

Exec - 2009 - 004066



THEODORE R. KULONGOSKI
GOVERNOR

March 10, 2009

The Honorable Steven Chu, Secretary
US Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

RE: State Energy Program Assurances

Dear Secretary Chu:

As a condition of receiving our State's share of the \$3.1 billion funding for the State Energy Program (SEP) under the American Recovery and Reinvestment Act of 2009 (H.R. 1)(ARRA), I am providing the following assurances and information:

I note that Oregon was ranked the second best state in the nation for energy efficiency policy and programs in the 2008 Scorecard by the American Council for an Energy Efficient Economy (ACEEE). That is based on a number of factors including Oregon having a public benefit charge for both the electricity and natural gas sectors that results in close to \$80 million in energy efficiency investments annually. The Oregon Public Utility Commission has already enacted decoupling for three of our investor-owned utilities as well as other provisions intended to promote energy efficiency.

Further, I have written to our Public Utility Commission and requested that they consider additional actions to promote energy efficiency, consistent with the federal statutory language contained in H.R. 1 and their obligations to maintain just and reasonable rates, while protecting the public.

Oregon already is among the leading states in building code energy efficiency. ACEEE ranked Oregon as one of three states receiving the highest score in the country for building codes. Last year, Oregon's residential building codes were ramped up by approximately 15 percent and I introduced legislation this current legislative session that would further increase energy efficiency in Oregon's residential code by approximately another 15 percent, and in Oregon's commercial code by approximately 25 to 30 percent. I have written to the State Legislature and requested that they pass this legislation.

Oregon is prioritizing our energy investments to take advantage of existing programs and expand programs where appropriate.

Steven Chu
March 10, 2009
Page Two

Our State is committed to a robust improvement in energy efficiency and renewable energy, as well as a balanced State energy policy. In the renewable energy sector, in 2007, Oregon enacted among the nation's strongest renewable energy standards for both electricity (25% by 2025) and transportation fuels (10% ethanol and 2% biodiesel). In part due to significant state incentives, Oregon also is ranked the highest per capita for LEED certified high efficiency buildings and for hybrid vehicle ownership.

I want to assure you that, within the limits of my authority, we will continue to move forward in these critical areas.

Oregon looks forward to **partnering** with the US Department of Energy to demonstrate innovative and cutting edge energy efficiency programs and investment. We look forward to immediate distribution of the Federal SEP funds to permit my state to make progress in energy efficiency and renewable energy.

Respectfully submitted,



THEODORE R. KULONGOSKI
Governor

TRK:JT:jb