Purpose

In 2020, the Oregon Department of Energy adopted efficiency standards for 11 different appliances and fixtures. HB 2062 will conform statute to those recently adopted rules. These standards will save Oregonians money, promote energy conservation in Oregon, reduce energy and water use, reduce greenhouse gas emissions, and align West Coast appliance market standards. The measure would also implement housekeeping measures to remove from statute those existing standards that have been preempted by federal standards since originally established in Oregon. Finally, HB 2062 would provide ODOE with limited authority to administratively update standards, without requiring subsequent legislation to maintain alignment with another west coast jurisdiction for only products with already existing standards.

The standards already established by rule and to be added to statute include:

1) High CRI fluorescent lamps
2) Computers and computer monitors
3) Faucets
4) Shower heads
5) Commercial fryers
6) Commercial dishwashers
7) Commercial steam cookers
8) Residential ventilating fans
9) Electric storage water heaters
10) Portable electric spas (update to existing standard)
11) Water coolers (update to existing standard)

Background and Need for Legislation

While some appliance efficiency standards are set at the federal level, there are also products that do not yet have a national standard and for which a new state standard could achieve meaningful energy and water savings and greenhouse gas reductions. Oregon has periodically enacted appliance efficiency standards as a method of saving consumers money and saving energy. Appliance efficiency standards provide the potential for significant cost savings and greenhouse gas reduction (as analyzed in ODOE’s EO 17-20 Report on Appliance Standards).

In 2005, Oregon established its first appliance energy efficiency standards for 11 product categories. Often, federal standards are later modeled after standards that were first enacted at the state level. Once adopted at the federal level, federal standards preempt state standards. Thirteen of Oregon’s current appliance standards have been preempted by the federal government. Part of this measure would remove from statute the Oregon standards that have been preempted by federal regulations.

California has been the most active state in developing and adopting efficiency standards for appliance categories that are not federally preempted, followed by Washington’s establishment of many new standards in 2019. Oregon’s standards for appliances have largely been based on similar standards developed for the large west coast market for appliances, but Oregon has not updated its standards or added new categories in over six years. By updating our standards, Oregon would create a clearer set
of uniform standards across the western appliance market, support energy conservation for Oregon consumers, and provide alignment and harmonization with the Washington and California markets.

In ODOE’s November 2018 Report on Improving State Standards for Appliances, which was written to comply with Executive Order 17-20, Section 4.f., ODOE leveraged existing resources to identify state specific opportunities for new appliance standards. In particular, ODOE staff reviewed work of other states, the Appliance Standards Awareness Project, American Council for an Energy-Efficient Economy, the Northwest Energy Efficiency Alliance, and the Pacific Coast Collaborative (which includes California, Oregon, Washington, and British Columbia), to provide a high-level review of the Oregon opportunities. ODOE staff coupled this review with outreach to engage stakeholders and industry representatives in discussions about Oregon’s process for adopting and reviewing appliance standards. ODOE also reviewed existing research, information, analysis, and methodology, which was modified where appropriate to consider Oregon-specific variables such as emissions rates.

Executive Order 20-04, issued by Governor Brown on March 10, 2020, leveraged ODOE’s identification of potential standards and savings for Oregon and recent activity of neighboring jurisdictions to provide a specific list of products for ODOE to establish energy efficiency standards by rule. Oregon law requires that after ODOE completes rulemaking to establish and update appliance efficiency standards, legislation conforming those standards to statute must be introduced in the following Legislative Assembly. Passage of this LC would complete the process outlined in statute. Additionally, HB 2062 would allow a more streamlined process for updating existing standards in order to maintain or improve consistency with comparable standards in other west coast jurisdictions, as suggested during ODOE’s stakeholder meetings. This change recognizes the need to ensure existing Oregon standards can be more efficiently aligned with those of neighboring jurisdictions and would help avoid a potential situation of conflicting standards among west coast jurisdictions.

Appliance standards are an important energy-saving tool as new buildings progressively become more efficient and as an increasing share of energy consumption comes from the products and appliances that are “plugged in” or movable, often called the “plug load.” Residential and commercial building energy codes have traditionally regulated space conditioning, water heating, and the building envelope, but not appliances that are part of a building’s unregulated load. This bill would support energy efficiency and greenhouse gas reductions to address this portion of consumer energy consumption.

**Expected Fiscal Impact**

Revising energy efficient appliance standards can be absorbed with existing agency resources. There are minimal additional ongoing resources needed for program maintenance.

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