

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Natural Resources Subcommittee

From: April McDonald, Legislative Fiscal Office

Date: June 8, 2023

Subject: HB 3409 – Relating to climate
Work Session Recommendations

HB 3409, as amended, establishes statewide policy and financial support for energy efficiency and climate-related initiatives based on recommendations from a bicameral legislative workgroup. The measure includes provisions from 14 bills which were introduced to address climate issues through an equitable, community-focused approach, while maximizing Oregon's federal funding opportunities. The programs supported by HB 3409 cover a wide breadth of climate-related initiatives. Key provisions include:

- Establishing programs to support resilient and energy-efficient commercial and residential buildings throughout Oregon;
- Providing \$10 million General Fund for grants to community-based organizations to build out emergency and natural disaster resilience hubs;
- Providing \$6.5 million General Fund for grants to plan and develop green infrastructure projects;
- Supporting renewable and clean energies in Oregon by providing \$3 million General Fund to study pathways for low-carbon fuels derived from woody biomass; extending the Department of Energy's Residential Heat Pump Program; and examining the siting process to remove barriers to renewable energy and transmission opportunities;
- Providing \$3 million General Fund for distribution of electric vehicle incentives for medium and heavy-duty vehicles, which will also leverage federal funding;
- Providing \$10 million General Fund for deposit into the newly established Natural and Working Lands Fund for incentives and financial assistance to help landowners, tribes, land managers, and environmental justice communities adopt practices to support natural climate solutions, as directed by the Oregon Climate Action Commission;
- Supporting the Climate Protection Program at the Department of Environmental Quality, as well as proving positions for environmental justice coordination which will enable access to federal funds from the Inflation Reduction Act; and

- Developing a coordinated state strategy for monitoring and response to harmful algal blooms, including addressing pollution known to contribute to occurrences.

Additional investments to provide planning grants for community renewable energy for cities, counties, school districts, and consumer owned utilities; grants to support ongoing housing and transportation planning related to the Climate Friendly and Equitable Communities program; and support the Rooftop Solar Incentive Fund are anticipated to be included in the end of session omnibus budget measure.

Recommended Changes

The -A3 amendment replaces the introduced version of HB 3409 with the provisions discussed above. The amendment includes approximately \$45 million General Fund, \$15 million Other Funds expenditure limitation, \$0.1 million Federal Funds expenditure limitation, and 12 positions (9.38 FTE) to carry out the climate initiatives described within.

The Legislative Fiscal Office recommends adoption of the –A3 amendment.

MOTION: I move adoption of the –A3 amendment to HB 3409. (VOTE)

Final Subcommittee Action

LFO recommends that HB 3409, as amended by the –A3 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 3409, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____