



February 22, 2023

Representative Pam Marsh, Chair
House Committee on Energy and Environment
Oregon State Capitol
Salem, OR 97301

Re: HB 3166- SUPPORT

Chair Marsh and Members of the Committee,

Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis. Climate Solutions is in strong support of HB 3166, which will help streamline and remove barriers to efforts to deploy a once-in-a-generation level of federal energy efficiency dollars through Oregon Department of Energy (ODOE) to Oregonians across the state.

Why we need HB 3166:

Buildings are Oregon's second-largest source of climate pollution. Buildings are also our first line of defense from climate and environmental harms – protecting us from outdoor air pollution, extreme temperatures, and other disasters. Because our state faces compounding housing, economic, and climate crises, we need solutions that will help make our buildings healthier, more affordable, and less polluting overall. Experts agree that the most cost effective and least risky way to achieve deep cuts in climate pollution from existing buildings is to combine energy efficiency measures such as weatherization and retrofits with the replacement of inefficient appliances with high-efficiency electric appliances to affordably heat and cool homes, heat water, and otherwise power buildings.

Leveraging and dispersing federal funding for Oregonians: Just last year, Congress passed the Inflation Reduction Act, which is the largest investment in climate in our country's history. This will provide tens of billions of dollars to states to support energy efficiency and electrification, much of which will pass through existing state programs. Oregon's Department of Energy expects to receive approximately **\$114 million for rebates for Oregonians** to afford to upgrade their homes to be more energy efficient and install electric efficient appliances. For example, the federal High-Efficiency Home Rebate Program (HEEHR) can provide rebates for low- and moderate-income households of up to 100% of the point-of-sale costs (up to a max of \$14,000).¹ Renters and multifamily building owners who have LMI households can utilize these rebates as well. In Oregon, hundreds of thousands of low- and moderate-income households are eligible for these rebates covering 50-100% of the cost of installing new electric appliances, including super-efficient heat pumps, water heaters, clothes dryers, stoves, and ovens.² In addition, the HOMES efficiency rebates offer up to \$4,000 off on efficiency retrofits that reduce energy use, with double the rebates available for low-income households.³

Setting up the parallel state versions of the whole-home energy savings program and high-efficiency electric home rebate program will help efficiently and equitably get this money out the door. This is an opportunity to make the most of federal funding from the Inflation Reduction Act and ensure Oregonians who could benefit most can avail themselves of the rebates and programs. Creating matching state rebate programs and resourcing the agency to help disperse these

¹ Rewiring America, The Inflation Reduction Act: Electrification Rebates (The High-Efficiency Electric Home Rebate Program) https://assets.ctfassets.net/v4qx5q5o44nj/7LiHS6hhVKaldph8bdVV8b/aec9fc3a35985027af3f97111304db7a/factsheet_Electrification_Rebates.pdf

² See White House, Inflation Reduction Act, Oregon State Fact Sheet (August 2022): <https://www.whitehouse.gov/wp-content/uploads/2022/08/Oregon.pdf>

³ Rewiring America, The Inflation Reduction Act: Whole Home Energy Reduction Rebates: <https://www.rewiringamerica.org/app/ira-calculator/information/whole-home-energy-reduction-rebates>

federal funds to residents, especially low-income Oregonians and those in environmental justice communities where there are additional barriers, is timely and critical.

Creating a one-stop-shop: Additionally, creating a “one stop shop” where regular people can easily access the many benefits available from federal, state, local, and utility sources, including the new federal tax credits for whole-home retrofits and efficient electric appliances is a common-sense tool. Many states are exploring similar models to help their state residents avail themselves of these federal rebates, tax credits and other financial support provided through existing state and utility programs. For example, these new federal tax credits covering 30% of the costs to install solar panels and battery storage systems, make home improvements that reduce energy leakage, or upgrade heating and cooling equipment.⁴ No income limits apply to these tax credits but Oregonians need to know they can avail themselves of these cost savings from the federal government. They can also be potentially paired with relevant state funding.

This policy concept – to create better interagency navigation of existing and new programs and what is effectively a “one-stop shop” for energy-efficiency programs – was an idea that came up in the Resilient, Efficient Buildings task force. As a member of the task force, I strongly believe that this policy, paired with the “Healthy Heating and Cooling for All” bill we expect to see in SB 868 and other bills in the Resilient Buildings policy package, will help set up our state agencies to help Oregonians fix up their homes and afford efficient, energy and cost-saving appliances that provide life-saving heating and cooling.

Considerations moving ahead:

After HB 3166 passes to start setting up these programs and additional federal guidance is available on how to disperse specific federal funds, the state should consider designing (and potentially adjusting) state programs so the various efficiency and heat pump funding from existing state and utility programs can fill in any gaps still remaining from the federal funding. Considerations should include aggregation of funding streams that currently reside in different agencies/programs, as well as streamlined eligibility, verification, and simplified reporting. We want these dollars to go as far as possible and help those who need it most and could benefit the most on the bill savings, health benefits, and comfort benefits, to afford this at low- to no-cost to them.

Additionally, in the program design and implementation phase, ODOE should work with stakeholders, especially community groups and Tribes, to consider how to provide support for local nonprofits who have community trust and can work directly with Oregonians with lower incomes, with Tribes, and in culturally specific ways to reach certain environmental justice and rural communities. We have confidence that ODOE will engage stakeholders and be considering how to include these best practices to build into program implementation, learning good lessons from the design of the Healthy Homes program and other similar programs.

While there is a lot of work to do in the buildings sector to reduce climate pollution and make our communities more resilient, streamlining and reducing barriers to energy efficiency funding available to Oregonians is one clear pathway to that goal. Again, we urge you to support HB 3166 for our climate and communities.

We urge you to support HB 3166! Thank you for your consideration of these comments.

Sincerely,



Meredith Connolly
Oregon Director
Climate Solutions

⁴ See White House, Inflation Reduction Act, Oregon State Fact Sheet (August 2022): <https://www.whitehouse.gov/wp-content/uploads/2022/08/Oregon.pdf>