On page 1 of the printed bill, line 2, delete “21 and 23” and insert “2, 10, 14, 17, 21, 23, 24 and 29”.

Delete lines 5 through 19 and insert:

“SECTION 1. Section 2, chapter 86, Oregon Laws 2022, is amended to read:

“Sec. 2. (1) As used in this section:

“(a) ‘Extreme heat event’ means a day on which [National Weather Service of the National Oceanic and Atmospheric Administration has predicted or indicated that there exists a heat index of extreme caution for the county] the Housing and Community Services Department determines that a heat event has occurred based on a predicted or indicated excessive heat warning or heat advisory by the National Weather Service of the National Oceanic and Atmospheric Administration.

“(b) ‘Forecast zone’ means a region for which the National Weather Service of the National Oceanic and Atmospheric Administration issues forecasts and some watches and warnings based on differences in weather.

“[[(b) (c)] ‘Portable cooling device’ includes air conditioners and evaporative coolers, including devices mounted in a window or that are designed to sit on the floor but not including devices whose installation or use requires alteration to the dwelling unit.

“(2) A landlord may not prohibit or restrict a tenant from installing or using a portable cooling device of the tenant’s choosing, unless:

“(a) The installation or use of the device would:

“(A) Violate building codes or state or federal law;

“(B) Violate the device manufacture’s written safety guidelines for the device;

“(C) Damage the premises or render the premises uninhabitable; or

“(D) Require amperage to power the device that cannot be accommodated by the power service to the building, dwelling unit or circuit;

“(b) If the device would be installed in a window:

“(A) The window is a necessary egress from the dwelling unit;

“(B) The device would interfere with the tenant’s ability to lock a window that is accessible from outside;

“(C) The device requires the use of brackets or other hardware that would damage or void the warranty of the window or frame, puncture the envelope of the building or otherwise cause significant damages;

“(D) The restrictions require that the device be adequately drained to prevent damage to the dwelling unit or building; or

“(E) The restrictions require that the device be installed in a manner that prevents risk of
falling; or

“(c) The restrictions require that the device be:
(A) Installed or removed by the landlord or landlord’s agent;
(B) Subject to inspection or servicing by the landlord or landlord’s agent; or
(C) Removed from October 1 through April 30.

“(3) A landlord may not enforce a restriction on portable cooling devices against a tenant allowed under subsection (2) of this section unless the restrictions are in writing and delivered to the tenant. The written restrictions must include whether the landlord intends to operate, whenever there is an extreme heat event for the [county] forecast zone of the premises, one or more community cooling spaces available to the tenant that are located on or near the premises and that maintain a temperature of not higher than 80 degrees Fahrenheit.

“(4) A landlord is immune from liability for any claim for damages, injury or death caused by a portable cooling device installed by the tenant.

“(5) A landlord who must limit portable cooling devices for a building under subsection (2)(a)(D) of this section shall prioritize allowing the use of devices for individuals who require a device to accommodate a disability. A landlord is not responsible for any interruption in electrical service that is not caused by the landlord, including interruptions caused by an electrical supply's inability to accommodate use of a portable cooling device.

“(6) If a landlord issues a termination notice under ORS 90.392 or 90.630 based on a violation of a restriction regulating a portable cooling device allowed under subsection (2) of this section:

(a) On each day that there is an extreme heat event for the [county] forecast zone of the premises, the notice period described in ORS 90.392 (3), (4), (5) or (6) or 90.630 (1), (3) or (6) does not run.

(b) The termination notice must state:
(A) The deadline of a cure period designated in the notice, if any;
(B) That the date of termination specified in the notice will be extended by one day for each day that there is an extreme heat event for the [county] forecast zone of the premises; and
(C) That information regarding days with an extreme heat event for the forecast zone can be found on the website for the Housing and Community Services Department.

“SECTION 2. Section 10, chapter 86, Oregon Laws 2022, is amended to read:

“Sec. 10. The Housing and Community Services Department shall make available on the department’s website:

“(1) A list of dates and counties in which there exists an extreme heat event for a forecast zone in this state as defined in section 2, chapter 86, Oregon Laws 2022 [of this 2022 Act]. Dates published on the website must remain on the website for at least one year.

“(2) Information regarding relevant programs and services available to landlords to provide adequate cooling under ORS 90.320 (1)(m) or 90.730 (3)(d), including:
(a) Programs administered by the department;
(b) Information provided by the Oregon Health Authority regarding programs administered by the authority, including the list of eligible distribution entities compiled under section 7 (5), chapter 86, Oregon Laws 2022 [of this 2022 Act];
(c) Information provided by the State Department of Energy regarding programs administered by the department;
(d) Programs administered by the nongovernmental entity that administers public purpose charge moneys under ORS 757.612 (3)(d); and
“(e) Federal programs, rebates or incentives, including those administered by the Bonneville
Power Administration.

*SECTION 3.* Section 14, chapter 86, Oregon Laws 2022, is amended to read:

**Sec. 14.** (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 efficiency
rating set by the State Department of Energy under subsection (5) of this section or a higher effi-
ciency rating.

“(i) ‘Region’ means an economic development district in Oregon, designated by the Economic
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 grants to one eligible entity for each region and federally
recognized Indian tribe in Oregon to provide financial assistance, including loans, grants, rebates
or incentives, for the purchase and installation of heat pumps and related upgrades to individuals
who reside within that region or who are members of that tribe.

“(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 the en-
tity that is awarded the grant shall take a lead role in administering grant funds and providing fi-
nancial assistance.

“(c) An eligible entity that serves or represents a community that is located within more than
one region may apply for a grant only for the region within which the greatest percentage 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:

“(A) Environmental justice communities.

“(B) Individuals who rely on bulk fuels or electric resistance heating.

“(C) Individuals who 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 16, chapter 86, Oregon Laws 2022 [of this 2022 Act].

“(b) In awarding grants, give preference to eligible entities with:

“(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 the amount of each grant based on the energy burden of residences within the region or of members of the tribe and the climate zones that make up the counties of 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, the Bonneville Power Administration and the non-governmental entity that administers public purpose charge moneys collected under ORS 757.612 (3)(d), 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
(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 additional benefits 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) Before receiving a grant under this section, an eligible entity shall enter into a performance agreement with the department that:

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

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

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

(d) Permits the department to conduct audits and investigations of the eligible entity regarding the use of grant funds; and

(e) Requires 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 contested case hearing under ORS 183.413 to 183.470.

(10) Each eligible entity that receives a grant under this section shall report to the department...
by June 30 of] each year concerning the status and use of grant funds for the period of July 1 to
June 30. The report must be submitted on a schedule determined by the department. The re-
port may not disclose the personal information of the recipients of financial assistance under the
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 is-
sues related to building codes and commissioning.
“(c) The Housing and Community Services Department to ensure the Heat Pump Deployment
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 Deploy-
ment 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. Section 17, chapter 86, Oregon Laws 2022, is amended to read:

“Sec. 17. The Director of the State Department of Energy shall submit the first biennial report
required under section 16, chapter 86, Oregon Laws 2022, [of this 2022 Act] to the Legislative
Assembly no later than [December 31,] October 15, 2023.

*SECTION 5. Section 21, chapter 86, Oregon Laws 2022, is amended to read:

“Sec. 21. (1) The Residential Heat Pump Fund is established in the State Treasury, separate and
distinct from the General Fund. Moneys in the Residential Heat Pump Fund consist of:
“(a) Amounts donated to the fund;
“(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and
“(c) Other amounts deposited into the fund from any public or private source.
“(2) Moneys in the fund are continuously appropriated to the State Department of Energy to be
used to provide grants and rebates under sections 19 and 20, chapter 86, Oregon Laws 2022, [of this 2022 Act] and to pay the costs and expenses of the department related to the administration and
implementation of sections 19 and 20, chapter 86, Oregon Laws 2022 [of this 2022 Act].
“(3) In each calendar year, of the moneys available for issuing grants and rebate from the fund:
“(a) 25 percent must be reserved for affordable housing providers; and
“(b) 25 percent must be reserved [for loans] for owners of units occupied by [households whose
income is less than 80 percent of the area median income] low or moderate income households.”.
In line 20, delete “2” and insert “6”.

After line 26, insert:

**SECTION 7.** Section 24, chapter 86, Oregon Laws 2022, is amended to read:

**Sec. 24.** (1) The State Department of Energy shall provide a grant to the nongovernmental entity that administers public purpose charge moneys under ORS 757.612 (3)(d) to enable the nongovernmental entity to assist landlords in creating or operating, whenever there is an extreme heat event [as defined in section 2 of this 2022 Act for the county of the premises] for the forecast zone of the premises as described in section 2, chapter 86, Oregon Laws 2022, one or more private community cooling spaces available to the landlord's tenants during the extreme heat event that are on or near the premises and that maintain a temperature of not higher than 80 degrees Fahrenheit.

“(2) Assistance provided under this section may include:

“(a) Grants to landlords to create or operate community cooling spaces that will accommodate at least five individuals.

“(b) Information to landlords regarding:

“(A) Lists of providers and installers of suitable cooling devices;

“(B) Private and government programs that may be used to create or operate community cooling spaces; and

“(C) Best practices and model technical specifications for installing and operating various temporary and permanent community cooling spaces.

“(c) Promoting the services relating to community cooling spaces under this section that are provided by the nongovernmental entity.

“(3) The nongovernmental entity receiving a grant under this section shall maintain separate accounting of the expenditures of the grant funds and shall report the accounting to the Public Utility Commission and the independent auditor described in ORS 757.746 (1)(d). The nongovernmental entity may not utilize moneys received under ORS 757.054 (4) or 757.612 (3)(d) for grant purposes under this section.

**SECTION 8.** Section 29, chapter 86, Oregon Laws 2022, is amended to read:

**Sec. 29.** No later than [September 15.] December 31, 2023, the State Department of Energy shall provide a report to an appropriate interim committee of the Legislative Assembly in the manner provided in ORS 192.245 on:

“(1) The heat pump grants and rebates under sections 19 and 20, chapter 86, Oregon Laws 2022 [of this 2022 Act];

“(2) The community cooling spaces under section 24, chapter 86, Oregon Laws 2022 [of this 2022 Act]; and

“(3) The results of the cooling needs study under section 26, chapter 86, Oregon Laws 2022 [of this 2022 Act].”.

In line 27, delete “3” and insert “9”.

On page 2, line 1, delete “4” and insert “10”.

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