

Senate Committee on Energy & Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

RE: SB 868-871 and forthcoming amendments - SUPPORT

February 23, 2023

Chair Sollman, Vice-Chair Findley, and members of the Committee,

OEC is a nonprofit, nonpartisan, membership-based organization that for over 50 years has worked to advance innovative, equitable, and lasting solutions to Oregon's environmental challenges. We are pleased to offer enthusiastic support for the Resilient, Efficient Buildings policy package, SB 868, SB 869, SB 870, and SB 871, and the forthcoming amendments.

Recognizing the vital need to transform and expand Oregon's building stock in a way that maximizes climate, public health, affordability, and job creation benefits for Oregon, the 2022 legislature established the "Resilient, Efficient Buildings (REBuilding) Task Force." The REBuilding Task Force included 27 members representing labor, builders, public health, utilities, affordable housing, environmental justice, local government, and climate experts, who met regularly over nine months to discuss and consider building decarbonization policy options for the 2023 legislative session.

After 16 meetings, four surveys, and an extensive independent modeling process, the REBuilding Task Force voted to adopt a final report identifying specific policy priorities to support building decarbonization and maximize public health, affordability, and job creation benefits. The final report identified policies to advance building electrification—e.g. shifting away from fossil gas toward clean electricity for heating and cooking—and efficiency—e.g. reducing energy waste by improving how productively a building uses resources. These include measures that will help ensure new buildings are constructed smart from the start, and support upgrades through retrofits to existing buildings, with an emphasis on ensuring affordable access to resilient, healthy homes for all.

The resulting Resilient, Efficient Buildings policy package presents a vital opportunity to make progress toward achieving our climate goals, improve the health and resilience of Oregon communities, drive down costs for families through increased energy efficiency, *and* support local, family-wage jobs for Oregon workers that can't be exported. This policy package will help transform Oregon's building stock in a way that will protect public health, improve energy affordability, and support local, family-wage jobs that can't be exported.

Near-term legislative action to enact the Resilient, Efficient Buildings policy package is key. That urgency stems not only from the fact that we are in the decisive decade for climate action (and this package will help drive down emissions from our second highest-emitting sector). Nor the urgent need to prepare for and protect Oregonians from ever-worsening climate impacts (building smart today means more resilient, healthier children and families for generations to come).

It is also vital to ensuring that Oregon is well-positioned to leverage unprecedented federal investments, including billions of dollars in rebates and incentives for building code updates, energy efficiency upgrades, weatherization, and beneficial electrification for new and existing buildings, as well as workforce development programs.

The 2022 Inflation Reduction Act includes a suite of tax credits, rebates, and other investments that will support families and businesses in making important improvements to their homes and commercial buildings, which will in turn help address rising energy bill costs and create and sustain jobs in Oregon, including:

- \$9 billion in rebates for home electrification and energy efficiency, including rebates that will help low-income households cover the full cost of a heat pump installation;
- A new residential energy efficiency tax credit and new tax incentives for energy efficiency in commercial building, which will directly benefit Oregon homeowners and business owners;
- \$1 billion in grants and loans for improving the efficiency and climate resilience of affordable housing, thereby lowering utility bills and ensuring climate disaster preparedness in our most vulnerable low-income communities;
- \$1 billion in grant assistance for states and local governments to adopt strengthened energy efficiency building code requirements, as well as \$200 million in energy efficiency workforce training programs.

Some of the most exciting opportunities in the bill for individual consumers and households are the significant rebates and incentives for energy efficiency and electrification retrofits, which will provide significant, up front discounts on efficient appliances, like heat pumps, electric water heaters, and stoves, as well as to support necessary related electrical rewiring and panel upgrades.

However, the extent to which Oregonians see the benefits of these transformative investments will depend in large part on whether the legislature acts strategically to leverage and implement them. And with Oregon families struggling to pay their energy bills, we cannot afford to leave

billions of dollars on the table. The Resilient, Efficient Buildings package will be key to ensuring that Oregon is best-positioned to harness these investments and maximize benefits for everyday Oregonians.

By helping people easily access these incentives, setting a target for heat pump deployment, and prioritizing access for low-income households and renters, SB 868 will empower Oregonians to make needed improvements to increase the resilience, efficiency, and affordability of their homes. SB 869, which is focused on ensuring that new buildings in Oregon are constructed to be more efficient and resilient, will ensure the state does not miss out on \$1 billion in federal funding for state building code upgrades. By improving the efficiency of our state's largest commercial buildings, SB 870 can help ensure Oregon building owners leverage expanded tax deductions for improved building performance standards and help leverage expanded technical assistance opportunities.

With Oregon families struggling to pay their energy bills, and future climate extremes an unfortunate inevitability, we cannot afford to leave billions of dollars on the table to improve the lives and livelihoods of Oregonians. The sooner the legislature enacts this policy package, the more competitive Oregon will be in leveraging this historic federal funding opportunity, and the faster we can translate these investments into near-term, meaningful benefits for everyday Oregon families, businesses, and workers.

For these reasons and other reasons, **OEC strongly urges the committee's support on the Resilient, Efficient Buildings Package (SB 868-871) with the forthcoming amendments.**

Sincerely,

Nora Apter
Climate Program Director
Oregon Environmental Council