Division 118 State Agency Energy Savings Program

Minutes from Rulemaking Advisory Committee meeting, July 22, 2026

Introductions

Attendees:

Candace Bullard, Department of Administrative Services energy coordinator

Claire Prihoda, Climate Solutions

Christian Hargrove, Oregon Employment Dept

Zacharia Heck, DAS statewide sustainability officer

Adam Helvey, DAS procurement services

Jeff Mc Gowen, Oregon Department of Forestry

Emerson Vanderburg, Oregon Military Dept energy manager

Oregon Department of Energy staff: Amanda Welch, Andy Cameron, Jillian DiMedio, Wendy Simons

Program overview: Amanda Welch, program manager, shared an overview of the State Agency Energy Savings Program

Draft rules walk-through:

Amanda led the group in walking through the program rules, including proposed changes and questions to the group by ODOE staff. Discussion points by rule section:

- 330-118-0010 (1): The group discussed the time period for establishing the "Baseline Energy Budget," agreeing that current language saying "immediately prior to the installation of the project" is too vague and suggesting that prior 12 months would be more appropriate and would account for seasonality of energy use.
- 330-118-0010 (8): ODOE question to RAC, is annually the appropriate cadence for calculating and reporting savings? Consensus is that annual seems sufficient, with further discussion around ensuring that reporting of energy savings is in dollar costs.
- 330-118-0010 (9): Group agreed that language mentioning transportation energy fuel costs saved should be added to account for more efficient vehicles as well as vehicle miles saved.

- 330-118-0010 (22): ODOE asked for input on whether revisions are needed to the existing rule language defining “state facility.” Attendees agreed that the definition should retain both fixed and movable assets, which is relevant to vehicles and also movable battery units for example.
- 330-118-0020 (1c): Discussion about employee awareness campaigns and the feasibility of measuring savings.
- 330-118-0020 (1d): Discussion about whether references to 1991 and original rule adoption (1993) need to be updated. Attendees agreed that earlier installations with later updates could get credit for later updates, but some concern about accounting for previous budget periods.
- 330-118-0020 (2a): Current rule language says that projects that save dedicated funds are ineligible. Attendees interested in accommodating projects with mixed funding sources, with many programs and facilities affected by federal funding and lottery funding, to ensure that savings attributable to federal funding would go back to the federal agency which provided the funds.
- 330-118-0025 (1): Notice requirements for state agencies proposing a project under the program. In response to ODOE staff question about whether there are possibilities to reduce duplication or bureaucracy, attendees suggested that ODOE rules could set a size threshold for notices and reporting and/or that ODOE could maintain a program page on its website listing projects over the threshold.
- 330-118-0025 (3): Noted in the discussion that this section refers to rules that will be repealed due to changes in HB 3409 that removed the right of first refusal provisions for utilities.
- 330-118-0030: Right of first refusal language. Repealed due to HB 3409.
- 330-118-0040: Rule language regarding competitive procurement requirements. Discussion about details such as time requirements for leaving procurements open. Discussion about whether the rule language on this topic is overly detailed given that current state procurement guidelines cover the same aspects of the process as the rule language which dates from 1993. Suggestion that rules could point to statewide procurement policy particularly with regard to environmental sustainability.
- 330-118-0050: Rule language regarding negotiating agreements with vendors. ODOE suggests that this rule is no longer needed given that state procurement policies will govern the projects.
- 330-118-0055: Rule language regarding disposition of energy or steam in situations where utilities have exercised right of first refusal. No longer relevant after HB 3409.

- 330-118-0060: Rule language regarding treatment of energy cost savings in state budgeting process. Conversation among attendees around using an inflationary factor to account for energy price increases over time. While attendees noted that there are several provisions in state statute that rely upon assumptions around inflation, energy costs are not always correlated with those other costs. Some energy cost changes will be known in advance, for instance electric rates will be determined on a five-year rate plan going forward due to recent legislation.
- 330-118-0070 (2): Rule language regarding reporting of energy savings and retention by agency of energy savings while maintaining its baseline energy budget. Conversation about aligning reporting and project verification with needs relating to the budget process. Suggestions for how to make this easier and consistent among agencies, such as ODOE creating a template for all agencies to use for tracking their data.

<u>Fiscal Impact Statement</u>: Wendy Simons, Policy & Innovation Division rulemaking coordinator, shared that ODOE is required to consult the RAC for input on the fiscal impact statement the department must prepare as part of the formal rulemaking process. While this program is voluntary for state agencies, when an agency chooses to participate in the program by undertaking an eligible project, that agency's internal accounting staff and staff at other agencies, including DAS, Treasury, and ODOE, will also incur administrative work. One attendee suggested that using an existing revolving account could save administrative costs.

<u>Rulemaking process and next steps</u>: Wendy shared the steps in the formal rulemaking process and an approximate timeline which includes: finalizing the draft rules, circulating draft rules and hearing notice for internal and Department of Justice review, filing a hearing notice and draft rules with the Secretary of State by the end of August, holding a public comment period and a public hearing in September, and filing permanent rules in early October.

<u>Meeting adjourned</u> 2:30pm