

Senator Findley Follow Up Questions – 3/28 Work Session

SB 868-3		
Question	Entity Responding	Response
Why are we highlighting electric heat pumps and not all renewable fuels?	Sen Lieber	I believe this is in reference to the statistic that “Electric heat pumps can provide up to three times more heat energy than the electrical energy the heat pumps consume, which makes heat pumps the most energy efficient space heating option available in the market” which is the only place where electric heat pumps are mentioned. Section 1 lays out the importance of heat pumps to providing energy efficiency and improved comfort and livability for Oregonians. The statistic regarding electric heat pump efficiency is simply illustrative of the efficiency gains that are available in today’s market. The bill does not require a heat pump to necessarily be electric for it to count towards our state goals, or be incentivized through state programs, nor does the bill limit any energy efficiency programs’ ability to incentivize energy efficiency gains from other fuel sources.
Section 1		
500,000 units by 2030 equals 83.3k per year. Is this for existing only or does it count new as well? 8.3k per year at \$4,000 per unit is \$333,200,000 per year. What is the expected fiscal for this program?	Sen Lieber	Counts heat pumps installed in both new and existing buildings. This is a goal for total heat pumps deployed in the state – including those paid for and installed by individual households and businesses with their own money – so the state is not required to foot the bill for every heat pump required to meet this goal. Similarly, the EV goal for the state measures and reports the number of all EVs purchased by Oregonians each year, regardless of whether a state or federal rebate was utilized to make that purchase.
	ODOE	This bill is not creating any new incentive programs, so there is not an expected fiscal impact for this heat pump goal. However, it is correct that installing this number of heat pumps will require significant investment from a range of sources. Here are some existing sources of funding for heat pumps that will play a major role in meeting these goals: <ul style="list-style-type: none"> - Federal rebates from the Inflation Reduction Act (\$114 million can go toward heat pumps as well as other household efficiency projects through two formula grant programs, less up to 20% in administrative costs, with further

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		<p>and potentially larger investments possible through competitive grant opportunities)</p> <ul style="list-style-type: none"> - The Oregon Community Heat Pump Deployment Program (\$10 million) and the Oregon Rental Home Heat Pump Program (\$15 million) - Utility, ETO, and community-based incentive programs - The natural replacement cycle of HVAC systems will lead to turnover in heating equipment. Heat pumps continue to gain an increased share in the market. ODOE anticipates these trends will continue and the natural replacement cycle of home heating systems will lead to more heat pumps being installed.
What State Agency is responsible for the implementation of Section 1?	ODOE	This section introduces the legislation and overall state goals, while the direction to agencies on what programs will be created or changed to meet these goals are further defined in the subsequent sections. Per Section 2, the named agencies are responsible for aligning their existing and future energy efficiency programs with the direction in this bill. Oregon Department of Energy will be responsible for Section 1,2(d) per the further direction in Section 3. The named agencies are also eligible recipients of recent federal infrastructure and climate change mitigation investments, so these stated goals will guide the use of new federal funding.
Section 2:(2)		
Why are we leaving this open-ended? Can we not strike “but are not limited to”	Sen Lieber	Agencies to “consider actions...including but not limited to” open-ended and non prescriptive to allow different agencies to consider GHG reductions in ways that make sense for their agencies, and adapt as state and federal programs change.
Do we need to define nonfinancial barriers so that it is limiting?	Sen Lieber	The purpose is to understand the barriers to heat pump adoption (which go beyond just the cost of a heat pump). Non-financial barriers is clear without needing explicit definition and limiting the meaning of non-financial barriers upfront could foreclose important lines of inquiry prematurely. As an example, nonfinancial barriers to EV adoption have included availability of types of vehicles, charging access and affordability, drivers’ range anxiety, EV car dealers’ experience and familiarity with the technology to answer potential buyers’ questions, etc. Solutions to these barriers can be identified and created once the key barriers are identified.

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<p>ORS 468.205 is: 10% below 1990 by 2020. 75% below 1990 levels by 2050. How many different Aspirational Goals are identified within the ORS and Executive Branch. Since the goals are not enforceable, they should be listed as Aspirational. Suggest amending section 2 to codify it as aspirational.</p>	<p>Sen Lieber</p>	<p>No. This was something that was workshopped extensively with a variety of stakeholders. The state goals have never been binding and enforceable, but have been and remain an important measuring stick to aim for and measure our progress. We are continuing that effort here.</p>
	<p>ODOE</p>	<p>The statute is what is referenced in the bill, which is what agencies will refer to for implementation of this bill.</p>
<p>Section 3:</p>		
<p>How do we measure this?</p>	<p>ODOE</p>	<p>ODOE will be tasked with figuring out the best way to measure heat pump adoption based on industry-wide best practices. There are many potential data sources that could be used to measure heat pump adoption in the state. These include:</p> <ul style="list-style-type: none"> - Home energy score data from cities with existing HES programs. - Contractor data - Heat pump sales data from retailers or suppliers - Administrative data from existing and new incentive programs - Utility data - Market research or polling data - Building permit data <p>ODOE possesses the technical expertise to determine the appropriate method(s) and data sources for measuring heat pump adoption in Oregon.</p>
<p>How are sales figures captured, how to identify new construction vs change over</p>	<p>ODOE</p>	<p>Similar to the above response, ODOE will determine an appropriate methodology for tracking sales data. This could involve an agreement with major retailers or manufacturers, market research or polling strategies, or a not yet specified method.</p> <p>Building permits could be a useful source for identifying new construction vs. retrofits. These data could also be provided by contractors or construction firms.</p>

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Section 4:		
Why did we strike information on federal money?	Sen Lieber	The language in section 4 was revised to remove duplication with HB 3166 which establishes a navigation system for energy efficiency programs. Section 4 in the -3 amendments still provides for education and training on: “The availability of moneys, programs, rebates and other incentives for acquiring and installing energy efficient appliances for heating and cooling” which would include federal incentives.
(2)(C) – Why did we shift “environmental justice” to “culturally connected?”	Sen Lieber	Don’t understand the question. The use of “culturally connected organization” tracks with the use of the term in the -1 amendments, and is consistently used to describe organizations that can effectively work and develop relationships with diverse communities via translation and other cultural-specific services.
How is this achievable?	ODOE	ODOE will be tasked with working with stakeholders to develop a strategy to complete this work. A potential pathway for achieving this: <ul style="list-style-type: none"> - Identifying the necessary training and education to accelerate adoption of energy efficient technologies - Identify existing workforce and technical training programs - Evaluate whether existing training programs offer the necessary information and identify gaps in the existing programs Provide the resources (technical expertise, curriculum and/or funding) to fill the gaps, augment existing programs and expand programs to provide access for communities without existing workforce training.
(a) (b) How is this measurable and quantifiable?	ODOE	ODOE will determine appropriate metrics for measuring the success of its informational and technical assistance programs. This could be done by: <ul style="list-style-type: none"> - Tracking the number of educational and outreach events conducted to build awareness of these technologies. - Monitoring market trends and technology adoption rates to determine if industry stakeholders are using these technologies. Engaging directly with key stakeholders to understand their level of knowledge of these technologies and providing additional education and guidance if needed.
(a) Does this include installation of ducting in homes without it?	ODOE	This fund will not be used to incentivize installation of heat pumps or related upgrades/repairs, instead it will be educating contractors to help facilitate installation of energy efficient technologies including both ducted and ductless heat pumps. The

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		education and training will likely include information on what projects are eligible for which incentive and assistance programs and what other related upgrades are eligible (such as adding or modifying ducting to allow for a ducted heat pump installation).
How is this possible with building code and is this the DOE roll?	Sen Lieber	Don't understand the question. However, ODOE would be directed to collaborate with DCBS on reducing financial and non-financial barriers to home energy efficiency and resilience, where appropriate.
Section 5		
Why is the 4(a)(b) 10% Administrative cap for departments not the same for CBOs?	Sen Lieber	This language mirrors other programs that work with CBOs.
Section 6		
What is going to be the expected dollar amount?		LFO is working on a fiscal analysis.
SB 869-2		
Question	Entity Responding	Response
Can we add "obtaining board approval" for each of expanded responsibilities?	Sen Lieber	The responsibilities outlined in Section 1(1) are not intended to surpass the work that BCD is doing currently to comply with EO 20-04. BCD works with its boards to update their codes, and nothing in this bill would change the code adoption process, only provide an additional lens to use while following those processes. With regard to embodied carbon and air ventilation and cleaning, these provisions direct the agency(ies) to investigate, not to adopt new policies or codes.
Section 1		
1(a) Wouldn't identify rather than facilitate be a better description of the responsibility?	Sen Lieber	No
1(a) This is a current roll of each department in the State to comply with ORS468.205	Sen Lieber	Unclear of question
1C(A) Is this prioritization over safety standards and code compliance	Sen Lieber	No

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1(B) What is vulnerable population, not defined in ORS 469.400	Sen Lieber	This is a commonly used term that agencies have previously created a more specific definition for via rulemakings to ensure it's applicable for their specific programs (see e.g., this DAS definition: https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=227 . We anticipate that could happen here as well, as necessary.
2(A) What goals, can agency submit own, why not 468.205?	Sen Lieber	Don't understand the question. This section refers to goals outlined above ("at a minimum, emissions reductions consistent with the greenhouse gas emissions reduction goals specified in ORS 468A.205")
2 (C) How is this measurable and obtainable?	Sen Lieber	The agency will submit a report to the legislature on their progress.
2(b)(A) Specify energy efficiency goals for new residential and commercial construction. 60% below 2006 standards. What is federal standard and why not just adopt the federal standard.	Sen Lieber	BCD requested that the language track as closely as possible with the directions in EO 20-04 to avoid the implication that they need to duplicate work or exceed those directives. This language tracks with the executive order.
	ODOE	There is no federal standard for building energy efficiency performance goals.
(ii) What does this mean, codes must be updated 3 times?	Sen Lieber	No. It refers to the remaining number of code cycle updates between when the legislation goes into operation and the 2030 energy efficiency target to achieve. Using the existing process, the residential and commercial codes are already both updated once every three years.
	ODOE	This is referencing the regularly scheduled and planned updates to building codes. This change will occur slowly over three of the planned updates to the statewide building code.
© (A)(B) Makes no sense, should just drop and use (3)	Sen Lieber	Question?
SB 870-3		
Question	Entity Responding	Response
The propane industry had concern that the word "energy" wasn't precise enough. Do we want to sub in "source energy" as a substitute?	Sen Lieber	No. specifying source energy would imply it is the responsibility of building owners to decarbonize their energy sources, whether that is electricity, gas, or other fuels. Utilities and fuel suppliers have their own incentives and regulations relating to decarbonization outside of the building performance standard.

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<p>The Northwest Power and Conservation Council forecast that new energy efficiency policy the region can potentially meet 100% of the load growth over the next 20 years. With the Item (2) (D) were those transitions figured into the calculation? Page 2: Item (1) Seems to be fluff and not value added</p>	<p>ODOE</p>	<p>Many decarbonization studies reviewed by ODOE in the 2022 Biennial Energy Report rely on end-use electrification as one of the cornerstones for meeting the state's decarbonization goals. This type of electrification will lead to a significant increase in electricity demand. As noted in the "Charting the Course for Oregon's Energy Future" brief on page 377 of the 2022 Biennial Energy Report, studies reviewed by ODOE projected this increase to be between 50 and 100 percent by 2050. Meeting this increased demand is one of the core challenges and opportunities of the energy transition. It's also a challenge that the studies relied upon in "Charting the Course" determine to be achievable..</p> <p>Most of the time high efficiency electric options are as efficient or more efficient than alternatives that emit more greenhouse gas emissions. For example, electric vehicles are more than 3 times as efficient as a comparable gas vehicle, and heat pump water heaters are generally more efficient than natural gas water heaters. There are several places where you can find more information on how and why these options are more efficient:</p> <ul style="list-style-type: none"> • 2022 Biennial Energy Report Energy Efficiency Building Technologies • ACEEE Electrification and Efficiency Report • Pacific Coast Collaborative Thermal Decarbonization Paper • 2020 Biennial Energy Report Electric Vehicles Technology Review <p>However, there are some loads that are difficult to electrify including large-scale industrial processes, and some large-scale space heating and cooling applications. These are examples of the types of loads for which renewable hydrogen is being considered as a possible replacement for fossil fuels.</p> <p>While Senator Findley's questions did not specifically mention natural gas, the overall topic of the clean energy transition is often intertwined with concerns raised about how replacing natural gas could work. There was also a natural gas section of "Charting the Course" that explores that topic in detail, which could provide helpful context for the efficient buildings package.</p>
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		Finally, I want to share that HB 2534, now in Ways and Means, would direct ODOE, in partnership with energy stakeholders, to develop a statewide energy strategy. This strategy would specifically look at the policy options and potential tradeoffs associated with the clean energy transition. Some examples of efforts to mitigate the impact of electrification-related increases to demand could include implementation of energy efficiency improvements, demand response programs, load management, and shifting time of use for certain types of electricity consumption.
Why are only talking about large commercial buildings and excluding residential in the description?	Sen Lieber	The performance standard will apply to non-residential commercial buildings over 35,000 square feet (with exclusions). Multifamily buildings over 35,000 square feet are “Tier 2” and can choose to voluntarily meet the standard and apply for incentives to do so.
	ODOE	This bill is only related to commercial buildings. The program is phased in by size.
Section 1		
Do we have concerns about off farm agricultural processing not being included in the building code mandated in this bill? Specifically, I’ve heard that Hazelnut farms have facilities that would be unintendedly regulated by this bill.	Sen Lieber	This was a drafting error. We intended for hazelnut farms and other off-farm agricultural processing to be included in the exemption in this -3.
Item 14 (B) Why are small rural hotels of 20,000 square feet included in Tier 2 category	Sen Lieber	Covered commercial buildings in Tier 1 include hotels, motels and other non-residential commercial buildings over 35,000 sqft (excluding schools, hospitals and universities). Tier 2 includes the same scope of commercial buildings sized 20,000-35,000sqft, in addition to the buildings 35,000sqft and above that were excluded from Tier 1. As noted above, the performance standards only apply to those buildings in Tier 1. Tier 2 buildings do not have those performance standards apply, but can choose to voluntarily reach the performance standard to access the incentives available for the BPS.
	ODOE	The tiers refer to the phasing in of these buildings. Tier 2 buildings are large buildings that were excluded from tier one based on building type or size. This tier defines hotels and motels as part of the commercial or non-residential building group.

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Section 2:		
Why are we using the National Standard and the Oregon standard interchangeably?	Sen Lieber	Like Washington and other states, Oregon will look to various national energy standards (Energy Star, ANSI/ASHRAE 100) to develop its standards, and make adaptations as needed.
(1)(B)(d) What is the expected financial impact of this creation of this plan and subsequent audit?		LFO is working on a fiscal analysis.
(2) Why do we have different sections with “shall” vs “may” ... seems to be that they should all be “may?” (2)(A) Can we have targets more stringent on year 1?	Sen Lieber	This was based off Washington’s BPS.
(a)(A)(iv) What do you mean by “Climate Zones?”	Sen Lieber	This is a commonly used term in the buildings and energy efficiency industries. See, for example, https://www.energy.gov/eere/buildings/climate-zones .
	ODOE	Climate zones are based on climate characteristics and take into consideration such meteorological events as rain, temperature fluctuations, and humidity, among other factors. Considering how climate zones impact energy use when analyzing building performance is a commonly accepted practice when measuring energy use intensity in the buildings industry.
(a)(A)(v) Are we excluding other transition costs?		Unclear section reference
(a)(A)(vi) How much is the expected cost of the investment?		LFO is working on a fiscal analysis.
Item (2) (D) (i) requires ODE to develop an energy management plan. What are the organizational and financial impacts of that program?		LFO is working on a fiscal analysis.
Item (2) (D) (iji) Making investments in energy use efficiency. What are the		LFO is working on a fiscal analysis.

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organizational and financial impacts of those investments?		
Item (2) (D) (A) (i) Develop intensity targets. Why not use American National Institute Standards?	Sen Lieber	The bill specifically directs ODOE to use the American National Standard Institute’s standards for Energy Efficiency in Existing Buildings (ANSI/ASHRAE/IES Standard 100) as an initial model for developing the energy use intensity target.
	ODOE	EUI is the industry standard for building energy use measurement and management. American National Standards Institute (ANSI/ASHRAE/IES) Standard 100 is a model for developing and applying energy efficiency standards designed for National use – this means that the standard is a great place to start but is not adjusted for use in Oregon’s climate zones or adjusted for how Oregon businesses and industries operate buildings. this section is designed to allow flexibility during program development to identify appropriate and achievable energy use intensity performance targets for Oregon buildings.
Item (2) (D) (A) (vi) Conditional compliance method. Have we now created an enforcement division within the Depart of Energy? If so what are the organizational and financial impacts of that decision?	3/28 Meeting	During the work session on 2/28 ODOE referenced their enforcement role with their Energy Facility Siting Council process and the Hanford Nuclear program.
Item (2) (D) (B) (b) (A) Investment Criteria eligible as Conditional Compliance Is this investment building owner or state funded?	ODOE	This is building owner funded. This section provides compliance flexibility if the building owners are working toward the reduced energy use goals, if they cannot meet the goal by the date set but are showing progress toward the goal, this would reduce the occurrence of fines for very old and inefficient structures that require a high level of investment to meet the performance standards.
If a recently constructed covered commercial building was built to existing code and received an occupancy permit from the State of Oregon indicating compliance with existing code and now we change the code afterwards why should that building owner have to	Sen Lieber	Building Performance Standards are not building codes and do not change building codes. BCD will consult in the development of the standards, as well as national standards, and average energy use data, among other things, to develop the standard. This bill specifically directs ODOE to base energy use intensity targets for recently constructed covered commercial buildings on statewide energy codes that were in effect at the time the covered commercial building was constructed. Further, newly constructed buildings will by default be below average energy use as codes and new construction standards drive efficiency gains.

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<p>comply. Currently building owners only have to upgrade buildings to meet existing code only when they make significant upgrades to the building.</p>		<p>Consultation with BCD and national standards will help ensure that the standards are achievable.</p>
	<p>ODOE</p>	<p>A recently constructed building should not have issues meeting the initial Energy Use Intensity (EUI) targets which will be based off the average EUI in the state of similarly used buildings. This situation could happen if there were significant construction delays (typically this would need to be years) between when the permit was issued and the construction was completed and if the contractor and building owner did not consider changes to building code and/or building performance standards during the delay.</p>
<p>The department shall create a database of eligible buildings. What are the organizational and financial impacts of this new program?</p>		<p>LFO is working on a fiscal analysis.</p>
<p>Department shall notify building owners of the requirement to comply. Is this going to be the new Enforcement Division and if so what are the organizational and financial impacts of this organization.</p>		<p>LFO is working on a fiscal analysis.</p>
<p>municipality may adopt an energy performance and greenhouse gas emission standards that are more stringent. Does this now establish bifurcated building codes?</p>	<p>Sen Lieber</p>	<p>Building Performance Standards are not Building Codes, and this bill does not allow a municipality to circumvent building codes, nor does it replace the role of codes in new construction. Building Performance Standards are energy use intensity targets to achieve and only apply to already-constructed buildings. Like Washington’s BPS, this statewide standard does not pre-empt local governments from developing their own standards, but it does ask local governments who develop BPSs to coordinate with</p>

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		ODOE to align elements like the reporting requirements where possible for ease of businesses who may be subject to both standards.
	ODOE	There is still only one state building code. Individual municipalities could implement their own, more stringent building performance standards. This could happen in the current landscape as well, as is the case with Portland’s building performance reporting program.
Section 3		
(1) This will require a building owner to hire a professional engineer to complete this work, do they receive a credit for their state taxes on this effort?	Sen Lieber	The department will provide a support program to eligible building owners of covered commercial buildings that includes, at a minimum, information and periodic training, technical assistance and telephone and electronic mail support that will assist eligible building owners in complying with the energy performance standard, applicable energy use intensity targets and reporting requirements.
(1) (C) Have we confirmed that the occupancy rates of commercial spaces in a postcovid world meet this standard?	Sen Lieber	Occupancy rates are considered as part of this bill. An unoccupied or minimally occupied building (<50%) may apply for an exemption from the standard requirements (see page 11).
(1)(F) Who asked for waste water charges to be included? Do we know of any other hardship classifications that were excluded?	Sen Lieber	This was based off of WA’s BPS.
(2) What is the expected financial impact of these reports?		LFO is working on a fiscal analysis.
(3) What is the expected financial impact of this support program?		LFO is working on a fiscal analysis.
(B) Is this standard (US Greens Building Council Green Janitors Program) be administered by any of the Oregon unions? Will this require building staff to be union members?	Sen Lieber	No

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(5) What is the expected cost of this enforcement agency?		LFO is working on a fiscal analysis.
(6) What is the expected cost of monitoring compliance?		LFO is working on a fiscal analysis.
(B) Where did we get this penalty from, it seems excessive?	Sen Lieber	This is based off of WA's BPS policy. This is a max threshold for what the department may determine the penalty to be.
Section 4		
What is the expected financial impact of the thermostat police?		LFO is working on a fiscal analysis.
Do we want to specify membership to achieve a balanced board?	Sen Lieber	We have specified that a broad range of stakeholders should be included in rulemaking.
(c) The creation of an appellate function will require an organization with semi judicial authority. What are the organizational and financial impacts of this organization.	ODOE	Means to appeal a decision do not have to be a semi-judicial function. This would perhaps mean a board set up for this specific purpose as we design the program. If there is an appeal and a board made up of ODOE leadership and stakeholders, they would review the situation and either grant the appeal or not. Anything further would be referred to the actual judiciary processes. Something like this may require compensation to serving members of the board (stipend, etc) - but the bulk of the work would be in rulemaking/program design.
Section 5		
Will we provide money to the county assessors or will this be an unfunded mandate?	ODOE	This would require the county assessors to share data that they are already collecting. This type of cross-governmental data sharing is relatively common. For example, the DMV shares electric vehicle data with ODOE for its EV dashboard and vehicle report. Most state agencies already report building energy use data to ODOE as part of the State Energy Efficient Design program. The bill does not direct state funding to county assessors for this purpose.
This will require County Assessors to provide information to Department of Energy, this appears to be an unfunded mandate to current staff of the Assessor's department. Is there	ODOE	See above, this is already being collected by the assessors.

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any State Funding to support this action?		
Section 6		
This annual report from Department of Energy will require considerable staff time to complete. What are the organizational and financial impacts of this organization.		LFO is working on a fiscal analysis.
Section 7		
Item 2 The department may offer incentives for eligible building owners... What are the organizational and financial impacts of this organization.		LFO is working on a fiscal analysis.
Section 8		
Why are schools included in this section and not 871?	Sen Lieber	SB 871 relates only to state-owned buildings, schools are not owned by the state.
	ODOE	Schools are a unique set of buildings and there are already significant existing energy efficiency programs operating that focus on schools. ODOE currently collects energy use data from most of Oregon’s schools, including it here would not put an extra burden on schools.
Are we going to give extra money for this project to our schools or will it be an unfunded mandate?	Sen Lieber	The bill directs ODOE to work with the Department of Education in developing the benchmarking for schools. The purpose of this provision is to avoid duplication of reporting for schools, mitigate cost impacts, and utilize the ongoing work of ODE’s school facility assessments where possible.
Are we setting aside money for schools to comply with administrative burdens in 870 or will it be unfunded mandate?	Sen Lieber	That is a consideration for the Ways and Means Committee. This bill seeks to create a collaborative approach to developing benchmarking standards to create as streamlined of requirements for covered buildings as possible, and collect important energy use data.
(b) this section implies that the Department of Education to establish requirements to provide	Sen Lieber	We are mindful of not wanting to make this requirement overly burdensome to schools. The language directs ODOE to work with schools and the Department of

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<p>data to become Tier 2 buildings. This requirement is a deal breaker. Most rural schools are old building and barely meet occupancy standards. Local taxing districts can NOT afford to comply with these standards and schools do not have the capacity complete the reporting requirements. What assistance will the State of Oregon provide local school districts to complete? What are the organizational and financial impacts of this organization.</p>		<p>Education in an attempt to minimize costs and burdens. Additionally, as ODOE says below, they already collect energy use data from schools.</p>
<p>(2) July 1, 2028 requirement that all Tier 2 buildings report to the Department of Energy. Do Schools have this capability?</p>	<p>ODOE</p>	<p>We already collect energy use data from most schools. We have a defined process that minimizes the burden to schools.</p>
<p>Requires the Department of Energy to evaluate the data to calculate average energy use in eligible Tier 2 Buildings. What are the organizational and financial impacts of this organization?</p>		<p>LFO is working on a fiscal analysis.</p>
<p>Section 9</p>		
<p>Item 1 State Department of Energy shall contract with another person to administer incentive program. Who, how and why?</p>	<p>ODOE</p>	<p>This is a more cost-effective option for ODOE and will allow us to benefit from existing programs instead of building something from the ground up within ODOE.</p>
<p>Section 10</p>		

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Can we specify how much money will be available in incentives so it doesn't get swept?	ODOE	The money could be placed in a fund and continuously appropriated to the agency to avoid being swept in future biennia.
Items (a)(f) This is a huge program created and managed by the Department. What are the organizational and financial impacts of this organization.		LFO is working on a fiscal analysis.
(2)(B) How difficult is it expected to be for tier 1 buildings to meet this standard?	ODOE	The initial standards will be set based on the average EUI of the building type, which should be relatively easy for most buildings to meet. As the program progresses, future standards will become more difficult to meet.
Do we have an expectation for how much money will be added into (b)?		Will be considered by the Joint Committee on Ways and Mean.
Can we specify who is included in the rulemaking process from business, industry, tenants, building owners, utilities, etc.	Sen Lieber	We have specified that a broad spectrum of stakeholders should be included in rulemaking processes, including utilities, covered building owners, and tenants of covered buildings.
SB 871-2		
Question	Entity Responding	Response
Section 2		
(1)(C) Do we need to define energy service companies?	Sen Lieber	They are defined at Section 2(d).
Do we need to have an appeal process for contracting companies to mediate whether they performed the contract?	Sen Lieber	No. The process is already dictated in the performance contracts.
Why are we stopping RFPs?	Sen Lieber	This does not stop RFPs. Agencies continue to have the option of issuing RFPs. Section 2 just addresses the pathway of using an approved ESPC.
Section 3		

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Can we add language on investigating building consolidation moving forward. What are the organizational and financial impacts of this section, both DAS and DOE will be required to build significant to complete this work.	Sen Lieber	DAS and ODOE already coordinate on aspects of this section. For instance, agencies currently report energy use in buildings annually to ODOE. This will add to the coordinated work they do and is reflected in the fiscal.
1(4) Creation of a searchable data base as a tool for planning reduction targets. What are the organizational and financial impacts of this organization?	Sponsor	Not clear what you mean by "this organization". The searchable data base is simply a tool to more effectively assist agency planning going forward, based on the information gathered over time from the agencies. The cost of establishing the database will be included in the DAS fiscal.
		LFO is working on a fiscal analysis.
DAS may procure services from a private contractor to conduct assessments.	Sponsor	Correct. DAS can do the assessments internally or hire outside contractor at DAS discretion.
	ODOE	Yes, this is how the bill is currently written.
5 I would assume a million \$ threshold requires DAS to review all projects. What percentage of projects would fall under \$1 million?	Sponsor	This would require deeper analysis to respond to. Many state building projects fall under the \$1 million threshold though
Section 4		
1(G) Is this reported and benchmarked?	Sponsor	Don't understand the question. 1(G) just clarifies the role of an ESCO in the context of the statute. The statute does not address reporting and benchmarking.
Section 6		
5 & 6 Do we currently sell electricity to someone that isn't detailed in this section? Why did we flip from authorize to do not authorize	Sponsor	No. This is leg council statutory clean up. The existing and amended language has the same effect. It does not authorize agency to sell electricity to anyone other than an electric utility.