On page 1 of the printed bill, line 2, delete “and 757.695”.

After line 3, insert:

“Whereas the frequency and severity of extreme weather events and wildfires affecting Oregonians has increased in recent years and is expected to increase further; and

“Whereas the impacts of extreme weather events such as cold snaps and heat domes have a disproportionate impact on low-income communities and members of environmental justice communities; and

“Whereas heating, cooling or air filtration technologies may increase electricity use and can impact the energy burden of low-income residential customers and residential customers who are members of environmental justice communities; and

“Whereas energy efficient air conditioners and heat pumps and other energy burden mitigation measures can save renters and homeowners money on utility bills and improve the comfort and habitability of dwellings; now, therefore,”.

Delete lines 5 through 22 and delete pages 2 through 10 and insert:

“AIR CONDITIONER AND AIR FILTER DEPLOYMENT PROGRAM

SECTION 1. (1) As used in this section:

“(a) ‘Air conditioner’ means a portable, stand-up air conditioner that has an energy efficiency ratio rating of eight or higher.

“(b)(A) ‘Air filter’ means an air filtering device that uses a high-efficiency particulate air (HEPA) filter to remove contaminating particles from the air.

“(B) ‘Air filter’ does not include a device that is labeled an ‘air purifier’ and that uses an electrostatic or ionizing process.

“(c) ‘Eligible distribution entity’ means a:

“(A) Local government as defined in ORS 174.116;

“(B) Local housing authority;

“(C) Nonprofit organization;

“(D) Federally recognized Indian tribe in Oregon;

“(E) Indian health center;

“(F) Coordinated care organization as defined in ORS 414.025;

“(G) Community action agency as described in ORS 458.505;

“(H) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803;

“(I) Landlord who has a tenant who receives medical assistance through the Oregon
Health Authority or Department of Human Services;
“(J) Electric utility as defined in ORS 757.600; or
“(K) Natural gas utility as defined in ORS 757.392.
“(d) ‘Medical assistance’ has the meaning given that term in ORS 414.025.
“(2)(a) The Oregon Health Authority shall create a program to:
“(A) Acquire an emergency supply of air conditioners and air filters; and
“(B) Distribute the air conditioners and air filters to eligible distribution entities that
will provide on an emergency basis the air conditioners and air filters to individuals eligible
under subsection (4) of this section.
“(b) The Oregon Health Authority may provide or contract with one or more third parties
to provide the program.
“(3) The Oregon Health Authority or a third party shall:
“(a) Determine the percentage of program funds needed to support the costs of installa-
tion and materials for installation.
“(b) Determine the percentage of program funds, but no more than 10 percent of program
funds, needed to cover the costs of the authority or a third party or parties and eligible
distribution entities in administering the program.
“(c) Maintain technical assistance resources for individuals who receive an air condi-
tioner or air filter from the program to answer questions about the installation, use and
maintenance of the air conditioners and air filters.
“(d) Provide technical assistance to eligible distribution entities. Technical assistance
may include assistance that supports the distribution, installation and maintenance of the
air conditioners and air filters and administration of the distribution of the air conditioners
and air filters.
“(4) An individual is eligible to receive an air conditioner or air filter under this section
if the individual:
“(a) Is eligible to receive medical assistance through the Oregon Health Authority, De-
partment of Human Services or Medicare, or has received these services in the past 12
months;
“(b) Resides in any type of housing or recreational vehicle, as defined in ORS 174.101, that
has electricity for operating the air conditioner or air filter; and
“(c) Upon receiving an air conditioner or air filter, provides an attestation that the indi-
vidual can safely and legally install the air conditioner or air filter in the individual's home
or recreational vehicle.
“(5) The Oregon Health Authority shall make available a list of eligible distribution enti-
ties participating in the program to:
“(a) Individuals who are eligible to receive medical assistance through the Oregon Health
Authority or Department of Human Services.
“(b) The 2-1-1 system provided for in ORS 403.400 to 403.430.
“(c) The Housing and Community Services Department to make available to the public
on that department's website.
“(6) The Oregon Health Authority and any eligible distribution entity participating in the
program are not liable for:
“(a) The functioning, safety or impact of any air conditioner or air filter distributed by
the program.
“(b) Any heat-related health impacts to an individual using an air conditioner or air filter
distributed by the program.

“(7) The Oregon Health Authority shall adopt rules to implement the program described
in this section.

“HEALTHY HOMES PROGRAM

*SECTION 2. ORS 431A.400 is amended to read:

*431A.400. (1) As used in this section:

“(a) ‘Eligible entity’ means a:

“(A) Local government as defined in ORS 174.116;

“(B) Local housing authority;

“(C) Nonprofit organization;

“(D) Federally recognized Indian tribe in Oregon;

“(E) Indian health center;

“[(E)] (F) Coordinated care organization as defined in ORS 414.025;

“[(F)] (G) Community action agency as described in ORS 458.505; [or]

“[(G) Program administered by:]

“(H) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803;

“[(i)] (I) An electric [company] utility as defined in ORS 757.600; or

“[(i)] (J) A natural gas utility as defined in ORS 757.392.

“(b) ‘Environmental justice factor’ means a circumstance or condition that impacts a
community’s ability to achieve a balance of health, economic or environmental benefits and burdens
or that impacts a community’s ability to participate in public processes.

“(c) ‘Grant program recipient’ means an eligible entity that has been awarded a grant from the
Oregon Health Authority under this section.

“(d) ‘Landlord’ means a landlord, as defined in ORS 90.100, that meets eligibility criteria for a
loan, grant or other financial assistance under the Healthy Homes Program as determined by the
authority.

“(e) ‘Low income household’ means a household having an income equal to or below 80 percent
of the area median family income as determined by the authority.

“(f) ‘Nonprofit organization’ means an organization or group of organizations that is described
in section 501(c)(3) of the Internal Revenue Code and is exempt from income tax under section 501(a)
of the Internal Revenue Code.

“(g) ‘Repair and rehabilitation’ includes actions that:

“(A) Maximize energy efficiency of residences;

“(B) Extend the usable life of residences; or

“(C) Improve the health and safety of the occupants of residences, including:

“(i) Radon abatement;

“(ii) Lead abatement;

“(iii) Mold and mildew abatement;

“(iv) Installation of a smoke filtration system, an air purification system or ventilation or re-
duction of pathways for air infiltration;

“(v) Removal of asthma or allergen triggers;

“(vi) Structural or safety improvements that increase accessibility or visitability;
“(vii) Improvements that make homes more fire resistant; [and]
“(viii) Structural or safety improvements that promote seismic resiliency[.];
“(ix) Improvements that reduce the reflection of heat on or around the home, including improvements related to trees, vegetation, green roofs or cool roofs; and
“(x) Electrical upgrades that improve the safety of the home or support or enable the use of energy efficiency upgrades such as heating or cooling devices.

“(h) ‘Residence’ means a dwelling that is intended for occupation by a single family and is occupied by one or more individuals who are members of a low income household as the individuals’ principal residence, including a site-built home, manufactured home, residential trailer, mobile home, condominium unit or unit within multifamily housing.

“(i) ‘Smoke filtration system’ means a residential air filtration system that meets minimum efficiency standards, as determined by the authority, for the removal of particulates and other harmful substances generated by wildfires.

“(2) The Healthy Homes Program is established within the Oregon Health Authority. The purpose of the program is to provide grants to eligible entities that provide financial assistance to persons in low income households to repair and rehabilitate their residences and to landlords to repair and rehabilitate dwelling units inhabited by low income households.

“(3) To be eligible to receive grants from the Healthy Homes Program, an eligible entity must establish that it:

“(a) Serves or represents:
“(A) Communities with high concentrations of low income households; or
“(B) Communities impacted by environmental justice factors, including but not limited to:
“(i) Areas with above-average concentrations of historically disadvantaged households or residents with low levels of educational attainment, areas with high unemployment, high linguistic isolation, low levels of homeownership or high rent burden or sensitive populations;
“(ii) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure or environmental degradation; or
“(iii) Other environmental justice factors as determined by the authority.
“(b) Has the capacity to administer grant funds received under this section.
“(c) Is able to comply with the requirements of all state and federal laws, rules and regulations.
“(4)(a) The authority shall adopt by rule processes for eligible entities to apply to receive grants from the Healthy Homes Program. The processes may include a request for proposals.
“(b) The authority may adopt by rule:
“(A) Standards for repair and rehabilitation activities conducted by low-income households;
“(B) Standards for repair and rehabilitation activities conducted by landlords;
“(C) Additional requirements for landlords who receive program funds; and
“(D) Provisions for the allocation of program funds including but not limited to allocations for types of eligible entities, types of recipients, types of housing and regions of this state.
“(c) The authority, in consultation with the Governor's Policy Advisor for Economic and Business Equity, may establish by rule standards for the work performed using grants from the program to be performed by disadvantaged business enterprises, minority-owned businesses, woman-owned businesses or businesses that service-disabled veterans own, as those terms are defined in ORS 200.005.

“(5) Upon being awarded a grant under this section, the grant program recipient shall enter into an agreement with the authority that contains provisions that:
“(a) Indicate the purposes for which the grant funds may be used;
“(b) Prohibit the grant program recipient from using more than 15 percent of grant funds for administrative expenses and program delivery costs;
“(c) Include the repayment provisions set forth in subsection (6) of this section;
“(d) Permit the authority to conduct audits and investigations of the grant program recipient regarding the purposes for which grant funds have been used; and
“(e) Require the grant program recipient to provide reports as set forth in subsection (7) of this section.
“(6) A grant program recipient must repay to the authority, in whole or in part, grant funds received under this section to the extent that:
“(a) The grant program recipient does not use the grant funds in accordance with the provisions of the grant agreement executed between the authority and the grant program recipient under subsection (5) of this section; or
“(b) The Director of the Oregon Health Authority determines that the grant program recipient must repay all or part of the grant funds on grounds of misappropriation, fraud or similar reasons after auditing or investigating the grant program recipient’s operations and conducting a contested case hearing under ORS 183.413 to 183.470.
“(7) A grant program recipient shall report to the authority by June 30 of each year concerning the status and use of grant funds received under this section. The report required under this section may not disclose the personal information of the recipients of loans, grants or other financial assistance under the Healthy Homes Program. The report must include:
“(a) A detailed description of the grant program recipient’s use of grant funds;
“(b) A list of each loan, grant or other financial assistance that the grant program recipient has provided and, where applicable, a full accounting of the repayment status of the loans;
“(c) The number of low income households that the grant program recipient has provided financial assistance to for the repair and rehabilitation of their residences;
“(d) The number of landlords that the grant program recipient has provided financial assistance to for the repair and rehabilitation of dwelling units;
“(e) The nature and amounts of the administrative expenses and program delivery costs the grant program recipient has incurred in providing the financial assistance under the program;
“(f) Disaggregated data concerning the income, racial or ethnic background, family size and related demographic information of low income households who received financial assistance for repair and rehabilitation of residences under the program from the grant program recipient; and
“(g) Any other information required by the authority.
“(8) The authority may not pay amounts for grants under this section from any source other than available funds in the Healthy Homes Repair Fund established in ORS 431A.402.
“(9) Under the Healthy Homes Program, the authority may develop, or contract with public institutions of higher education or nonprofit organizations to assist in developing:
“(a) Methods for evaluating health hazards in housing;
“(b) Methods for preventing and reducing health hazards in housing;
“(c) Performance measures for the work being performed through the financial assistance provided under the program; and
“(d) Recommendations for promoting the incorporation of healthy housing into ongoing practices and systems, including housing codes.
SECTION 3. (1) As used in this section:
“(a) ‘Bulk fuel’ means liquid petroleum, propane, coal, wood, wood-based products or
other fuel delivered and stored until used on-site by the final consumer to produce energy.
“(b) ‘Climate zone’ means a heating or cooling climate zone assigned to a county by the
Bonneville Power Administration.
“(c) ‘Electric resistance heat’ means heat produced by passing an electric current
through a material that has high resistance, such as used in an electric baseboard, wall or
space heater.
“(d) ‘Electric utility’ has the meaning given that term in ORS 757.600.
“(e) ‘Eligible entity’ means a:
“(A) Local government as defined in ORS 174.116;
“(B) Local housing authority;
“(C) Nonprofit organization;
“(D) Federally recognized Indian tribe in Oregon;
“(E) Coordinated care organization as defined in ORS 414.025;
“(F) Community action agency as described in ORS 458.505;
“(G) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803; or
“(H) An electric utility.
“(f) ‘Energy burden’ means the percentage of gross household income spent on energy
costs.
“(g) ‘Environmental justice communities’ has the meaning given that term in ORS
469A.400.
“(h) ‘Heat pump’ means an air-source or ground-source heat pump with an energy effi-
ciency rating set by the State Department of Energy under subsection (5) of this section or
a higher efficiency rating.
“(i) ‘Region’ means an economic development district in Oregon, designated by the Eco-

tomic Development Administration of the United States Department of Commerce, for which
a regional solutions center has been established under ORS 284.754.
“(2) The Heat Pump Deployment Program is established within the State Department of
Energy. The purpose of the program is to award a grant to an eligible entity for each region
and federally recognized Indian tribe in Oregon to:
“(a) Administer grant funds for that region or tribe; and
“(b) Provide financial assistance from grant funds to individuals who reside within that
region or who are members of that tribe for the purchase and installation of heat pumps and
related upgrades.
“(3)(a) To be eligible to receive a grant from the Heat Pump Deployment Program, an
eligible entity must establish that it:
“(A) Serves or represents:
“(i) An environmental justice community or communities within a region; or
“(ii) Members of a federally recognized Indian tribe in Oregon; and
“(B) Has the capacity to administer grant funds received under this section.
“(b) An eligible entity applying for a grant may partner with other eligible entities but,
if awarded a grant, shall take a lead role in administering grant funds and providing financial
“(c) An eligible entity that serves or represents a community that has boundaries located within more than one region may apply for a grant for the region within which at least 50 percent of the individuals of that community reside.

“(d) An eligible entity that serves a specific geographical area may propose, in consultation with any electric utility that serves the area, that the department use alternative boundaries to define a region. The department may approve the use of alternative boundaries to define a region provided that a minimum percentage, as determined by the department, of the eligible entity's specific geographical area is within the alternative boundaries of the region.

“(e) If an electric utility is awarded a grant from the Heat Pump Deployment Program:

“(A) The electric utility may provide financial assistance from grant funds only to individuals who reside within the electric utility's service area and within the region for which the electric utility is awarded a grant.

“(B) The electric utility shall partner with one or more other eligible entities to provide financial assistance from grant funds to individuals who reside outside the electric utility’s service area and within the region for which the electric utility is awarded a grant.

“(4) An eligible entity that is awarded a grant from the Heat Pump Deployment Program shall:

“(a) Use the grant funds to cover up to:

“(A) One hundred percent of the purchase and installation costs of a heat pump.

“(B) A percentage, as determined by the department, of the costs for related upgrades that support or enable the use of a heat pump, including:

“(i) A new electrical panel or other upgrades to the electrical system of a home or building.

“(ii) Weatherization or other structural repairs to reduce home or building heat and cooling loss.

“(iii) Upgrades to improve the airflow of a home or building.

“(b) Prioritize the provision of financial assistance to individuals who:

“(A) Are members of environmental justice communities.

“(B) Rely on bulk fuels or electric resistance heating.

“(C) Reside in a home or structure that does not have a functioning heating or cooling system.

“(c) Enter into a performance agreement with the department as described in subsection (8) of this section.

“(5) The department shall:

“(a) Award grants using available funds in the Heat Pump Deployment Fund established under section 5 of this 2022 Act.

“(b) In awarding grants, give preference to eligible entities that have, but may not require eligible entities to have:

“(A) Experience in administering state grant programs or programs similar to the Heat Pump Deployment Program.

“(B) Experience with community program development within a region or with members of a tribe.

“(C) Connections to communities within a region or with members of a tribe.
“(c) Develop criteria for allocating grant funds based on the energy burden of residences within a region or of members of a tribe and the climate zones of the counties that comprise that region or of tribal lands.

“(d) Permit a review of awarded grant funds by members of communities who may benefit from the Heat Pump Deployment Program.

“(e) In consultation with electric utilities, Bonneville Power Administration and the nongovernmental entity that administers public purpose charge moneys collected under ORS 757.612, set the minimum energy efficiency rating that a heat pump must have to be eligible for grant funds. The minimum energy efficiency rating for a heat pump set by the department must be equal to or greater than federal energy efficiency rating standards for heat pumps.

“(6) The department may not use moneys collected through the energy resource supplier assessment required under ORS 469.421 (8) to fund grants awarded under the Heat Pump Deployment Program.

“(7) The department may:

“(a) Establish a maximum amount of grant funds payable toward the purchase and installation of a heat pump and related upgrades.

“(b) Permit the use of loans, grants, rebates or incentives offered by an electric utility or other programs toward any costs of the purchase and installation of a heat pump and related upgrades not covered by the Heat Pump Deployment Program.

“(c) Provide information to individuals receiving financial assistance from the Heat Pump Deployment Program about other loans, grants, rebates or incentives that may be offered by an electric utility or other programs.

“(d) Develop criteria for how specific loans, grants, rebates or incentives offered by an electric utility or other programs may be used toward the costs of the purchase or installation of a heat pump and related upgrades.

“(e) Establish incentives to encourage the purchase and installation of heat pumps and related upgrades that have higher efficiency ratings.

“(f) Establish incentives for the purchase and installation of a heating or cooling device that has an efficiency rating similar to or higher than that of a heat pump and that provides cobenefits such as improving indoor air quality or lowering an individual’s energy burden.

“(g) Develop program procedures and practices that align with the reporting and other requirements of loans, grants, rebates or incentives offered by an electric utility or other programs.

“(h) Require, by rule, that eligible entities notify electric utilities of a heat pump installation and whether grant funds may be used for necessary electric distribution system upgrades associated with the installation of the heat pump.

“(8) Upon being awarded a grant under this section, an eligible entity shall enter into a performance agreement with the department that contains provisions that:

“(a) Indicate the purposes for which the grant funds may be used;

“(b) Prohibit the eligible entity from using more than 15 percent of awarded grant funds for administrative expenses and marketing costs;

“(c) Include the repayment provisions set forth in subsection (9) of this section;

“(d) Permit the department to conduct audits and investigations of the eligible entity regarding the purposes for which grant funds have been used; and
“(e) Require the eligible entity to provide reports as required by subsection (10) of this
section.
“(9) An eligible entity must repay to the department, in whole or in part, grant funds
received under this section to the extent that:
“(a) The eligible entity does not use the grant funds in accordance with the provisions
of the performance agreement executed between the department and the eligible entity under
subsection (8) of this section; or
“(b) The Director of the State Department of Energy determines that the eligible entity
must repay all or part of the grant funds on grounds of misappropriation, fraud or similar
reasons after auditing or investigating the eligible entity's operations and conducting a con-
tested case hearing under ORS 183.413 to 183.470.
“(10) An eligible entity that received grant funds under this section shall report to the
department by June 30 of each year concerning the status and use of grant funds received
under this section. The report required under this section may not disclose the personal in-
formation of the recipients of loans, grants and other financial assistance under the Heat
Pump Deployment Program. The report must include:
“(a) A detailed description of the eligible entity's use of grant funds;
“(b) A list of each loan, grant or other financial assistance that the eligible entity has
provided and, where applicable, a full accounting of the repayment status of the loans;
“(c) The nature and amounts of the administrative expenses and marketing costs the
eligible entity has incurred in providing loans, grants and other financial assistance under
the program; and
“(d) Any other information required by the department.
“(11) The department shall adopt rules to carry out the provisions of this section. The
rules shall be developed in consultation with:
“(a) The Bureau of Labor and Industries on issues related to the workforce.
“(b) The Building Codes Division of the Department of Consumer and Business Services
on issues related to building codes and commissioning.
“(c) The Housing and Community Services Department to ensure the Heat Pump De-
ployment Program complements any existing programs or services.
“(d) The Department of Environmental Quality on issues of air quality related to bulk
fuels and to ensure the Heat Pump Deployment Program complements any existing programs
or services.
“(e) The Oregon Health Authority on any health impacts and health impact data related
to the Heat Pump Deployment Program and to ensure the program complements any existing
programs or services.
“(f) Electric utilities and utility program administrators on any impacts the Heat Pump
Deployment Program may have on utility systems or services and to ensure the program
complements any existing programs, incentives or services.
“(g) Nonprofit organizations, housing providers, heat pump technicians and other
stakeholders as appropriate.

SECTION 4. (1) The Heat Pump Deployment Advisory Council is established.
“(2) The council consists of representatives from eligible entities administering grant
funds under the Heat Pump Deployment Program established under section 3 of this 2022
Act.
“(3) The council shall study and identify:
“(a) Best practices for administering grant funds and providing financial assistance;
“(b) Barriers to administering grant funds and providing financial assistance; and
“(c) Opportunities for providing technical assistance.
“(4) A majority of the members of the council constitutes a quorum for the transaction of business.
“(5) Official action by the council requires the approval of a majority of the members of the council.
“(6) The council shall elect one of its members to serve as chairperson.
“(7) The council shall meet at times and places specified by the call of the chairperson or a majority of the members of the council. The council may meet by telephone or video conference.
“(8) The council may adopt rules necessary for the operation of the council.
“(9) Members of the council are entitled to compensation and expenses as provided in ORS 292.495 from moneys in the Heat Pump Deployment Fund established under section 5 of this 2022 Act.
“(10) The State Department of Energy shall provide staff support to the council.

SECTION 5. (1) The Heat Pump Deployment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Heat Pump Deployment Fund shall be credited to the fund. The fund consists of:
“(a) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;
“(b) Moneys received from federal, state or local sources;
“(c) Gifts, grants or other moneys contributed to the fund; and
“(d) Other amounts deposited in the fund from any source.
“(2) Moneys in the fund are continuously appropriated to the State Department of Energy for the purpose of the Heat Pump Deployment Program established under section 3 of this 2022 Act.
“(3) The department may use reasonable amounts from the fund, but no more than 15 percent of the fund, necessary to:
“(a) Administer and market the Heat Pump Deployment Program; and
“(b) Provide for the compensation and expenses of members of the Heat Pump Deployment Advisory Council established under section 4 of this 2022 Act.
“(4) The Director of the State Department of Energy shall submit a biennial report to the Legislative Assembly in the manner provided by ORS 293.640 regarding the expenditures of moneys deposited in the Heat Pump Deployment Fund, including:
“(a) A detailed description of the use of the moneys;
“(b) A detailed description of the loans, grants or other financial assistance provided from the moneys and, where applicable, an accounting of the repayment status of the loans;
“(c) The nature and amounts of the administrative expenses and marketing costs paid from the moneys; and
“(d) Indicators of program success.

SECTION 6. The Director of the State Department of Energy shall submit the first biennial report required under section 5 of this 2022 Act to the Legislative Assembly no later than December 31, 2023.
"SECTION 7. Section 6 of this 2022 Act is repealed on January 2, 2025.

"APPROPRIATIONS

"SECTION 8. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Health Authority, for the biennium ending June 30, 2023, out of the General Fund, the amount of $5,000,000, for the purpose of carrying out section 1 of this 2022 Act.

"SECTION 9. In addition to and not in lieu of any other appropriation, there is appropriated to the State Department of Energy, for the biennium ending June 30, 2023, out of the General Fund, the amount of $10,000,000 for deposit into the Heat Pump Deployment Fund established under section 5 of this 2022 Act.

"UNIT CAPTIONS

"SECTION 10. The unit captions used in this 2022 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2022 Act.

"EFFECTIVE DATE

"SECTION 11. This 2022 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage.".