



Oregon  
Environmental  
Council



## Testimony to the Senate Energy and Environment Committee re: SB 1588

February 9, 2026

### **Re: Oregon Environmental Council and Climate Solutions support for SB 1588**

Chair Sollman and Members of the Committee,

On behalf of Oregon Environmental Council, Climate Solutions, Rewiring America, The Environment Center, Rogue Climate, 350 Eugene, 350 PDX, Oregon League of Conservation Voters, Zero Coalition, and our thousands of partners and members throughout the state, we write in strong support of SB 1588. The co-benefits of energy efficiency, weatherization, and clean energy solutions – such as smart thermostats, solar energy, batteries, electric vehicles, and heat pumps – are well-documented. They make our homes and buildings more resilient and comfortable, reduce our energy bills and exposure to pollutants, all while strengthening our electrical grid.

However, as federal clean energy tax credits and incentives go away and state programs like the Rental Home Heat Pump Program and Community Heat Pump Deployment Program run out of funding, we need to identify innovative and sustainable financial solutions for these critical distributed energy and energy demand management solutions. This is especially true for families and individuals who may have trouble affording the higher upfront costs to purchase and install these clean technologies, although the pace of uptake is still too slow across all incomes.

That's where Upgrade and Save affordable financial solutions come in. These programs are designed to make energy efficiency and electrification more affordable and accessible to households by using the cost savings from these upgrades to support a capital investment from their utility. Here's how it works:

- A utility invests in a cost-saving home upgrade, while the customer pays a service charge on their monthly utility bill that is less than the estimated savings from the upgrade.
- The utility works with the customer and other energy efficiency program administrators to determine eligibility and project scope, including weatherization, heat pumps, solar power, battery storage, or a combination of solutions.
- The utility covers some or all of the project's upfront cost, less available rebates or incentives like those available through Energy Trust of Oregon, ensuring the monthly service charges are less than the estimated savings.
- Once the utility's costs are recovered, the service charges stop, and the customer enjoys even greater bill savings.
- All utility customers—even non-participants—save money through reduced peak energy consumption, more distributed and flexible energy on the grid, and avoided costs of more expensive grid upgrades.

Utility service offerings like Upgrade and Save (also known as Inclusive Utility Investment) have precedent in multiple states across the country.<sup>1</sup> However, Oregon's investor-owned electric utilities have yet to leverage this financial solution for clean energy upgrades. Utilities have stated that they don't want to be a "lender" and don't believe that the effort and expense of the program is worthwhile compared to the savings and number of households participating.

<sup>1</sup> [Clean Energy Works](#)

We believe utilities are looking at Upgrade and Save in the wrong light. Inclusive utility investment is a tariff-based, utility investment model for distributed electric and energy efficient upgrades. The utility is investing in a site-specific utility service—specifically, money-saving clean energy upgrades—with cost recovery tied to the electric meter at a building rather than the customer. For this reason, if a customer at an Upgrade and Save site moves away, the same service charge applies automatically to the next resident on their monthly utility bill. Also, unlike on-bill repayment, which is a loan requiring credit and debt qualification measures paid back through a monthly utility bill, inclusive utility investment is designed to ensure accessibility and equity, reaching renters and households often excluded from credit-based products.

In Oregon, the state has a growing energy burden challenge — especially for low and moderate-income customers who need support covering remaining project costs. With that in mind, Energy Trust of Oregon looked at their moderate-income customers with inefficient homes and found that there are approximately 150,000 households in their service area (PGE, Pacific Power areas) that could benefit from upgrades that would be eligible for Upgrade and Save. Approximately 50,000 of these households are single-family homes.

By passing SB 1588, the legislature will enable a powerful financial tool for a variety of projects. For example, Energy Trust estimates that an Upgrade and Save tariff could support up to 75% of the cost of ceiling insulation, where estimated savings are similar to Energy Trust's deemed savings, and more of the project cost could be covered if it qualifies for an Energy Trust incentive. For ducted heat pumps replacing electric furnaces and ductless heat pumps in manufactured housing, Upgrade and Save could support 50% of the cost, where estimated savings are similar to Energy Trust's deemed savings. Remaining project costs could be lowered if it qualifies for an Energy Trust incentive.

These energy efficiency, weatherization, and clean energy upgrade funding gaps could be further minimized by the passage of the FORGE Act (SB1526) and Community-Based Power (SB 1582) legislation. The FORGE Act will, once capitalized, create a revolving loan fund or other financing tools that can layer on to Upgrade and Save and existing incentives for energy and resilience projects. Community-Based Power establishes a clear framework for Oregon's investor-owned utilities to scale distributed or virtual power plants, which reduce peak demand and support the grid during the most expensive and stressful hours, including extreme winter storms and dangerous heat events. Community-Based power depends on the home batteries, electric vehicles, smart thermostats, and other flexible loads that Upgrade and Save incentivizes while further compensating customers during peak events. Revolving loan funds like the FORGE Act and community-based power enabled through distributed or virtual power plants are prioritized in the Oregon Energy Strategy.<sup>2</sup>

When the legislature puts forward these affordable climate and economic development solutions, we all win. Let's start by passing SB 1588, an important step for customers who need energy efficiency solutions to bring down their utility costs, upgrade to healthier, more comfortable homes, and improve quality of life in an affordable and risk-averse way.

For these reasons, we urge you to support SB 1588.

Sincerely,

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<sup>2</sup> [Oregon Energy Strategy](#), pgs. 61-62 and 84-85

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