



Oregon Energy Efficiency and Sustainable Technology Act

HB 2626

Passed During 2009 Legislative Assembly

Oregon Apollo strongly supported the passage of HB 2626, also known as the Energy Efficiency and Sustainable Technology Act of 2009 (EEAST), as a tool for Oregon that will create good local jobs and give our economy a boost. The EEAST Act is a low-cost, voluntary loan program that can be applied to weatherizing existing residences and small businesses and to producing renewable energy. The loan payment will be offset by the energy savings created. EEAST will create 1500 jobs this summer alone.

How is EEAST structured?

EEAST modifies the Oregon Department of Energy's Small Scale Energy Loan Program (SELP). It authorizes SELP to accept dollars from many different sources, both public and private, for loans and grants. It also allows SELP to do a large block loan authorization to a project manager (e.g. the Energy Trust or a consumer-owned utility) who can split up the loan into small amounts for individual property owners. EEAST defines criteria for contracting procedures, loan repayment, and more.

Why is this needed?

Along with the Department of Energy's SELP program, the Energy Trust of Oregon and consumer-owned utilities across the state offer energy efficiency programs. However, residential and commercial property owners have difficulty accessing low-cost, up-front financing for efficiency and renewable energy investments.

How is EEAST different from SELP?

EEAST will expand SELP so that private investment be used (and assembled by the financial manager) to increase the size and scale of SELP by capturing more funding and by using a project manager who can come to the customer instead of waiting for the customer to come to them. SELP will continue to exist for the larger projects. EEAST focuses on commercial, residential and public buildings.

Are these loans or grants?

Both. The basic structure of EEAST is a low-cost loan that can be paid back on the energy bill over a long period of time (20+ years) and transferred with ownership. In some cases, as money is available from stimulus dollars, future climate legislation, foundations, etc, grant dollars can be used to buy down debt. EEAST makes sure we use grant money efficiently and stretch it as far as possible by using loans for the bulk of investments. Grant money makes EEAST work for people of all incomes.

Does EEAST impact the General Fund?

No. EEAST is funded through a blending of state bonding and private investment. In addition, flexibility has been written into the bill to allow for the acceptance of any grants and Federal stimulus funds. There is no impact to the general fund and no taxpayer dollars are used.

What is the Project Manager?

The Project Manager is an entity, like the Energy Trust of Oregon, that provides outreach and technical support to the customer. The Energy Trust is the default Project Manager for EEAST in investor-owned utility territory and the consumer-owned utility will be the Project Manager in their territories. This will cover most of the ground for reaching many customers across Oregon, but in cases where there is demand for an alternate Project Manager, the Department of Energy will issue an RFP in consultation with the Energy Trust or a consumer-owned utility. The Project Manager can be a local government, nonprofit, for-profit, tribal or state entity.

What is the Financial Manager's role?

The EEAST Financial Manager is the entity that allows private capital to be invested in EEAST. Its main role is to provide a platform for the blending of private and public capital from various sources. The Financial Manager is a financial institution contracted through an RFP.

Is EEAST a mandate?

No. EEAST is a voluntary program.

What labor standards are contained in EEAST?

Contractor Certification

EEAST establishes a series of eligibility standards for certification of contractors wishing to perform work funded by SELP. Standards include an equal opportunity clause, an 80% local hiring requirement, payment of at least 180% of state minimum wage, compliance with all health and safety rules, and preference for contractors that provide health insurance to their employees.

SECTION 13. (1) The State Department of Energy shall adopt rules establishing certification standards for contractors participating in the construction of small scale local energy projects financed through the energy efficiency and sustainable technology loan program.

The department shall design the standards to ensure that the project work performed by a contractor holding the certification is of high quality and will result in a high degree of customer satisfaction.

(2) The certification standards established by the department must, at a minimum, require that the contractor:

(a) Prove that the contractor has sufficient skill to ensure that the contractor can successfully install energy efficiency, renewable energy or weatherization projects.

(b) Not be a contractor listed by the Commissioner of the Bureau of Labor and Industries under ORS 279C.860 as ineligible to receive a contract or subcontract for public works.

(c) Be an equal opportunity employer or small business or be a minority or women business enterprise or disadvantaged business enterprise as those terms are defined in ORS 200.005.

(d) Demonstrate a history of compliance with the rules and other requirements of the Construction Contractors Board and of the Workers' Compensation Division and the Occupational Safety and Health Division of the Department of Consumer and Business Services.

(e) Employ at least 80 percent of employees used for energy efficiency and sustainable technology loan program projects from the local work force, if a sufficient supply of skilled workers is available locally.

(f) Demonstrate a history of compliance with federal and state wage and hour laws.

(g) Pay wages to employees used for energy efficiency and sustainable technology loan program projects at a rate equal to at least 180 percent of the state minimum wage.

(3) The State Department of Energy shall consult with the Public Purpose Fund Administrator and utilities when developing contractor certification standards.

(4) The Construction Contractors Board may issue a qualifying contractor a certification authorizing the contractor to participate in the construction of small scale local energy projects financed through the energy efficiency and sustainable technology loan program. A contractor seeking certification shall apply to the board as provided under section 51 of this 2009 Act.

(5) The State Department of Energy shall identify certified contractors that provide employees with health insurance benefits as preferred service providers and may take other actions as practicable to encourage certified contractors to provide employees with health insurance benefits.

Job Training

EEAST includes a requirement that the State Department of Energy collaborate with the Workforce Investment Board to identify opportunities for integrating job training with implementation for the loan program.

SECTION 41. (1) The State Department of Energy shall collaborate with the State Workforce Investment Board and other interested parties to identify opportunities for apprenticeship and for job training and development that would further the goals of sections 2 to 41 of this 2009 Act and provide valuable skills to Oregon workers.

(2) In adopting any rules for carrying out apprenticeship and job training and development under the energy efficiency and sustainable technology loan program, the department and the board shall consult with representatives from:

- (a) State workforce programs;*
- (b) Organized labor;*
- (c) The State Apprenticeship and Training Council;*
- (d) The Bureau of Labor and Industries; and*
- (e) Consumer advocacy organizations.*

(3) In addition to consulting with entities described in subsection (2) of this section, in adopting any rules for carrying out apprenticeship and job training and development under the energy efficiency and sustainable technology loan program, the department and the board may seek input from organizations representing construction contractors.

Contractor Certification Enforcement

EEAST includes an enforcement mechanism which allows certifications to be revoked if the contractor does not comply with wage or other established standards.

SECTION 51. (1) A licensed contractor that possesses an appropriate endorsement may apply to the Construction Contractors Board for certification to participate in the construction of small scale local energy projects financed through the energy efficiency and sustainable technology loan program. The board may issue the certification to a contractor that meets the standards established by the State Department of Energy under section 13 of this 2009 Act. The board may charge a reasonable fee for certifying a contractor.

(2) If the board receives information that the contractor has failed to comply with the certification standards established by the department or has violated a wage and hours standard described in section 52 of this 2009 Act, the board shall hold a hearing and may revoke the certification.

(3) The board shall give the department notice of the issuance or revocation of a certification under this section.

Commercial Project Wage Standards and Enforcement

EEAST requires prevailing wage payment on all commercial construction projects funded by the loan program, and allows revocation of contractor certification if standards are not met.

SECTION 52. (1) If a project financed under the energy efficiency and sustainable technology loan program is to be constructed for a commercial structure, the State Department of Energy shall require that the certified contractor pay the employees used for the project at the prevailing wage rate determined by the Commissioner of the Bureau of Labor and Industries for each trade or occupation employed. If a project is not to be constructed for a commercial structure, but the department is uncertain whether prevailing wage requirements apply to the project, the department shall consult with the Bureau of Labor and Industries.

As used in this subsection, "commercial structure" means a structure that is not a residential structure.

(2) If the Construction Contractors Board receives a complaint that a contractor certified under section 51 of this 2009 Act has failed to comply with a wage and hours standard for work on a project financed under the energy efficiency and sustainable technology loan program, the board shall forward the complaint to the Bureau of Labor and Industries. If the bureau determines that the contractor has violated a wage and hours standard for work on a project financed under the loan program, the bureau shall notify the board of the determination.