

February 17, 2021

Chair Marsh and Committee Members
House Energy and Environment Committee

RE: HB 2398

Dear Chair Marsh and committee members:

The undersigned organizations work in coalition to plan for an energy-smart future that considers the impacts on all Oregonians—especially low-income Oregonians - while helping to ensure that more efficient and sustainable energy standards have a positive impact on Oregon's businesses and our state's economy.

Our organizations strongly support HB 2398. It will establish a pathway for Oregon municipalities, at their individual discretion, to accelerate energy efficiency gains in new construction while maintaining the central role of the Oregon Building Code Division (BCD) and its boards to establish all codes for Oregon.

BCD and its boards already have statutory authority to develop a Reach Code, which is a voluntary code that has existed for over ten years. It is updated on the same 3-year cycle as the statewide residential and commercial codes and is an optional code that builders and developers can choose to build to that is more energy efficient than the statewide residential and commercial codes. HB 2398 would simply allow *municipalities* the option to adopt the Reach Code as mandatory for their jurisdictions, supplanting the statewide residential and/or commercial codes.

Buildings are the second largest source of greenhouse gas (GHG) emissions in Oregon after the transportation sector. It is estimated that new homes and buildings built between 2020 and 2050 will account for up to 30% of the building stock. Accordingly, as we are striving to do in the electricity and the transportation sectors, it is essential that Oregon accelerate bending the curve downward on emissions in the building sector. Constructing more efficient buildings is one of the least-cost ways to do this and will save home and building owners money on lower energy bills as well as result in higher quality building in which to live and work.

While we advocate for aggressive energy efficient upgrades to statewide residential and commercial building codes every cycle, we also recognize that one size may not fit all communities in Oregon when it comes to building codes. HB 2938 recognizes this tension and creates a separate pathway for those jurisdictions that wish to move faster on energy efficiency. ***This approach also avoids creating the potential for a patchwork of different local building codes.*** It would be either the residential and commercial base code or the Reach code. Further, the Reach Code will continue to be designed and adopted by BCD staff and its boards, ***using the same stakeholder and public input processes it currently uses***, and will not be developed by individual local jurisdictions.

HB 2398 also would require BCD to ensure that the Reach Code every 3-year cycle is at least 10 percent more energy efficient than the base residential and commercial codes.¹ 10 percent above code is not difficult to achieve from a building context. Many homes and buildings, including affordable housing projects, already are built in Oregon well above that standard. In the current proposals for the voluntary Reach Code, the Zero Coalition submitted a proposal that was modeled to be about 15 percent more energy efficient than the residential code. The additional costs for achieving the 15 percent improvement was less than \$800 on a modeled 2200 sq ft home while the estimated energy savings was modeled to be close to \$100 per year.

We further support the proposed -1 and -4 amendments to the bill. Most importantly, the -4 amendment, which clarifies that should a municipality adopt the Reach Code as the building standard for its jurisdiction, energy efficiency measurements and incentive programs would continue to use the statewide residential and commercial codes as the basis for such measurements. This will ensure that incentives, such as those from the Energy Trust of Oregon, are still available to new construction in that jurisdiction.

HB 2398 was one of the proposals for legislation this year endorsed by the Global Warming Commission. It also has broad stakeholder support from municipalities, to environmental justice organizations, to affordable housing organizations, to electric utilities, AIA Oregon (the Architects Association), and environmental and green building organizations.

Please adopt HB 2398 into law this year so Oregon cities can chart a more sustainable, energy efficient course as they grow during this consequential decade. Those cities who want to build more energy efficiently should have the opportunity to do so as soon as possible to lock in savings for their residents and avoid costly retrofits down the line.

Sincerely,

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¹ HB 2398 technically uses the metric “not more than 90 percent of site energy use” but that is simply building expert language for 10 percent more energy efficient.

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