

HB 2626 – Energy Efficiency And Sustainable Technology – 2009 Session

Includes amendments from HB 3675 – 2010 Special Session

* may be funded by ESA Special Assessment, *(operative or expiry dates)*

LOAN PROGRAM ADMINISTRATION

Section 2

- Purpose: provide financing, promotion, technical support for efficiency, renewable, conservation
- Goals: support efficiency, renewable, conservation; expand and simplify financing; leverage capital; provide information; save energy; grow jobs; reduce carbon emissions.

Section 2a *(RESTRICTED by HB3675)*

- Allows suspension of program if insufficient loans are made to offset costs **(Does not apply to pilots, but pilots may be delayed or suspended if insufficient Loan Offset Funds are available)**

Section 3

- Allows contracting for loan issuance,
- Allows project managers to contract for marketing
- Requires IOU consent to operate in specific service territory

Section 4

- PUC rulemaking authority

Section 5

- Allows contracting for any duties under act, DOE must be party to loans issued by subcontractors

Section 6

- Requires quarterly reporting to SELP advisory committee for review and comment

PROJECT MANAGERS (PM)

Section 7* *(AMENDED by HB3765)*

- Allows director to establish territory, standards and oversight of PMs
- Requires PMs to provide promotion, technical & financial support and verification for both EEAST and SELP loans
- Allows PM to administer loan program
- Public Purpose Fund Administrator shall be PM in any territory not served by another PM
- Requires PM certification program

Section 8*

- Requires RFP for PMs, application information by rule
- Allows selection from applicants, with required considerations

Section 9*

- Requires notification of non-selected applicants
- Requires, as practicable, certification of PM within 4 months of RFP & 2 months of selection
- Requires notification of selection of applicant upon intent to certify, allows certification if no appeal

Section 10

- Allows appeal to SELPAC, requires fee, Allows SELPAC to appeal to governor, whose decision is final

Section 11

- Requires PM to be certified for 5 years, director may condition certification and terminate

Section 12

- Requires Public Purpose Fund Administrator to be PM for electric IOU territory
- Requires Public Purpose Fund Administrator to provide annual action plan and end of year report to PUC and DOE
- Allows PM to subcontract with approval
- Requires PMs to coordinate with utilities

CONTRACTORS

Section 13*

- Requires certification standards for contractors to ensure high quality and satisfaction; standards must require technical skill, eligibility for public works, equal opportunity employer, compliance with standards, 80% of EEAST project employees from local workforce, pay at EEAST employees 180% of minimum wage
- Requires consultation with Public Purpose Fund Administrator and utilities to develop standards
- Allows CCB to issue certification
- Requires differentiation of contractors providing health benefits

Section 14 (operative January 1, 2011)

- Allows certified contractors to provide projections or verifications in territories without PMs
- Requires loan applications to be accepted from territories without PMs
- Allows loans in areas without PMs to use on-bill if available or other repayment method

FUNDS

Section 15

- Establishes “Energy Project Supplemental Fund” for lending, bond repayment or administration

Section 16 (AMENDED by HB3675)

- Establishes “Loan Offset Grant Fund” to produce monthly cost savings for ‘marginally higher overall cost’ projects, **funding includes moneys from base efficiency package fees**

Section 17

- Establishes “Energy Project Bond Loan Fund” for lending and administration of SELP and EEAST or transfer to Energy Revenue Bond Repayment Fund

Section 18

- Establishes “Energy Revenue Bond Repayment Fund” for: administration of EEAST and SELP loans made from revenue bonds; Treasurer expenses; revenue bond issue and credit enhancement costs; revenue bond repayment

Section 19

- Allows use of financial manager to: develop loan program, solicit funding, blend funding.

Section 20

- Allows private utility or entity to invest in EEAST program, PUC to establish rate of return to utility

Section 21

- Allows dispersal of supplemental SELP funds to EEAST loan program with conditions

BONDS

Section 22 (AMENDED by HB 3675)

- Allows Treasurer to issue Revenue bonds for EEAST program, **requires estimates of demand**

Section 23

- Determines that Revenue bonds are not General Obligation, nor is DOE, utility or PM liable.

Section 24

- Relates to Revenue bond declaration

LOCAL GOVERNMENTS

Section 25

- Allows geographic restriction in use of funds provided for EEAST
- Requires restricted funds to be separately accounted for

PROGRAM LOANS

Section 26

- Allows EEAST and SELP loans to be disbursed through PM or other entity

Section 27* (AMENDED by HB 3675)

- Requires Energy Savings Projection prior to loan issue, **may include base efficiency package fee**
- Prohibits EEAST loans for appliances or equipment insufficiently attached for fixture filing or lien
- Requires certified contractor complete install to be eligible for EEAST loan
- Requires verification of install prior to loan issue
- Allows department to require energy efficiency score if one is adopted

Section 28 (AMENDED by HB 3675)

- Limits EEAST loan **for 'residential dwellings served by a single meter'** to \$40,000, inflation linked

Section 29*

- Requires application to identify property against which a lien may be filed and disclose that lien may be transferred

Section 30*

- Requires PM to refer eligible applicants to weatherization program, allows application fee to be waived for low income (<250% of federal poverty guideline) applicants

FEES

Section 31* (AMENDED by HB 3675)

- Requires 'project initiation' fee of up to 4% of loan amount, which may be added to loan
- **Allows 'base efficiency package fee' if overall monthly costs would decrease after project**

ON-BILL FINANCING

Section 32* (AMENDED by HB 3675, operative June 20, 2011)

- **Requires utility on-bill provision or waiver.** Requires use of IOU on-bill repayment ~~if available~~, unless alternative method is agreed
- Requires IOU on-bill system to meet standards: single payment, loan line item, payment transfers
- Requires PUC to adopt rules for IOU on-bill systems, rules may not impose responsibility for repayment on IOU
- Allows waiver of on-bill requirement, IOU must bill by other method

Section 33*

- Requires use of COU on-bill repayment if available, unless alternative method is agreed
- Requires COU on-bill system to meet standards: single payment, loan line item, payment transfers
- Prohibits rules that impose responsibility for repayment on utility
- Allows waiver of on-bill requirement, IOU must bill by other method

Section 34

- Requires use of primary heat utility on-bill if both utilities offer system

Section 35*

- Allows net costs of on-bill system as legitimate for ratemaking
- Allows loan payments to include: principal, interest administration and other
- Excludes loan repayments and on-bill costs from fees or assessments
- Requires utility to transfer loan repayment to new owners utility account if property is transferred

REPAYMENT AND LIENS

Section 36*

- Allows department to identify acceptable security for loans
- Allows fixture filing for installed materials that 'remain easily detachable'
 - Is this in conflict with Section 27?
- Requires lien for amount of loan not secured by fixture filing
- Requires use of on-bill repayment, unless alternative method provides suitable security

Section 37*

- Allows PM or DOE to make lien in favor of director

- Requires lien to attach to property via county deed records
- Requires lien foreclosure to include lien filing costs, prevailing party to receive fees and costs

Section 38*

- Allows foreclosure to be avoided by payment of delinquency and costs

Section 39*

- Requires notice of loan repayment charge prior to signature of any property transfer agreement

LOAN OFFSET GRANTS

Section 40*

- Allows use of offset moneys if overall monthly costs would increase after project
- Allows use of offset moneys for optional package or structural improvements to allow base efficiency package for low income applicants (<250% of federal poverty guideline)
- Allows investigation of alternative mechanisms to loan offset grants to reduce cost of projects that would result in higher overall monthly costs

APPRENTICESHIP AND JOB TRAINING

Section 41*

- Requires collaboration with State Workforce Investment Board to identify training opportunities
- Requires consultation with specified entities on rules regarding training, allows consultation with contractors

PILOT PROGRAMS

Section 42* (expires January 2, 2016) (AMENDED by HB3675)

- Requires pilot programs, which shall be initiated **statewide** as quickly as practicable, **but by June 30, 2011**, to achieve benefits while ensuring high participant satisfaction and program integrity
- Requires director to endeavor to establish pilots with variety of population density, allows preference to interested territories

Section 43* (expires January 2, 2016)

- Requires Public Purpose Fund Administrator to initiate pilots in IOU territories, lists items to be tested by pilots
- Requires report to PUC by October 1, 2010, lists items to evaluate
- Requires PUC to review the report and order either full implementation or partial implementation with recommendations for modification
- Requires Public Purpose Fund Administrator and PM to cooperate and coordinate with utilities

Section 44* (expires January 2, 2016)

- Requires development of pilot in COU territories, solicitation of one or more COU as PM for pilot within 180 days (18 January 2010), lists items to be tested by pilots
- Requires PMs to report to DOE by October 1, 2010, lists items to evaluate
- Requires DOE and PM to cooperate and coordinate with utilities

Section 45* (expires January 2, 2016)

- Allows contractors meeting conditions to complete pilot projects without certification

Section 46* (expires January 2, 2016)

- Requires utility to transfer loan repayment to new owners utility account if property is transferred

Section 46a* (expires January 2, 2016) (REPEALED by HB3675)

- ~~Allows suspension of pilots or program if insufficient loans are made to offset costs~~

MISCELLANEOUS PROVISIONS

Section 47*

- Allows rulemaking costs from specified funds, with conditions.

Section 47a*

- Allows ESA special assessment of \$300,000 for implementing or administering loan programs

Section 48*

- Requires contractor certification rules by December 1, 2010, CCB to implement by January 1, 2011

Section 49 (AMENDED by HB3675)

- Repeals Pilot program (sections 42,43,44,45,46,46a) on January 2, 2016

Section 50

- Makes Section 51 and 52 part of ORS chapter 701 (Construction Contractors and Contracts)

Section 51

- Allows contractors to apply to CCB for certification, allows CCB to certify and charge fee
- Allows CCB to revoke certification
- Requires CCB to notify DOE of issuance or revocation of certification

Section 52

- Requires DOE to require prevailing wage for commercial structure loans
- Requires CCB to forward wage complaints to Bureau of Labor and Industries

Section 53

- Makes Section 14 operative January 1, 2011 (expands program to areas without PM)

Section 53a

- Allows \$300,000 (Section 47a) to be used for sections 7-9, 13, 27, 29-33, 35-48, 54,55,64 (marked *)

AMENDMENTS TO OREGON REVISED STATUTES

Section 54*

- Amends ORS 470.050 to add definitions: “Base efficiency package”, “Energy efficiency and sustainable technology loan”, “Energy Project Bond Loan Fund”, “Energy Project Supplemental Fund”, “Energy Revenue Bond Repayment Fund”, “Energy savings projection”, “Loan offset grant”, “Loan Offset Grant Fund”, “Loan repayment charge”, “On-bill financing”, “Optional Package”, “Public Purpose Funds Administrator”, “Small scale local energy program loan”, “Small Scale Local Energy Project Administration and Bond Sinking Fund”, “Small Scale Local Energy Project Loan Fund”, “Sustainable energy project manager”, “Sustainable energy territory”

Section 55*

- Amends ORS 470.060 to broaden eligible applicants for loans, exempt EEAST loans from SELP fee

Section 56

- Amends ORS 470.070 to exempt EEAST loans from SELPAC review, increase SELPAC to 9 members

Section 57

- Amends ORS 470.080 to exempt EEAST program from SELP rules

Section 58

- Amends ORS 470.090 to include section 29 (liens) in consideration of loan findings

Section 59

- Amends ORS 470.100 to update language

Section 60

- Amends ORS 470.110 to clarify fund name

Section 61

- Amends ORS 470.120 to clarify fund name

Section 62

- Amends ORS 470.130 to clarify fund name and update language

Section 63

- Amends ORS 470.140 to clarify fund name

Section 64*

- Amends ORS 470.150 to clarify fund name, update language, require loan contract to include additional items: notification on transfer, foreclosure acknowledgement, waiver, agreement of property owner if other than applicant, other department conditions

Section 65

- Amends ORS 470.160 to clarify fund name

Section 66

- Amends ORS 470.170 to allow EEAST loan lien security to differ from SELP, clarify fund repayment

Section 67

- Amends ORS 470.190 to include EEAST and clarify fund name

Section 68

- Amends ORS 470.230 to update language and clarify fund name

Section 69

- Amends ORS 470.240 to update language and clarify fund name

Section 70

- Amends ORS 470.270 to update language and clarify fund name

Section 71

- Amends ORS 470.280 to update language and clarify fund name

Section 72

- Amends ORS 470.300 to update language and clarify fund name

Section 73

- Amends ORS 470.310 clarify fund name

LOCAL IMPROVEMENT DISTRICTS

Section 74

- Makes Section 75 part of ORS 223.387 to 223.399 (Assessments for local improvements)

Section 75

- Defines: “Energy Improvements”, “Local government”, “Qualifying real property”
- Allows local government to establish loan programs for cost-effective energy improvements
- Requires local government to notify utility prior to establishing program
- Allows local government to require audit, set standards, make loans, charge interest and fees
- Allows local government to secure loan with lien assessment, make assessments for repayment, collect on assessment, use other security
- Allows local government to certify assessment to county assessor,
- Requires assessor to enter, collect and transfer assessment to local government
- Allows local government to issue revenue bonds for loan program costs
- Allows DOE to make SELP loan to local government that establishes a loan program

ENERGY RESOURCE SUPPLIERS

Section 76

- ESA may not be used to fund EEAST (ORS 469.421 (8)(a))
- Adds generating, transmitting or distributing to “Energy resource supplier” (ORS 469.421 (8))

Section 78

- HB2626 Takes effect on passage (July 22, 2009)

HB 3675 ENROLLED

(operative or expiry dates), (Amended section of HB2626)

Section 1 *(expires January 2, 2016)*

- Prohibits ORS 470.505 (HB2626 Section 2a) from applying to pilots (suspension clause)
- Allows suspension of pilots due to insufficient Loan Offset Grant Fund resources

Section 2 *(HB2626 Section 16)*

- Amends ORS 470.575 to add money from base efficiency package fees to Loan Offset Grant Fund

Section 3 *(HB2626 Section 27)*

- Amends ORS 470.635 to add base efficiency package fees to energy savings projection

Section 4 *(HB2626 Section 31)*

- Amends ORS 470.655 to allow a 'base efficiency package fee', of up to 10% of benefit, if overall monthly costs would decrease after project

Section 5 *(HB2626 Section 22)*

- Amends ORS 470.610 to require estimates of loan demand every 6 months

Section 6 *(HB2626 Section 28)*

- Amends ORS 470.640 to restrict loan size limit to 'residential dwellings served by a single meter'

Section 7 *(operative June 20, 2011) (HB2626 Section 32)*

- Amends ORS 470.660 to require IOU to provide on-bill financing unless they obtain a PUC waiver

Section 8 *(HB2626 Section 7)*

- Amends ORS 470.530 to clarify inclusion of city, county, metropolitan service district as possible PM

Section 9

- Adds Section 10 to ORS 470 (Small Scale Local Energy Projects)

Section 10

- Requires IOUs and COUs with customers enrolled in loans to report aggregate loan data

Section 11 *(HB2626 Section 42)*

- Requires statewide initiation of EEAST no later than June 30, 2011

Section 12

- Section 3 applies to evaluations completed after the effective date
- Sections 4 & 6 apply to loans approved after the effective date
- Section 5 applies to bond declarations after the effective date

Section 13

- Makes Section 7 operative June 20, 2011

Section 14

- Repeals Section 1 on January 2, 2016
- Repeals Section 46a of HB2626

Section 15

- Amends HB2626 Section 49 to remove Section 46a (repealed above)

Section 16

- HB2626 Takes effect on passage (latest at March 2, 2010: Speaker signed February 25, 2010)