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Summary:

In an effort to combat climate change, HB 3409 sets a goal of 500,000 electric heat pumps to be installed in Oregon homes or commercial buildings by 2030. Past legislative mandates favoring specific technologies have fallen far short of their goals and even eventually banned the same products they once promoted. Legislators should let the market discover and promote the most efficient technologies.

Word Count: 553

“ . . . [E]ven if Oregon could influence global climate (not likely), a technological mandate by politicians is almost guaranteed to fail, based on past experience.”

Politicians Should Stick to Politics and Leave Technology Alone

By John A. Charles, Jr.

Just four days before legislative adjournment, House Bill 3409 passed the Oregon House and has moved to the Senate in a race to the finish by June 25.

HB 3409 establishes a state goal of installing 500,000 electric heat pumps in Oregon homes or commercial buildings by 2030.

The bill was never heard in a House policy committee and received only one short hearing in the budget committee. It's likely that the bill will be rushed through the Senate in the last 72 hours of the session, with no opportunity for public review.

Why all the secrecy? HB 3409 has been touted by its advocates as a way to combat “global climate change.” But even if Oregon could influence global climate (not likely), a technological mandate by politicians is almost guaranteed to fail, based on past experience.

For example, elected officials and other policy makers began pushing compact fluorescent lightbulbs (CFLs) decades ago on the grounds that they would reduce greenhouse gas emissions. The Northwest Energy Efficiency Alliance (NEEA), which is funded largely with ratepayer money, launched a promotional campaign in 1997. NEEA believed CFLs were the future of lighting despite the fact that CFLs claimed less than 1% share of the market that year.

NEEA worked with the Bonneville Power Administration (BPA) and utilities in the region to push CFLs. The campaign included handing out CFL coupons, in-store promotions, and consumer education. Despite NEEA's \$24 million direct expenditure and \$93 million of local program investments into the CFL campaign, the market share of CFLs in the Northwest only climbed to 24%. By 2019 the Northwest CFL market share had dropped to less than 10%.

Technological innovation had made CFLs obsolete. LED lights were rapidly becoming the top choice of consumers, even without subsidies. There was also a growing backlash against CFLs based on concerns about hazardous waste associated with CFL disposal. In fact, that concern culminated in the passage of HB 2531 by the Oregon House just a few months ago which will *ban CFLs in 2024*.



The Oregon Green Energy Technology program, enacted in 2007 by the state legislature, is another example of technological hubris. The GET law requires that any public building undergoing construction or renovation with a contract price of over \$5,000,000 (originally \$1,000,000, with the minimum price being raised in 2019) that is deemed to have potential for generating electricity must also invest the equivalent of 1.5% of the contract price into “green energy technologies,” to be integrated into the building to generate a portion of the building’s power.

Over time, the program’s definition of “green energy technology” has expanded, going from a solar-only requirement in 2007 to now including solar, woody biomass, geothermal, battery storage, and other methods of energy production.

Annual reports on the efficacy of the GET program are published by Oregon Department of Energy every year. The evidence is clear that the GET mandate has wasted millions of dollars. In 2014 the average payback period for GET projects was 64 years, far exceeding the expected useful life of the installed technology. In 2017 the average cost per GET project was \$979,342, and the longest payback period was 492 years for the project installed at the new Multnomah County Central Courthouse.

Legislators should learn from experience and stop trying to tell consumers what to buy.

John A. Charles, Jr. is President and CEO of Cascade Policy Institute, a nonprofit policy research organization based in Portland. A version of this [article](#) was published in the [Portland Tribune](#) on June 21, 2023.

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