

Director's Message

Date: September 11, 2007

To: Partners and Employees of Oregon Housing and
Community Services

From: Victor Merced, Director

The power of conservation—I'm really talking here about weatherization—to address the nation's gathering energy challenges has long been denied the high place it deserves. Or, perhaps, it just isn't exciting enough to grab widespread public attention. That's changing.

I was recently reminded of this when Nicholas Kristof, writing in my hometown newspaper, the New York Times on Monday, August 20, cited none other than the vice chairman of Chevron on the virtues of saving energy.

“The best source of new energy is efficiency and conservation,” said Peter Peterson, the fossil fuel exec. “The best source is not to use as much.”

We have known this for years, of course. But the reality is starting to sink in as fears of higher fuel costs and energy shortages loom. Even folks, like Peterson, in the business of selling the cheap finite resource that has powered “happy motoring,” modern industry and our home furnaces, are saying we must conserve.

It comes down to weatherization, the kind of conservation that makes overwhelming sense as we well know at OHCS:

- Last winter, more than \$6 million was returned to Oregon utility customers, communities and the utilities themselves from weatherized homes in our state.
- This was the result of \$16.5 million invested in low-income weatherization.
- The job multiplier for each weatherized home came in at 1.66, which translated to 646 new jobs in Oregon.
- The new jobs created increased wages totaling \$24 million new dollars for our state.

The environment gained too:

- Energy usage was lessened, of course, which reduced air pollution.
- Carbon dioxide emissions from power plants and homes were also reduced—translating to a cut of 1 metric ton per home per year.

The energy savings adds up to 23 percent of consumption (spent before weatherization) for a gas-heated home. The utility savings the first year alone for this average house is a whopping \$358.

It gets even better because, as Kristof writes: “New research has shown that improvements in energy efficiency often pay for themselves, actually leaving us better off.” He makes a huge point that this is no longer about sacrifice. It is about better technology.

Opportunity lies before us. Energy-saving measures could give the nation 1.5 times the current U.S. annual energy consumption by 2020, according to consultant McKinsey & Company, also cited by Kristof, who by the way is an Oregonian himself.

So, the good news is that conservation can pay for itself, according to recent research. Further, OHCS has the financial wherewithal to give conservation a colossal boost through its weatherization work.

The cost of energy is the second largest cost a homeowner pays—only the mortgage costs more. We know that 67,000 of the poorest households in Oregon are paying more than 36 percent of their household budget toward energy costs.

Conserving energy through weatherization moves families toward self-sufficiency by giving them more independence with their incomes.

Our agency spends about \$23.8 million each year from all sources—state and federal—to support weatherization. This makes OHCS a significant player in contributing to Oregon's part in moving our nation to energy self-sufficiency.

I would feel more optimistic about a bright future for man if he spent less time proving that he can outwit Nature and more time tasting her sweetness and respecting her seniority.

~E.B. White