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April 3, 2025

Representative John Lively
Chair, House Committee on Climate, Energy, and Environment
900 Court St. NE H-481
Salem, Oregon 97301

RE: Written Testimony in Support of House Bill 3653

Dear Chair Lively, Vice Chairs Levy and Gamba, and Members of the Committee.

Thank you for the opportunity to speak today. My name is Joe Mankiewicz with McKinstry, a leading Energy Services Company in the Pacific Northwest, and I am here to express my strong support for HB 3653 which seeks to modernize Oregon's Energy Savings Performance Contracting (ESPC) statutes.

Energy Savings Performance Contracting is a **proven and innovative method** that allows public agencies to implement energy and facility improvement measures and stretch upfront capital investments. This approach not only reduces energy consumption but also lowers operational costs, making it a win-win for both the environment and taxpayers.

HB 3653 aims to bring Oregon's ESPC statutes in line with those of other leading states such as Washington and Colorado, as well as the federal Department of Energy's standards. **Washington has successfully utilized ESPCs with nearly \$2 billion invested to save over \$50 million annually in utility costs and significantly reduce carbon emissions.** Similarly, **Colorado's program has invested over \$846 million into facility improvements, achieving substantial energy savings and \$52 million annual cost savings. By comparison, fewer than 40 public agencies in Oregon have invested less than \$200 million since 2008.** By aligning our statutes with these longstanding industry standards, we can ensure that Oregon remains competitive and benefits from the same level of efficiency and cost savings.

Moreover, the federal Department of Energy has long recognized ESPCs as a **best practice for energy management in public facilities**. By adopting these modern standards, our public bodies can leverage expertise and resources, ensuring that more of our projects are technically sound and financially viable.

Additionally, the ESPC direct procurement process streamlines government operations, saving both time and money while maintaining transparency and good stewardship of taxpayer dollars. The ESPC process includes comprehensive guidelines and templates that simplify project implementation, ensuring that public agencies can efficiently manage energy projects from start to finish. This streamlined approach not only reduces administrative burdens but also guarantees that projects are executed with the highest level of accountability and transparency.

In conclusion, modernizing our ESPC statutes is not just about keeping up with other states; it's about adopting a **proven, industry-standard approach** that guarantees energy savings, reduces costs, and promotes sustainability. I urge you to support this bill and help Oregon lead the way in energy efficiency and fiscal responsibility.

Thank you for your time and consideration.

Joe Mankiewicz
McKinstry, Oregon Energy Division Manager