ODOE in HB 2062 is very limited and would only apply to standards that were already set through the legislative process. Any updates would involve significant stakeholder and industry outreach and development for larger markets outside of Oregon. Only after that outreach and an update in another state would ODOE have the authority to also consider updating its standard. In addition, Oregon would not be required to update standards; ODOE would work with the affected parties through rulemaking to determine whether an update makes sense. Should the updated standard involve a category of products related to building codes, under HB 2062-A ODOE would also consult with the appropriate building codes advisory boards. ODOE administrative updates would follow a public rulemaking process, and ODOE continues to be committed to a transparent and open process that is inclusive of all interested stakeholders.

Updates to align existing standards in the future with other states would be done for both efficiency and to reduce confusion and ease the burden on industry that conflicting standards have in the marketplace, in a more efficient manner.

Would the provisions of the bill cede authority for establishing standards to other states?

No. Where Oregon standards reference a standard from another state or organization, if that state were to update its standard in the future, Oregon would not be required to update its standard as well. However, this legislation would give Oregon the option of updating to maintain or improve consistency with an updated standard.

Would the legislature maintain authority overstandards in the future?

Yes. Standards for new products which do not have an existing Oregon standard and updates that don't match another state would still require legislative action. Additionally, updates to existing standards that are made by ODOE administratively would remain subject to legislative oversight, authority, and regulation.

Does existing equipment need to be replaced to meet new standards?

No. The standards apply only to new equipment that is manufactured after the standard becomes effective on a future date. The effective date is based on the date of manufacture, so existing inventory and stock of any products manufactured before that date could still continue to be sold. Also, existing equipment may remain in-service.

What stakeholder outreach would be included in future ODOE rulemaking?

ODOE is committed to continued comprehensive outreach and inclusion of interested stakeholders in any future rulemaking. Future rulemakings would consist of multiple opportunities for public input and comment, and ODOE would seek input from experts and stakeholders across industry. The bill also includes a provision requiring early consultation with the experts that sit on the state code boards. ODOE is committed to transparency in rulemaking and values the contributions and input of stakeholders and the public.