



June 21, 2011

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**Adoption of 2011 Oregon Commercial  
Reach Code**

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**Opportunity for public input:**

Those who would like to provide testimony may attend a public hearing on June 21, 2011 at 10:00 a.m. The hearing will be located at the Building Codes Division, Conference Room A. Written comments may also be submitted to the contact below. The last day to submit written comments is 5:00 p.m. June 24, 2011.

**Live broadcast via the internet:**

To view the public hearing live, click on "[View live meeting](#)"

**Purpose of the rule:**

These proposed rules establish a first of a kind "Reach Code" in Oregon. The proposed rules implement a portion of Senate Bill 79 (2009) requiring the adoption of a code separate from the state building code that is a set of optional construction standards designed to increase the energy efficiency of buildings above the mandatory statewide building code. These proposed rules adopt the 2011 Oregon Commercial Reach Code (OCRC). The 2011 OCRC consists of the November 2010 International Green Construction Code public version 2.0 with Oregon amendments.

These proposed rules and the code would become effective July 1, 2011.

**Citation:**

Adopt: 918-465

To view the proposed amended code language, click the following:

[Draft Oregon Commercial Reach Code](#)

[Matrix of code changes](#)

**History:**

The OCRC established in Senate Bill 79 (2009), requires the Division to adopt a "Reach Code" encompassing construction methods and technology designed to increase energy efficiency over the mandatory codes for builders that choose to incorporate them. The bill defines energy efficiency broadly as "use of construction and design standards, construction methods, products, equipment and devices to increase efficient use of, and reduce consumption of electricity, natural gas and fossil fuels."

The Division opened the OCRC adoption and amendment process, established a timetable for receiving proposed code amendments, and convened the Oregon Reach Code Advisory Committee. The committee reviewed proposed code changes and provided input for the Division to consider prior to forwarding the proposed code to the Construction Industry Energy Board.

The Division has been working to align this code with state, local and federal incentive programs. The Oregon Department of Energy has drafted rules to allow the OCRC as an alternative path for buildings required to follow the State Energy Efficient Design program. Energy Trust of Oregon has communicated to the Division that incentives will be available at varying levels for OCRC buildings. The Energy Trust of Oregon also has incentives and expertise available to assist with modeling complex structures.

At the May 11, 2011 meeting, the Construction Industry Energy Board reviewed the proposed 2011 OCRC and recommended that the Division adopt the 2011 OCRC and move forward with rulemaking.

**Contact:**

If you have questions or need further information, please contact Hearing Officer Aeron Teverbaugh at 503-373-2160, or [Aeron.Teverbaugh@state.or.us](mailto:Aeron.Teverbaugh@state.or.us).



Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form.

Department of Consumer and Business Services, Building Codes Division	918
Agency and Division	Administrative Rules Chapter Number
Stephanie Snyder	PO Box 14470, Salem, OR 97309
Rules Coordinator	Address
	(503) 373-7438
	Telephone

**RULE CAPTION**

Adopts provisions for the Oregon Commercial Reach Code  
Not more than 15 words that reasonably identify the subject matter of the agency's intended action.

June 21, 2011	10 a.m.	1535 Edgewater Street NW, Salem, OR 97304	Aeron Teverbaugh
Hearing Date	Time	Location	Hearings Officer

*Auxiliary aids for persons with disabilities are available upon advance request.*

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

**ADOPT:** 918-465

**AMEND:**

**REPEAL:**

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth.: ORS 183.335, 455.020, 455.210, 455.496 & 455.500

Other Auth.:

Stats. Implemented: ORS 183.335, 455.020, 455.210 & 455.500

**RULE SUMMARY**

The proposed rules implement Senate Bill 79 (2009) requiring the director of the Department of Consumer and Business Services to adopt a code separate from the state building code that is a set of optional construction standards designed to increase the energy efficiency of buildings above the mandatory statewide code. The proposed rules adopt the second public version of the International Green Construction Code (IGCC) with significant Oregon specific amendments including provisions from the 2012 International Energy Conservation Code and ASHRAE 90.1 as the Oregon Commercial Reach Code (OCRC).

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

June 24, 2011 by 5 p.m.

**Last Day for Public Comment** (Last day to submit written comments to the Rules Coordinator)

	Patrick Allen	
Signature	Printed name	Date

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Consumer and Business Services, Building Codes Division

918

Agency and Division

Administrative Rules Chapter Number

Adopts provisions for the Oregon Commercial Reach Code

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

**In the Matter of:** Adopting 918-465

**Statutory Authority:** ORS 183.335, 455.020, 455.210, 455.496 & 455.500

**Other Authority:**

**Stats. Implemented:** ORS 183.335, 455.020, 455.210 & 455.500

**Need for the Rule(s):** Senate Bill 79 (2009) required the director of the Department of Consumer and Business Services to adopt a code separate from the state building code that is a set of optional construction standards designed to increase the energy efficiency of buildings above the mandatory statewide code. ORS 455.500 requires the director to review generally accepted codes and standards that achieve greater energy efficiency. The law further requires the division to adopt standards that are technically and economically feasible including codes and newly adopted standards for construction and the installation of products. Additionally, the Oregon Commercial Reach Code (OCRC) adopted under these proposed rules, must be used by the director in the establishment of a schedule and goals for continually increasing the energy efficiency of buildings in the state. The proposed OCRC must also provide reasonable safeguards for health, safety, welfare, comfort, and security of the residents of Oregon who are occupants and users of buildings, while furthering the use of modern methods, materials, and maximum energy conservation.

**Documents Relied Upon, and where they are available:** Construction Industry Energy Board meeting minutes from May 11, 2011, Oregon Reach Code Advisory Committee meeting minutes from March 31, April 14, April 28, May 12, June 9, July 7, July 21, August 18, Sept. 15, Sept. 29, Oct. 13, Nov. 3, Nov. 17, Dec. 1, Dec. 15, 2010 and Jan. 5, Jan. 19, Feb. 2, Feb. 16, March 2, March 16, March 23, and March 30, 2011; and draft rules are available from the division's rules coordinator located at 1535 Edgewater Street NW, Salem, OR 97304 and are available on the division's website at: [www.bcd.oregon.gov](http://www.bcd.oregon.gov).

**Fiscal and Economic Impact:** The division has determined that the OCRC adopted by the proposed rules will have some fiscal and economic impact on units of local government. State agencies may actually see a decrease in costs associated with high-performance requirements in other rules and statutes when they choose to build to the OCRC. Because it is an optional code for builders, any impact on small businesses and members of the public will likely be deemed as worth the cost based on other considerations, such as sustainability, marketing, or public recognition. Builders that would otherwise pursue high-performance certification may see decreased costs if they utilize the OCRC because of the lack of a certification cost. The impact to units of local government will likely result from a slight increase in the amount of review that building departments will be required to perform for buildings designed and constructed under the OCRC.

Builders pursuing the OCRC will likely be impacted by increased insulation requirements, higher fenestration ratings, lower thresholds for the installation of high efficiency mechanical systems and devices, and modeling requirements for buildings greater than 70,000 square feet. Projects pursuing the OCRC are required to pick two project electives that will vary in terms of cost of construction. Depending on the specific code provision, and the structure to which it is applied, these impacts may result in increased construction costs. These costs will likely be offset by reduced energy usage over 3 to 4 years. The increased energy efficiency provisions will likely result in additional construction costs of about .84 cents per square foot, or roughly a 1-2% increase in the overall cost of construction for the types of commercial and residential structures that opt to build under this code. There are incentives available that could reduce costs by .50 cents a square foot, bringing the increase down to less than a 1% increase in construction costs. An exact fiscal impact of these changes cannot be determined at this time because the impact is dependent upon the specifics of a particular building, including design variables, construction methods, building type, materials, the point at which the requirements are integrated into the design of the building, and the need for a third party to verify particular aspects. The proposed rules will have additional impact on state and local governments, including building officials and inspectors, and the general public, including building owners, developers, and contractors, in terms of training costs and the purchase of the 2011 edition of the Oregon Commercial Reach Code. The cost of the code book is estimated at approximately \$39.00. The overall

impact of this cost cannot be determined at this time because it is unknown how many copies of the code book will be purchased, with an online version available for reference at no cost.

The OCRC is specific to increasing the energy efficiency of constructing and operating commercial structures. This increased energy efficiency should have a positive impact on both utilities and building operation costs.

Additionally, the Construction Industry Energy Board made the specific finding that the added cost, if any, is necessary to the health and safety of the occupants or the public, or is necessary to conserve scarce resources.

**Statement of Cost of Compliance:**

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The proposed rules will have some fiscal impact on state and local governments, including building officials and inspectors in terms of training costs and the purchase of the 2011 edition of the Oregon Commercial Reach Code book. Any impact to the general public, including building owners, developers, and contractors, will be related to the choice to pursue an OCRC certification. For members of the public who would otherwise pursue a high-performance certification, costs associated with utilizing the OCRC should be reduced, because of the lack of a certification fee, or similar, because of the requirement for some third party verification. There may be increased costs of inspections, but these are likely to be off-set to some extent by the use of third party testing and reports.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: This is an optional code, therefore no small business will be subject to its provisions unless they choose to pursue OCRC certification. Small businesses that may opt to build to the code adopted under these rules include commercial contractors, designers, engineers, architects, and others associated with the construction industry. There are an estimated 14,400 construction businesses in Oregon according to 2006 Census data; of those, approximately 13,700 qualify as “small businesses” with 50 or fewer employees. There is may be increased costs of inspections at the jurisdictional level and some associated costs of third party verification of particular components.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

This is an optional code, therefore no small business will be subject to its provisions unless they choose to pursue OCRC certification. The proposed rules do not impose any additional reporting or recordkeeping requirements. However, the need for additional professional services may increase, such as needing to hire an engineer or designer for HVAC systems, automatic controls, and envelope design or for modeling of the building’s energy use. The exact cost of compliance cannot be determined at this time because it will vary depending on the type of construction the small business is engaged in. Some small businesses pursuing high-performance certification will see some increase in costs for these services, while others may see no impact.

c. Equipment, supplies, labor and increased administration required for compliance: This is an optional code, therefore no small business will be subject to its provisions unless they choose to pursue OCRC certification. The proposed rules may require additional equipment, supplies, or labor, or increased administration in order for a small business to obtain certification under the OCRC. Any additional equipment, labor or increased administration should be similar to or less than those required for other high-performance certifications.

**How were small businesses involved in the development of this rule?** Small businesses are represented on the Construction Industry Energy Board, who reviewed and approved the proposed rules.

**Administrative Rule Advisory Committee consulted?:** Yes

If not, why?:

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Signature \_\_\_\_\_ Printed name Patrick Allen Date \_\_\_\_\_

**DIVISION 465**  
**REACH CODE**

**918-465-0010**

**Reasonable Notice to Interested Parties**

**Prior to the adoption, amendment or repeal of any rule, relating to the Oregon Commercial Reach Code or Oregon Residential Reach Code, the Building Codes Division shall provide notice of the proposed adoption, amendment or repeal:**

- (1) In the Secretary of State's Oregon Bulletin referenced in ORS 183.360, at least 21 days prior to the effective date of the proposed adoption, amendment or repeal; and**
- (2) By making the notice available to persons as established under ORS 183.335(8).**

**[Publications: Publications referenced are available for review at the agency.]**

**Stat. Auth.: ORS 183.335, 455.020 & 455.496**

**Stat. Implemented: ORS 183.335**

**Hist.: BCD**

**918-465-0020**

**Adopted Oregon Commercial Reach Code**

**Effective July 1, 2011, the 2011 Oregon Commercial Reach Code and referenced standards are adopted as the optional standards for the effective use of energy and the utilization of renewable energy technologies in the construction and design of buildings to provide approaches and techniques for achieving effective energy use and reducing negative impacts of the built environment.**

**[Publications: Publications referenced are available for review at the agency.]**

**Stat. Auth.: ORS 455.020, 455.496 & 455.500**

**Stat. Implemented: ORS 455.020 & 455.500**

**Hist.: BCD**

**918-465-0030**

**Amendments to the Oregon Commercial Reach Code**

**The Oregon Commercial Reach Code is adopted and amended pursuant to OAR chapter 918, division 8. Amendments to the Oregon Commercial Reach Code are placed in**

**this rule, with the section reference, a descriptive caption, and a short explanation of the amendment.**

**[Publications: Publications referenced are available for review at the agency.]**

**Stat. Auth.: ORS 185.335, 455.020 455.496 & 455.500**

**Stat. Implemented: ORS 183.335, 455.020 & 455.500**

**Hist.: BCD**

**918-465-0060**

**Fees for Plan Review and Permits**

**Fees for plan review and permits issued by the Division for construction, alteration and repair of prefabricated structures and of buildings and other structures as established by these rules and authorized by ORS 455.210, shall be determined in accordance with 918-460-0030, 918-440-0050, and 918-309-0030 through 918-309-0070 as appropriate.**

**[ED. NOTE: Exhibits referenced are available from the agency.]**

**Stat. Auth.: ORS 455.210**

**Stats. Implemented: ORS 455.210**

**Hist.: BCD**