



April 2, 2025

Chair Lively, Vice-Chairs Levy and Gamba, and Members of the Committee:

The Oregon's Energy Savings Performance Contract (ESPC) method is an essential and voluntary pathway for helping public entities finance energy efficiency upgrades. An ESPC is a procurement model for energy improvements where a single contractor (e.g. ESCO) handles all aspects of an upgrade from planning and installing to savings verification, using guaranteed energy savings to offset costs. An Energy Service Company (ESCO) is a qualified contractor responsible for designing, financing, installing and maintaining energy projects. ESPCs can allow for the implementation of energy-saving measures without upfront capital investment which makes a broader suite of projects financially accessible.

Despite their potential, the current ESPC method remains significantly underutilized at the state level due to existing rules and administrative burden. HB 3653 builds upon the inaugural ESPC legislation, HB 3612 which was passed in 2008 with near unanimous support, and maintains the voluntary utilization of ESPCs. HB 3653 seeks to streamline the method to streamline the procurement process and expand the eligible scope of projects and the cost-effectiveness framework to account for the technology improvements in the energy efficiency landscape since 2008.

HB 3653 will provide public sector building owners with streamlined tools to implement energy efficiency and renewable energy projects to help fight the climate crisis and save taxpayer dollars by reducing utility bills. As a school district, utilities are the second largest general fund expense after staff salaries and benefits so the financial benefit will be quite impactful. Thank you for the opportunity to express our support for HB 3653.

Sincerely,

Lisa Merrick
Senior Manager, Government Relations
Portland Public Schools