



February 11, 2026

Oregon State Legislature
Senate Committee On Energy and Environment
900 Court St. NE
Salem, OR 97301

RE: Support for SB 1588 Relating to Inclusive Utility Investment

Chair Sollman, Vice Chair Brock Smith, and Members of the Committee,

On behalf of the more than 55,000 members and supporters of the Sierra Club Oregon Chapter, we write in support of SB 1588, which will dramatically expand access to home upgrades which will lower bills, increase efficiency and reduce climate pollution.

Oregon has a growing energy burden challenge — energy bills have increased across the state by about 50% since 2020, straining household incomes even as utility profits reach record highs.¹ The impacts of high energy costs are not distributed equally - Black, Indigenous and People of Color households disproportionately experience high energy burden.² Rising energy costs force families to choose between putting food on the table and keeping the lights on. In 2024 alone, utilities disconnected a record 64,000 Oregon customers for non-payment, a direct result of rising energy costs.³

As affordability becomes a growing concern in Oregon, and as tax credits and incentive programs that support energy efficiency upgrades are gutted at the federal level, and state programs like the Rental Home Heat Pump Program and Community Heat Pump Deployment Program run out of funding, we need new solutions in order to address issues of energy efficiency and affordability. While new programs are necessary to support customers across the spectrum, they are especially important for low- and middle-income households that cannot afford the upfront costs required to purchase and install clean technologies.

That's where SB 1588 comes in. The Upgrade and Save programs that would be established by this bill are designed to make energy efficiency and electrification affordable and accessible to households by using the energy bills savings from these upgrades to support capital investment from investor-owned utilities. 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.

¹ [Oregon Capital Chronicle](#)

² [American Council for an Energy Efficient Economy \(ACEEE\)](#)

³ [Oregon Citizens Utility Board](#)



- 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.

This is not a novel approach: utility service offerings like Upgrade and Save (also known as Inclusive Utility Investment) have precedent in multiple states across the country including Virginia, Michigan and Georgia, and are being explored in California and Minnesota.⁴

In light of the growing concern about increasing energy bills, 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 the Upgrade and Save program established by SB1588. 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 to help households across the state save money on energy costs. 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.

To this last point, this policy will directly support the installation of high efficiency heat pumps in order to meet our climate and clean air goals. The Oregon Department of Energy's recently-released State Energy Strategy specifically identifies building electrification as one of the Strategy's five key pathways, and describes electrification as a "powerful energy efficiency measure."⁵ Additionally, in 2024 Governor Kotek joined with nine other states in a memorandum of understanding establishing even more ambitious heat pump targets. Specifically, Kotek committed to a goal for highly efficient heat pumps to make up 65% of residential heating, cooling and water heating equipment sales by 2030 across participating states and 90% by 2040.⁶

We cannot afford to wait to address the growing affordability crisis in Oregon. SB 1588 provides a common sense solution to the growing issue of energy affordability, while helping Oregon to meet its climate goals and reduce harmful air pollution. In light of the information provided, we request that you support this bill.

Respectfully submitted,
Emily Bowes, Policy Strategist

⁴ [Clean Energy Works](#)

⁵ [Oregon Department of Energy](#)

⁶ [NESCAUM](#)



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