

NEW ENERGY DIRECTIONS FOR OREGON

PRESIDENT BOE....SPEAKER MYERS....MEMBERS OF THE OREGON ~~SENATE AND~~ ^{LEGISLATURE}
~~HOUSE OF REPRESENTATIVES~~....LADIES AND GENTLEMEN.

I WANT TO EXPRESS MY MOST SINCERE APPRECIATION TO THE LEADERSHIP OF
~~THIS~~ ^{THE} 60TH LEGISLATIVE ASSEMBLY FOR INVITING ME TO ADDRESS THIS JOINT
SESSION OF THE OREGON HOUSE AND SENATE. YOUR HOSPITALITY IS IN THE FINEST
TRADITION OF THIS INSTITUTION AND I AM DEEPLY HONORED.

ON JANUARY 8TH, IN MY INAUGURAL ADDRESS BEFORE THIS ASSEMBLY, I
EMPHASIZED WHAT HAS LONG BEEN ONE OF MY STRONGEST AND MOST ENDURING
PERSONAL BELIEFS....BOTH AS A PRIVATE CITIZEN AND AS A PUBLIC SERVANT.

I SPOKE OF THE NEED TO RESTORE TO OUR LIVES A SENSE OF COMMUNITY....OF
PURPOSE AND SHARED RESPONSIBILITIES....OF VOLUNTARISM AND SELF-SUFFICIENCY.

IN THE BROAD CONTEXT OF THAT ADDRESS, I REMINDED MYSELF AND MY FELLOW
OREGONIANS THAT IF WE DO NOT MAKE OUR OWN DECISIONS....SOMEONE ELSE WILL
MAKE THEM FOR US.

OREGONIANS' CAPACITY TO MAKE OUR OWN DECISIONS COMES NATURALLY. IT IS
PART OF OUR HERITAGE.

MORE THAN 130 YEARS AGO, THE MEN AND WOMEN WHO SETTLED THE OREGON TERRITORY CHOSE A MOTTO:

"SHE FLIES WITH HER OWN WINGS".

TODAY, WE KNOW IT WAS MORE THAN A MOTTO.

IT WAS A PROPHECY.

SELF-RELIANCE IS A TRAIT DEEPLY INGRAINED IN THE OREGON SPIRIT. FROM THE BEGINNING, OREGONIANS HAVE BEEN A PROUD, CONFIDENT AND INDEPENDENT PEOPLE. PROUD OF OUR PAST. CONFIDENT OF OUR FUTURE. AND INDEPENDENT BECAUSE WE HAVE PROVEN, TIME AND AGAIN, THAT BOLD INGENUITY AND A FIRM DEDICATION TO THE COMMON GOOD ARE THE ESSENTIAL QUALITIES OF LEADERSHIP.

THE TIME HAS COME AGAIN FOR BOLD INGENUITY AND LEADERSHIP.

WE LIVE IN A WORLD OF DWINDLING ENERGY SUPPLIES AND RISING COSTS. MOREOVER, DESPITE THE BLESSINGS OF THE MOST PRODUCTIVE HYDROELECTRIC SYSTEM IN THE WORLD, OREGON MUST IMPORT ALL OF ITS OIL, COAL AND NATURAL GAS.

AS AN IMPORTER, WE ARE VULNERABLE. BUT WE ARE NOT HELPLESS.

OREGON HAS ENORMOUS AND VIRTUALLY UNTAPPED RESOURCES TO WHICH WE MUST TURN IF WE ARE TO ACHIEVE A HIGHER DEGREE OF ENERGY INDEPENDENCE.

AND, AT THE SAME TIME, WE MUST CONTINUE TO INSIST THAT THE WAYS IN WHICH WE USE ENERGY ARE BASED ON A SIMPLE BUT MEANINGFUL PROVERB:

"WASTE NOT, WANT NOT".

BY THE ADOPTION OF FAR-SIGHTED AND INNOVATIVE PUBLIC POLICY, OREGON HAS THE MOST EFFECTIVE AND COMPREHENSIVE RESIDENTIAL ENERGY CONSERVATION PROGRAM OF ANY STATE IN THE NATION. AS A MEMBER OF THE SENATE, I WAS PROUD TO HAVE WORKED WITH MANY OF YOU TO DESIGN AND ADOPT THOSE LANDMARK PROGRAMS IN 1975 AND 1977.

EFFECTIVE CONSERVATION STRATEGIES ARE VERY IMPORTANT BUT ^{AGE, HOWEVER,} ONLY HALF OF A SOUND AND PRODUCTIVE ENERGY POLICY.

IN THE SAME SPIRIT IN WHICH WE HAVE BLAZED NEW TRAILS IN ENERGY CONSERVATION, THE PROGRAM I WILL SET FORTH HERE TODAY IS THE FIRST STEP TOWARD A PUBLIC POLICY WHICH CALLS FOR THE FULLEST POSSIBLE DEVELOPMENT AND UTILIZATIION OF OUR NATURAL AND SUSTAINABLE ENERGY RESOURCES.

WE CANNOT AFFORD TO WAIT, HOPING FOR A DISCOVERY OF OIL AND NATURAL GAS BENEATH OUR FEET. ALL OF OUR GIANT DAMS HAVE BEEN BUILT. COAL FROM WYOMING -- NOT OREGON -- WILL FEED THE NEW BOARDMAN GENERATING PLANT.

NO. WE CANNOT AFFORD TO WAIT. THE ENERGY POTENTIALS IN SOLAR, WIND, GEOTHERMAL, WOOD AND AGRICULTURAL RESIDUES AND SMALL SCALE HYDRO ARE NEVER LIKELY TO PROVIDE ALL OF OUR ENERGY NEEDS. OREGON AND THE PACIFIC NORTHWEST WILL NEED ADDITIONAL ELECTRIC GENERATION CAPACITY AT SOME POINT IN THE FUTURE.

BUT, TO THE EXTENT THAT OUR OWN NATURAL ENERGY RESOURCES CAN DIMINISH THAT NEED....AND KEEP COSTS DOWN....AND REDUCE OUR DEPENDENCE ON IMPORTED ENERGY AND OUR VULNERABILITY TO DISRUPTIONS TO SUPPLIES, WE MUST NOT WAIT ANY LONGER TO COMMIT OUR TALENTS, OUR MONEY, OUR SKILLS AND OUR MUSCLE TO THE CHALLENGE AT HAND.

THE INVESTMENTS WE MAKE NOW IN ENERGY CONSERVATION AND RENEWABLE ENERGY RESOURCE DEVELOPMENT WILL BRING IMPORTANT DIVIDENDS IN THE FUTURE....BY RELIEVING THE STRAIN ON CONVENTIONAL FUELS AND CONVENTIONAL ENERGY SYSTEMS...AND, ULTIMATELY, THE STRAIN ON OUR POCKETBOOKS.

MOREOVER, THE PRUDENCE AND FORESIGHT WE DEMONSTRATE NOW WILL BE A ✓ SERVICE FOR WHICH GENERATIONS YET UNBORN WILL GIVE THANKS.

MY ENERGY PROGRAM BRINGS A NEW AND VITAL EMPHASIS TO OREGON'S RENEWABLE ENERGY RESOURCES AND FIRM SUPPORT TO MAINTAINING AND EXPANDING EXISTING CONSERVATION EFFORTS.

AT THE HEART OF THIS PROGRAM....AND OF MY OWN PERSONAL ATTITUDE TOWARD SOLVING OREGON'S ENERGY PROBLEMS, IS THE SPIRIT OF "WE CAN DO IT!"

WE CAN. AND WE WILL.

I WANT TO INTERJECT A THOUGHT HERE ON A POINT THAT NEEDS CLARIFICATION.

A FEW WEEKS AGO, I WAS QUOTED -- AND ACCURATELY SO -- THAT THE OREGON DEPARTMENT OF ENERGY HAD NOT EVOLVED AS I HAD ENVISIONED IT WOULD WHEN I SUPPORTED ITS CREATION IN 1975.

MORE WAS MADE OF THAT STATEMENT THAN I INTENDED. BUT, RATHER THAN PURSUE THE ISSUE THEN, I DECIDED THAT ACTIONS WOULD SPEAK LOUDER THAN WORDS.

I BELIEVE THE ENERGY PROGRAM I WILL RECOMMEND TO YOU HERE TODAY MORE ELOQUENTLY DESCRIBES MY VISION OF HOW THE DEPARTMENT OF ENERGY SHOULD CARRY OUT THE IMPORTANT MANDATES ASSIGNED TO IT BY THE LEGISLATIVE AND EXECUTIVE BRANCHES.

I AM URGING YOUR ENDORSEMENT OF A FAR-REACHING ENERGY PROGRAM WHICH CALLS FOR A TOTAL BUDGET OF MORE THAN 10 MILLION DOLLARS OVER THE NEXT BIENNIUM.

Now BEFORE YOU REACH FOR YOUR PENCILS....THAT REPRESENTS AN INCREASE OF 350 PERCENT OVER THE DEPARTMENT OF ENERGY'S 1977-79 BUDGET.

I AM URGING YOUR APPROVAL OF STATE GENERAL FUND EXPENDITURES OF 2.9 MILLION DOLLARS FOR ENERGY.

I AM ASKING YOU TO HELP ME IMPLEMENT WHAT IS BY FAR THE MOST THOUGHTFUL AND COMPREHENSIVE ENERGY AGENDA EVER SUBMITTED BY A GOVERNOR OF THE STATE OF OREGON.

I AM RECOMMENDING TO YOU A PROGRAM WHICH, COUPLED WITH EXISTING LEGISLATION AND MEASURES THAT WILL BE ADOPTED BY THIS ASSEMBLY, WILL BE THE STANDARD BY WHICH STATE ENERGY PROGRAMS ACROSS THE NATION WILL BE MEASURED.

THESE PROGRAMS AND PROJECTS HAVE BEEN DEVELOPED AND REFINED OVER THE PAST SEVERAL WEEKS BY ME, MY PERSONAL STAFF AND THE STAFF OF THE DEPARTMENT OF ENERGY. WE WORKED LONG AND HARD. BUT WE DID NOT WORK IN HASTE.

I HAVE TO SAY TO YOU THAT I AM QUITE FRANKLY EXCITED WITH THE OPPORTUNITIES THAT CAN BE SEIZED BY IMPLEMENTING THESE PROGRAMS.

DURING MY CAMPAIGN IN 1978, I TOLD OREGONIANS THAT ENERGY MATTERS WOULD BE ASSIGNED A HIGH PRIORITY IN MY ADMINISTRATION -- SECOND ONLY TO TAX RELIEF. THE PROGRAM I WILL RECOMMEND TO THIS LEGISLATIVE SESSION GIVES SCOPE, ~~AND~~ FORM AND SUBSTANCE TO THAT COMMITMENT.

EACH OF YOU TODAY WILL HAVE A DETAILED COPY OF MY PROPOSALS. YOU WILL FIND THAT THE PACKAGE HAS BEEN DESIGNED TO ADDRESS A BROAD SPECTRUM OF ENERGY ISSUES. I WILL PROPOSE LEGISLATION OF MY OWN. I WILL ACTIVELY SUPPORT IMPORTANT LEGISLATION INTRODUCED BY MEMBERS OF THE HOUSE AND THE SENATE.

AND, AS "TEMPORARY" DIRECTOR OF THE DEPARTMENT OF ENERGY (--- YOU WILL PLEASE NOTE THAT I DID NOT SAY ACTING DIRECTOR ---) I WILL CONTINUE TO MAKE CERTAIN THAT THE DEPARTMENT HAS THE KIND OF ATTENTION AND SUPPORT FROM THE GOVERNOR'S OFFICE THAT WILL ASSURE STABILITY, CONFIDENCE AND CONTINUITY.

BECAUSE EACH OF YOU CAN EXAMINE IN DETAIL THE VARIOUS COMPONENTS OF MY RECOMMENDATIONS, I WILL NOT FINE-LINE THOSE DETAILS NOW. BUT LET ME GIVE YOU A BROAD, GENERAL PICTURE OF THE PACKAGE.

I SUSPECT I SHOULD START WITH MY RECOMMENDATION FOR ~~★~~^{TNE} SUBSTANTIAL APPROPRIATION FROM THE GENERAL FUND:

THIS PROPOSAL WOULD FINANCE A 1.6 MILLION DOLLAR PROGRAM FOR ENERGY CONSERVATION PROJECTS IN STATE-OWNED AND OPERATED BUILDINGS. WE HAVE TECHNICAL MOMENTUM FROM THE STATE BUILDING ENERGY MANAGEMENT TEAM'S IMPRESSIVE WORK AND WE SHOULD CAPITALIZE ON THAT MOMENTUM.

THE GENERAL FUND APPROPRIATION WOULD ALSO INCLUDE 1.1 MILLION DOLLARS TO HELP LOCAL COMMUNITIES MATCH FEDERAL DOLLARS FOR ENERGY AUDITS AND CONSERVATION PROJECTS IN SCHOOLS, HOSPITALS AND LOCAL GOVERNMENT BUILDINGS. THE NATIONAL ENERGY ACT OF 1978 WILL MAKE MORE THAN 10 MILLION DOLLARS AVAILABLE TO OREGON OVER THE NEXT THREE YEARS...IF THE 50 PERCENT NON-FEDERAL MATCH IS AVAILABLE.

I AM PROPOSING THAT THE GENERAL FUND PROVIDE THE TOTAL LOCAL 50 PERCENT MATCH FOR ENERGY AUDITS AND 15 PERCENT OF THE LOCAL 50 PERCENT MATCH FOR SCHOOLS AND HOSPITALS WEATHERIZATION PROJECTS.

MY PROGRAM INCLUDES 6.3 MILLION DOLLARS IN THESE FEDERAL MATCHING FUNDS FOR THE COMING BIENNIUM. I DO NOT WANT TO SEE ANY SCHOOL, ~~OR~~ ANY HOSPITAL, OR ANY LOCAL GOVERNMENT BUILDING FAIL TO CAPITALIZE ON THIS OPPORTUNITY. IT'S IMPORTANT TO REMEMBER THAT BE REDUCING ENERGY CONSUMPTION, WE REDUCE OPERATING COSTS AND WE REDUCE THE FINANCIAL BURDEN ON LOCAL TAXPAYERS.

I BELIEVE IT IS ABSOLUTELY ESSENTIAL THAT WE SUPPORT AN AGGRESSIVE PROGRAM FOR VITAL ENERGY RESEARCH. MY ENERGY PROGRAM WOULD SET ASIDE 250 THOUSAND DOLLARS FROM THE GENERAL FUND IN THE COMING BIENNIUM FOR ENERGY RESEARCH "SEED" MONEY AT OREGON COLLEGES AND UNIVERSITIES. THESE FUNDS WILL ASSURE THE START OR COMPLETION OF WORTHY ENERGY RESEARCH PROJECTS WHICH REQUIRE A LOCAL MATCH TO ATTRACT EITHER FEDERAL OR PRIVATE FUNDS.

AN EXCELLENT EXAMPLE OF THE KIND OF RESEARCH PROJECTS THIS FUND WOULD HELP SUPPORT IS THE DEPARTMENT OF ENERGY'S "WALL INSULATION STUDY" CURRENTLY UNDERWAY IN THE PORTLAND AREA.

BEGINNING WITH A PROBLEM IDENTIFIED IN OREGON -- BUT ONE WHICH HAS NATIONAL IMPLICATIONS -- THE DEPARTMENT COMMITTED STAFF TIME TO COORDINATE THE RESEARCH AND ENLISTED \$120,000 IN FEDERAL AND PRIVATE FUNDS TO ACCOMPLISH THE JOB. THE RESEARCH WILL TELL US WHETHER THE LACK OF VAPOR BARRIERS IN INSULATED WALLS CONTRIBUTES TO MOISTURE-RELATED DAMAGE.

OTHER RESEARCH PROJECTS WHICH COULD BE PARTIALLY FUNDED BY THIS PROGRAM INCLUDE EXPANDED SOLAR RADIATION MONITORING....SOLAR ELECTRIC GENERATION IN OREGON...OR A DEMONSTRATION PROJECT COMBINING WIND ELECTRIC GENERATION WITH AN EXISTING HYDROELECTRIC SYSTEM.

I BELIEVE ONLY INFORMED CITIZENS CAN MAKE INFORMED DECISIONS. AND, OREGONIANS ARE FACED WITH CRITICAL ENERGY CHOICES. MY PROGRAM INCLUDES AN INTENSIVE, STATEWIDE ENERGY EDUCATION AND INFORMATION CAMPAIGN TO HELP OREGONIANS MAKE INFORMED CHOICES ABOUT OUR ENERGY FUTURE.

THE GOVERNOR'S PUBLIC COUNCIL ON ENERGY WILL PROVIDE NOT ONLY A RELIABLE SYSTEM TO INFORM AND EDUCATE, BUT WILL ALSO BE AN EFFECTIVE MEANS BY WHICH CITIZENS CAN PARTICIPATE IN ENERGY POLICYMAKING AT THE LOCAL AND STATE LEVEL.

MY PROGRAM, FOR THE FIRST TIME IN OREGON, ^{ALSO} OFFERS TAX INCENTIVES TO BUSINESSES AND INDUSTRIES WHICH INVEST IN ALTERNATE ENERGY RESOURCE SYSTEMS. OREGON HOMEOWNERS NOW HAVE SUCH TAX INCENTIVES AND THAT PROGRAM HAS PROVEN TO BE A REMARKABLE SUCCESS. APPROPRIATE INCENTIVES FOR BUSINESS AND INDUSTRY POTENTIALLY COULD ATTRACT PRIVATE INVESTMENTS TOTALLING 100 MILLION DOLLARS IN FIVE YEARS.

I WILL ASK YOU TO APPROVE LEGISLATION CREATING AN ALTERNATE ENERGY DEVELOPMENT COMMISSION. THAT COMMISSION WILL ASSIGN TASK FORCES TO PREPARE RESOURCE-SPECIFIC INVENTORIES AND DEVELOPMENT POLICIES FOR OREGON'S SOLAR, GEOTHERMAL, WIND, WOOD AND AGRICULTURAL RESIDUES, INCLUDING "GASOHOL", AND WATER POWER ENERGY RESOURCES.

EACH TASK FORCE WILL, BY EARLY 1980, SUBMIT INITIAL PLANS FROM WHICH THE FULL COMMISSION WILL MAKE BOTH POLICY RECOMMENDATIONS AND LEGISLATIVE PROPOSALS FOR THE 1981 SESSION. COMMISSION STAFFING WILL BE IN THE DEPARTMENT OF ENERGY AND FINANCING WILL COME FROM FEDERAL FUNDS AND THE DEPARTMENT'S ENERGY SUPPLIER ASSESSMENTS.

MORE AND MORE OREGONIANS ARE USING FIREWOOD TO COOK AND HEAT THEIR HOMES. AND, BECAUSE FIREWOOD IS EXPENSIVE, INCREASING NUMBERS OF CITIZENS ARE LOOKING FOR FREE, GATHER-AND-HAUL-IT-YOURSELF FIREWOOD. AT THE SAME TIME, PRIVATE LANDOWNERS OFTEN ARE WILLING TO ALLOW FIREWOOD GLEANING FROM THEIR WOODLOTS AND FORESTS...BUT ARE RELUCTANT TO DO SO BECAUSE OF LIABILITIES ASSOCIATED WITH ACCIDENTS ON THEIR PROPERTY.

THE DEPARTMENT OF FORESTRY HAS INTRODUCED LEGISLATION -- HOUSE BILL 2081 -- WHICH ADDRESSES THIS DILEMMA BY EXEMPTING PRIVATE WOODLOT OWNERS FROM CERTAIN LIABILITIES. I WOULD URGE LEGISLATIVE APPROVAL OF THIS BILL.

I HAVE ALWAYS BELIEVED THAT GOVERNMENT AND INDUSTRY CAN BE PRODUCTIVE PARTNERS. AND, I ALSO AGREE THAT "MONEY ON THE TABLE" IS EVIDENCE THAT SUCH PARTNERSHIPS MEAN BUSINESS.

I HAVE CALLED TOGETHER REPRESENTATIVES OF OREGON'S FOREST PRODUCTS INDUSTRIES, PUBLIC AND PRIVATE UTILITIES, THE STATE DEPARTMENT OF FORESTRY, THE DEPARTMENT OF ENERGY AND THE U.S. FOREST SERVICE TO FORM A WOOD RESIDUE TASK FORCE.

THE "PUBLIC BUILDINGS ENERGY CONSERVATION" ELEMENT OF MY PROGRAM WOULD USE GENERAL FUND APPROPRIATIONS TO FINANCE ENERGY CONSERVATION AND ALTERNATE ENERGY PROJECTS IN STATE BUILDINGS. THE DEPARTMENT OF ENERGY WILL DEVELOP CRITERIA AND EVALUATE ALL SUCH PROJECTS, WITH THE ADVICE OF A TECHNICAL ADVISORY COMMITTEE REPRESENTATIVE OF THE MAJOR STATE AGENCIES WHICH OPERATE BUILDINGS.

SOME OF THE PROJECTS I EXPECT TO SEE FUNDED INCLUDE HEAT RECOVERY SYSTEMS AND CONVERSIONS TO ENERGY-EFFICIENT LIGHTING SYSTEMS.

I HAVE DIRECTED THE DEPARTMENT OF GENERAL SERVICES TO ENSURE THAT ALL PLANS AND DESIGNS FOR NEW BUILDINGS USE ENERGY-EFFICIENT STANDARDS. THOSE STANDARDS, INCLUDING "LIFE-CYCLE COSTING" OF CONSERVATION AND RENEWABLE RESOURCE EQUIPMENT, WILL HELP US AVOID THE ENERGY-WASTEFUL MISTAKES OF THE PAST. THOSE MISTAKES ARE FAR MORE COSTLY TO REMEDY THAN DOING THE JOB RIGHT THE FIRST TIME.


ENERGY CONSERVATION TECHNICIANS -- BOTH IN GOVERNMENT AND THE PRIVATE SECTOR -- HAVE ACCUMULATED A WEALTH OF TECHNICAL EXPERTISE AND KNOW-HOW. BUT TOO OFTEN, GOOD IDEAS AND PROVEN CONSERVATION STRATEGIES ARE DIFFICULT FOR BUSINESS AND INDUSTRY -- PARTICULARLY SMALLER FIRMS -- TO TRACK DOWN.

MANY ENERGY CONSERVATION MEASURES ARE HIGHLY COST EFFECTIVE, WITH REMARKABLY SHORT PAYBACK PERIODS OF TWO OR THREE YEARS. WE NEED AN INFORMATION-SHARING MECHANISM TO ALERT OREGON'S COMMERCIAL AND INDUSTRIAL SECTOR TO THESE IDEAS.

I WILL DIRECT THE DEPARTMENT OF ENERGY TO ESTABLISH AN ENERGY CONSERVATION CLEARINGHOUSE FOR COMMERCE AND INDUSTRY AND TO LAUNCH AN AGGRESSIVE INFORMATION AND EDUCATION PROGRAM TO PROMOTE SPECIFIC CONSERVATION PROJECTS AS WELL AS GENERAL CONSERVATION STRATEGIES.

THE DEPARTMENT WILL SERVE AS A CLEARINGHOUSE AND WILL WORK WITH UTILITIES, UNIVERSITIES AND OTHERS TO CONDUCT WORKSHOPS, ARRANGE INSPECTIONS AND ANALYSES OF DEMONSTRATION PROJECTS AND PROVIDE FOR THE EXCHANGE OF INFORMATION IN ENERGY CONSERVATION TECHNOLOGY.

THE CLEARINGHOUSE WILL BE A VALUABLE TECHNICAL RESOURCE OF INFORMATION ON BOILER COMBUSTION EFFICIENCY, COST-EFFECTIVE ESTIMATES ON CONSERVATION PROJECTS, LIGHTING TECHNIQUES, ENERGY MANAGEMENT, COMPUTERIZED MONITORING SYSTEMS AND OTHER TECHNIQUES.

 LAST MONTH, WHEN THE FEDERAL DEPARTMENT OF ENERGY WARNED THAT THE COUNTRY IS LIKELY TO FACE GASOLINE SHORTAGES THIS SUMMER, I MET WITH REPRESENTATIVES OF THE ECONOMIC REGULATORY COMMISSION IN WASHINGTON, D.C.

IN ESSENCE, I TOLD THEM: "JUST TELL US WHAT YOU WANT DONE. DON'T TELL US HOW TO DO IT."

THEY AGREED. AND, AS A RESULT, OREGON WAS THE FIRST STATE TO SUBMIT CONTINGENCY PLANS -- CALLING FOR BOTH VOLUNTARY AND MANDATORY MEASURES -- TO DEAL WITH ANY SHORTAGE THAT MAY DEVELOP.

OUR CONTINGENCY PLAN IS AN EFFECTIVE, SHORT-TERM STRATEGY. IT DOES NOT, AND IS NOT INTENDED ^{HOWEVER} TO ADDRESS ENERGY CONSUMPTION IN THE TRANSPORTATION SECTOR IN THE LONG-TERM.

TRANSPORTATION CONSUMES ABOUT 40 PERCENT OF ALL THE ENERGY USED IN OREGON. ANY SHORT-TERM GASOLINE SHORTAGE IS ONLY A SYMPTOM OF THE LARGER PROBLEM...AND TO DATE, OREGON HAS NOT DEVELOPED AN AGGRESSIVE, COMPREHENSIVE PROGRAM TO REDUCE ENERGY CONSUMPTION IN THE TRANSPORTATION SECTOR.

TO REMEDY THIS, I WILL ESTABLISH A SPECIAL TRANSPORTATION ENERGY CONSERVATION TASK FORCE CHARGED WITH RECOMMENDING A WORKABLE SET OF POLICIES AND PROGRAMS TO REDUCE OREGON'S DEMAND FOR TRANSPORTATION ENERGY.

THE TASK FORCE WILL BE A BROAD-BASED GROUP OF HIGHLY SKILLED EXPERTS REPRESENTING THE PUBLIC, THE UNIVERSITY COMMUNITY, TRANSIT AGENCIES, AUTO CLUBS, PETROLEUM SUPPLIERS, ~~AND~~ RETAIL DEALERS, THE MOTOR CARRIER INDUSTRY, AND THE STATE DEPARTMENTS OF TRANSPORTATION AND ENERGY AND THE PUBLIC UTILITY COMMISSIONER.

I WILL EXPECT THE TASK FORCE TO PROVIDE CLEAR AND DETAILED RECOMMENDATIONS TO STATE GOVERNMENT, INCLUDING INTERIM ACTION AS WELL AS PROPOSALS TO BE SUBMITTED TO THE 1981 LEGISLATURE.

THE CONSERVATION PROPOSALS I HAVE OUTLINED, FOR THE MOST PART, DO NOT REQUIRE ADDITIONAL LEGISLATION. HOWEVER, I STRONGLY ENDORSE SEVERAL MEASURES NOW UNDER CONSIDERATION IN THIS ASSEMBLY. EACH WILL IMPORVE EXISTING LEGISLATION FOR ENERGY CONSERVATION PROGRAMS IN OREGON'S RESIDENTIAL SECTOR.

HOUSE BILL 2147, SPONSORED BY THE DEPARTMENT OF ENERGY, PROVIDES NEEDED AMENDMENTS TO EXISTING WEATHERIZATION PROGRAMS BY EXTENDING BENEFITS TO MOBILE HOME AND FLOATING HOME DWELLERS, MORE RENTERS AND TO MULTI-FAMILY UNITS. AT THE SAME TIME, THESE AMENDMENTS PROVIDE MORE OPTIONS FOR HOMEOWNERS TO FINANCE WEATHERIZATION MEASURES.

HOUSE BILL 2414, INTRODUCED BY REP. FADELEY, REPLACES SENATE BILL 4, APPROVED IN THE 1977 SESSION. THAT PROGRAM HAS NOT BEEN PARTICULARLY EFFECTIVE FOR A VARIETY OF REASONS. ONLY ABOUT ONE-QUARTER OF THE 4 MILLION DOLLARS APPROPRIATED FOR WEATHERIZATION REFUNDS TO LOW-INCOME, ELDERLY HOMEOWNERS HAS BEEN USED.

I SUPPORT TRANSFER OF THIS PROGRAM FROM THE DEPARTMENT OF REVENUE TO THE DEPARTMENT OF HUMAN RESOURCES. I BELIEVE THE LATTER AGENCY MORE EFFECTIVELY CAN PROMOTE AND DISPERSE THE BENEFITS THE PROGRAM OFFERS. I SUPPORT THE APPROPRIATION OF 2 MILLION DOLLARS TO FUND THE EXISTING LOW-INCOME, ELDERLY HOMEOWNER WEATHERIZATION PROGRAM IN THE DEPARTMENT OF HUMAN RESOURCES.

AS MANY OF YOU HERE KNOW, I STRONGLY SUPPORTED SENATE BILL 572 IN THE 1977 LEGISLATURE AND THE SUBSEQUENT BALLOT MEASURE THAT WOULD HAVE AUTHORIZED AN ENERGY PRODUCTION LOAN FUND FINANCED BY STATE GENERAL OBLIGATION BONDS.

THAT BALLOT MEASURE FAILED....NOT, IN MY OPINION BECAUSE OREGONIANS OPPOSED THE DEVELOPMENT OF NEW, NON-NUCLEAR ENERGY RESOURCES, BUT BECAUSE OF TECHNICAL FLAWS IN THE PROPOSAL.

A SIMILAR CONCEPT, SENATE BILL 611; INTRODUCED BY SEN. FADELEY, HAS BEEN INTRODUCED IN THIS SESSION. AND, ALTHOUGH THERE ARE STILL LEGAL PROBLEMS TO BE RESOLVED, I FULLY ENDORSE THE CONCEPT OF PROVIDING LOW-INTEREST, FRONT-END CAPITAL FOR THE DEVELOPMENT OF LOCAL, SMALL-SCALE ENERGY PROJECTS. SUCH PROJECTS COULD INCLUDE, FOR EXAMPLE, GEOTHERMAL HEATING DISTRICTS, A SMALL COMMUNITY HYDROELECTRIC FACILITY, WIND GENERATION OR FACILITIES TO PRODUCE METHANOL OR "GASOHOL" FROM AGRICULTURAL AND WOOD WASTES.

I WILL ALSO SUPPORT THAT PORTION OF HOUSE BILL 2321, INTRODUCED BY REP. RUTHERFORD, WHICH EXTENDS WEATHERIZATION TAX CREDIT BENEFITS TO THE 100,000 OREGONIANS WHO LIVE IN MOBILE AND FLOATING HOMES.

I WILL ALSO SUPPORT THOSE PORTIONS OF SENATE BILL 337, SPONSORED BY SENATORS FADELEY AND WINGARD, WHICH EXTENDS ALTERNATE ENERGY DEVICE TAX CREDITS TO "SPEC-BUILT" HOMES AND TO HOMEOWNERS WHO INSTALL SMALL-SCALE HYDRO PROJECTS AND SOLAR WATER HEATING SYSTEMS.

THE PROGRAM I HAVE OUTLINED FOCUSES ON THREE MAJOR OBJECTIVES:

ONE, TO SUBSTANTIALLY INCREASE OREGON'S CAPABILITY TO PROMOTE THE DEVELOPMENT AND UTILIZATION OF RENEWABLE ENERGY RESOURCES. // MANY OF YOU WILL BE SURPRISED TO KNOW THAT THE DEPARTMENT OF ENERGY'S RENEWABLE RESOURCE STAFF NOW COMPRISES TWO -- REPEAT, TWO BUDGETED POSITIONS.

MY PROPOSAL RECOMMENDS A SUBSTANTIAL INCREASE IN STAFFING FOR THAT PROGRAM. IN TOTAL, MY PROPOSAL RECOMMENDS AN ADDITIONAL 14 FULL-TIME POSITIONS FOR THE DEPARTMENT OF ENERGY, INCLUDING THE FOUR NEW POSITIONS IN MY ORIGINAL BUDGET RECOMMENDATIONS.

SECONDLY, MY PROGRAM PROVIDES SIGNIFICANT REINFORCEMENT TO THE STATE'S ENERGY CONSERVATION EFFORTS BY STRENGTHENING EXISTING PROGRAMS, EXPANDING INCENTIVES TO COMMERCE AND INDUSTRY, ~~AND~~

AND THIRD, MY PROGRAM PROPOSES TO SET IN MOTION A NUMBER OF SPECIAL ADVISORY GROUPS WHICH WILL USE THE NEXT INTERIM TO DEVELOP NEW AND EFFECTIVE STRATEGIES FOR CONSERVATION AND RENEWABLE RESOURCES....STRATEGIES THAT WILL, IN PART, BE ADOPTED AS EXECUTIVE POLICIES AND OTHERS THAT WILL BE LEGISLATIVE RECOMMENDATIONS IN 1981.

MEMBERS OF THE OREGON HOUSE AND SENATE, I STRONGLY URGE YOUR APPROVAL OF THIS ENERGY PACKAGE. AND, AS YOU CONSIDER THOSE PORTIONS OF MY PROGRAM WHICH REQUIRE APPROPRIATIONS FROM THE GENERAL FUND, I ASK YOU TO KEEP ONE THING IN MIND:

LET US NOT BE PENNY-WISE AND POUND-FOOLISH. ENERGY CONSERVED COSTS SIX TIMES LESS THAN NEW ENERGY. ENERGY DERIVED FROM UNCONVENTIONAL FUELS DISPLACES CONVENTIONAL ENERGY NEEDED FOR OTHER IMPORTANT USES.

I PROPOSE THAT COOPERATIVELY WE....THIS LEGISLATIVE ASSEMBLY, MY OFFICE AND THE EXECUTIVE BRANCH AND THE PEOPLE OF OREGON....ESTABLISH A FULL, WORKING PARTNERSHIP TO DESIGN A SECURE ENERGY FUTURE.

IT IS TIME FOR BOLD INGENUITY AND LEADERSHIP.

AND WE CAN DO IT.

THANK YOU.