

From: [Gus Baum](#)
To: [PUC.puc.publicmeetings * PUC](#)
Subject: Support for extension of the New Buildings Program Custom Track and Market Solutions
Date: Friday, August 13, 2021 11:36:35 AM

To Whom It May Concern:

I'm writing to support the staff conclusions that the New Buildings Program Custom Track and Market Solutions Track should be granted exceptions through March 31, 2024 through the Energy Trust of Oregon.

As a large multi-family developer in the Portland market, I have utilized some form of ETO program offerings for our projects since 2014. Each project has benefited from the ETO program goals and incentives, helping bridge the gap between code minimum design and current energy efficient best practices. With each successive project, a new standard is made in the market; LED bulbs used in unit lighting needed ETO incentives to pencil in 2015 and was industry market standard by 2018. Low-flow plumbing fixtures that were difficult to source in the early part of the cycle have more options in 2021.

At issue, is the expense of the newer, better, more efficient emerging technologies now that the low hanging fruit has been taken. My COVID-delayed project that will launch in August of this year, is a 219 mixed-use and mixed income multifamily development at the former Pepsi distribution center in Portland's Kerns neighborhood on Sandy Blvd. It is a complicated and large development that has been difficult to finance, permit and execute. As part of a larger planned development, the project has one of the most aggressive EUI targets our firm has ever set. The only way we could meet the target was by specifying the largest Reverse Cycle Chiller (RCC) system for domestic hot water installed in Oregon for a multifamily podium project. I'm not an engineer nor an expert, so forgive my science digression. The RCC works similar to a heat pump, except that instead of heating or cooling air, it works on water. It essentially puts a large heat pump unit in front of the insulated water tank and the conditioned water is then pumped through the buildings where needed. The system is incredibly energy efficient and approximately 10% more efficient than a geothermal heat pump; previously the high water mark for energy efficient systems.

In short, the ability of my project to meet its EUI target using the RCC plant would not be possible without support, first from the ETO incentive to energy model the development and secondly from the Market Solutions incentive to offset the hard cost expenses of the system. These types of creative solutions are increasingly expensive, more challenging to engineer, and frequently without precedent in our state. Rising construction costs, inclusionary housing requirements, permitting delays and COVID-19 have made large privately funded developments scarce in Oregon. The Energy Trust of Oregon New Building programs are one of the few accessible funding options that align real impact dollars with policy goals in our industry. In the vastly changed landscape of 2021 and beyond, it takes every bit of support from programs like this to make a project like this go. I fully support the staff recommendations to grant extensions to the New Buildings Programs through March 31, 2024.

Sincerely,

Gus

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