

DEREK SMITH
Testimony before the
Subcommittee on Green Jobs and the New Economy
of the United States Senate Committee on Environment and Public Works
Field Hearing Entitled "An Efficient Way to Grow Jobs: Energy Upgrades that Save Families and Businesses Money, Reduce Pollution, and Create Good Jobs."
Portland, Oregon
September 4, 2013

Mr. Chair, Members of the Committee, my name is Derek Smith. I am CEO of Clean Energy Works Oregon. Thank you for the opportunity to speak with you this morning; and thank you, Senator Merkley, for your leadership on clean energy and economic development.

Clean Energy Works is a non-profit, public-private partnership. Our mission is to create jobs and reduce energy waste through the facilitation of home energy retrofits. We coordinate and deploy public, private and utility dollars to scale up the residential energy efficiency sector.

We were founded four years ago as a City of Portland pilot project seeded with Recovery Act dollars. I am here to report that this smart Federal investment is proving that residential energy efficiency can create quality jobs and unlock private capital to grow a vibrant marketplace.

To date, our statistics include:

- 10,000 sign-ups
- 3200 homes upgraded in rural, suburban and urban communities
- 30% average energy savings per home
- More than \$1 million put back into the pocketbooks of Americans instead of being spent on energy waste

As for jobs, we know through our work that, for every 10 homes upgraded, one job gets created. To date, we've enabled:

- 1300 workers receiving paychecks
- 370 new-hires in the hard-hit construction industry
- \$21/hour average wages across multiple trades, from weatherization to plumbing to electrical to HVAC
- 56% of work hours performed by women and people of color
- 36 veterans working on projects
- \$62 million in economic development
- And counting...

Before we began our work, this market was 200 homes per year and workers were paid piece-rate wages averaging around \$9/hour. We are now lifting people out of poverty and into career pathway professions.

How do we generate these numbers? It all comes down to making it easy for citizens to upgrade their homes for energy efficiency. The way it works for a homeowner is:

1. They sign up at our website
2. We arrange for an assessment of their home and pair them with a vetted contractor
3. A scope of work is drafted and agreed upon by the contractor and homeowner
4. We arrange financing from a local lender
5. We provide quality control and customer service throughout the project

Currently, more than 200 contractors throughout Oregon are growing their businesses in the program, including 50 prime contractors like Berenice Lopez-Dorsey, who is here today. Her company, HELP Group, which employs excellent workers like Sary Dobrahn, who is also here today, is one of our best.

And multiple private lenders are providing unsubsidized financing. These lenders include several credit unions, a regional bank and a community development financial institution. Loan products include unsecured, home equity and “on-bill,” meaning customers can pay back their loans on their utility bills. So private investment is happening, spurred on by public investment.

As we look to our future, Clean Energy Works is moving beyond stimulus and into a self-sufficient business model where we earn fees for the service we provide to homeowners, contractors and lenders. The State of Oregon is providing follow-on investment.

We are also looking to build off our platform so we can integrate energy efficiency improvements with seismic upgrades, radon mitigation, stormwater conservation, electric vehicle infrastructure upgrades and more. More jobs, more investment and more homes that are safer, healthier and more comfortable for our citizens.

Thank you very much for your support.