

B-Engrossed
House Bill 3409

Ordered by the House June 20
Including House Amendments dated June 13 and June 20

Sponsored by Representatives RAYFIELD, MARSH, PHAM K; Representatives ANDERSEN, CHAICHI, GAMBA, HARTMAN, HOLVEY, HUDSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires State Department of Energy to report on rate of heat pump technology adoption and to collaborate with designated state agencies to reduce barriers to home energy efficiency and resilience.

Directs Department of Consumer and Business Services to facilitate greenhouse gas emission reductions.

Requires State Department of Energy to specify energy performance standard for covered commercial buildings. Permits department to impose civil penalty for failure to comply. Requires department to establish incentive program to encourage compliance.

Requires Oregon Department of Administrative Services to develop methodology and work plan for state agencies to conduct assessment of energy use in, and greenhouse gas emissions from, state-owned buildings.

Requires Oregon Department of Administrative Services to oversee specified capital projects and to develop and implement guidelines for sustainable design.

Authorizes state agencies to enter into energy projects and to retain net savings.

Establishes Community Green Infrastructure Grant Program.

Directs State Department of Agriculture to certify green communities nurseries.

Directs State Forestry Department to acquire and maintain urban tree canopy assessment tool and to develop and implement program related to loss of tree canopy.

Directs Oregon State University to research development of fuel pathways for low carbon fuels derived from woody biomass residues. Authorizes State Forester to establish forestry renewable woody biomass conversion program.

Directs Department of Environmental Quality to establish rebate program for purchase or lease of qualifying medium or heavy duty zero-emission vehicles.

Directs Land Conservation and Development Commission to adopt rules for siting photovoltaic solar power generation facilities.

Changes name of "Oregon Global Warming Commission" to "Oregon Climate Action Commission." Modifies membership and duties of commission.

[Modifies state greenhouse gas emissions reduction goals.]

Directs Department of Environmental Quality to evaluate opportunities to reduce Oregon's consumption-based greenhouse gas emissions.

Directs State Department of Energy and Oregon Climate Action Commission to prepare inventory, baseline and metrics for net carbon sequestration and storage in natural and working lands and to study workforce training programs needed to support adoption of natural climate solutions.

Extends rebate for construction or installation of solar electric system or paired solar and storage system.

Authorizes Environmental Quality Commission to establish by rule fee to be paid by community climate investment entities.

Directs Oregon Health Authority to identify, monitor and test water sources susceptible to harmful algal blooms. Directs Department of Environmental Quality to develop strategy to respond to harmful algal blooms.

Directs Department of Human Services to provide grants, support and technical assistance for resilience hubs and networks.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1

2

3

Relating to climate; creating new provisions; amending ORS 352.823, 468A.210, 468A.215, 468A.220, 468A.225, 468A.230, 468A.235, 468A.240, 468A.245, 468A.250, 468A.255, 468A.260, 469.754, 469.756

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 and 530.050 and sections 1 and 5, chapter 655, Oregon Laws 2019, and sections 2, 10, 14, 17, 21,
2 23, 24 and 29, chapter 86, Oregon Laws 2022; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4
5 **DESIGNATED STATE AGENCY PROGRAMS**
6 **FOR ENERGY EFFICIENCY IN BUILDINGS**
7

8 **SECTION 1. (1) The Legislative Assembly finds that:**

9 **(a) Energy consumption in residential and commercial buildings accounted for 34 percent**
10 **of annual greenhouse gas emissions in this state in 2021, according to the Department of**
11 **Environmental Quality;**

12 **(b) Space and water heating account for 64 percent of an average residential building's**
13 **energy use;**

14 **(c) Heat pumps provide both heating and cooling benefits that keep people safe during**
15 **extreme weather events that are becoming more frequent and more intense as a conse-**
16 **quence of climate change;**

17 **(d) Electric heat pumps can provide up to three times more heat energy than the elec-**
18 **trical energy the heat pumps consume, which makes heat pumps the most energy efficient**
19 **space heating option available in the market;**

20 **(e) Upgrading space and water heating appliances with contemporary heat pump tech-**
21 **nologies can help people to save money on household energy bills;**

22 **(f) Existing and forthcoming state and federal incentive programs will assist in energy**
23 **efficiency improvements in homes and buildings, including adoption of energy efficient heat-**
24 **ing and cooling appliances;**

25 **(g) Many residents of this state suffer from disproportionately high energy burdens, and**
26 **environmental justice communities face greater barriers to purchasing and installing heat**
27 **pumps and other energy efficient appliances; and**

28 **(h) Additional support and innovative solutions are necessary to ensure that all house-**
29 **holds in this state benefit from energy efficient appliances and heating and cooling upgrades.**

30 **(2) The Legislative Assembly declares as goals for this state:**

31 **(a) That owners, operators or residents of residential or commercial buildings in this**
32 **state install and use at least 500,000 new heat pumps by 2030;**

33 **(b) That the state provide programs and support for accelerating purchases and instal-**
34 **lations of heat pump technologies to help meet the state's greenhouse gas emissions re-**
35 **duction goals;**

36 **(c) That the programs and support described in paragraph (b) of this subsection should**
37 **prioritize environmental justice communities and individuals who reside in houses and**
38 **structures that do not have a functioning, adequate or affordable heating or cooling system;**

39 **(d) That the state evaluate the adoption and use of heat pump technologies regularly to**
40 **determine whether the rate of adoption and use will enable the state to meet greenhouse gas**
41 **emissions reduction goals; and**

42 **(e) That the agencies of the executive branch of state government lead by example by**
43 **acquiring, installing and using heat pump technologies.**

44 **SECTION 2. (1) As used in this section and sections 3 and 4 of this 2023 Act:**

45 **(a) "Designated state agency program" means a program related to the promotion, im-**

1 **plementation, incentivization or regulation of energy efficiency in buildings carried out by**
2 **any of the following state agencies, as determined by the agency by rule or other action:**

- 3 **(A) The State Department of Energy;**
- 4 **(B) The Housing and Community Services Department;**
- 5 **(C) The Public Utility Commission;**
- 6 **(D) The Department of Environmental Quality;**
- 7 **(E) The Oregon Health Authority; and**
- 8 **(F) The Department of Consumer and Business Services.**

9 **(b) “Greenhouse gas emissions reduction goals” means policies and goals for reducing**
10 **greenhouse gas emissions in this state to achieve, at a minimum, emissions reductions con-**
11 **sistent with the greenhouse gas emissions reduction goals specified in ORS 468A.205.**

12 **(c) “Heat pump” means a device that provides indoor space heating and cooling by**
13 **transferring thermal energy between the interior and exterior of a building.**

14 **(d) “Heat pump technology” means:**

15 **(A) A device that transfers thermal energy between the interior and exterior of a build-**
16 **ing for the purpose of space heating or cooling;**

17 **(B) A device that transfers thermal energy from the interior or exterior of a building to**
18 **water for the purpose of heating the water; or**

19 **(C) A device that performs both of the functions described in subparagraphs (A) and (B)**
20 **of this paragraph.**

21 **(2) In carrying out a designated state agency program, an agency described in subsection**
22 **(1)(a) of this section shall consider actions to aid in achieving greenhouse gas emissions re-**
23 **duction goals that include, but are not limited to:**

24 **(a) Considering greenhouse gas emissions reduction goals in designated state agency**
25 **program regulatory decisions.**

26 **(b) Aligning the creation or operation of new or existing designated state agency pro-**
27 **grams with greenhouse gas emissions reduction goals.**

28 **(c) Working in consultation and aligning efforts with other agencies to simplify and im-**
29 **prove access for residents of this state to existing and new programs that relate to energy**
30 **efficiency and resilience, and, where appropriate, to reduce or eliminate within programs fi-**
31 **nancial or nonfinancial barriers to accessing energy efficiency measures or appliances that**
32 **will result in the greatest available energy efficiency and reductions of greenhouse gas**
33 **emissions.**

34 **(d) Consistent with applicable federal and state laws and program requirements, prior-**
35 **itizing actions that help environmental justice communities, as defined in ORS 469A.400:**

36 **(A) Adapt to impacts from climate change; and**

37 **(B) Overcome cost burdens and other barriers to using energy in a way that is efficient**
38 **and in alignment with greenhouse gas emissions reduction goals.**

39 **(e) Consistent with applicable federal and state laws, consulting with the Oregon Global**
40 **Warming Commission and the Environmental Justice Council and using, when appropriate,**
41 **the environmental justice mapping tool developed under section 12, chapter 58, Oregon Laws**
42 **2022, when considering or evaluating for development or implementation the policies and**
43 **actions described in this subsection.**

44 **SECTION 3. (1) The State Department of Energy shall submit to the Governor and an**
45 **interim committee of the Legislative Assembly related to the environment not later than**

1 September 15 of each odd-numbered year, beginning in 2025, a report that evaluates the rate
2 of adoption of heat pump technologies among residents of this state and progress the state
3 is making in achieving the state's greenhouse gas emissions reduction goals. At a minimum,
4 the report must:

5 (a) Review, using existing studies, market reports, polling data and other publicly avail-
6 able information, the nature and state of the market for heat pump technologies, including
7 the size and dollar value of the market and the variety of available technologies, applications
8 and appliances;

9 (b) Identify financial and nonfinancial barriers that prevent adoption of heat pump tech-
10 nologies by residents of this state;

11 (c) Assess the state's progress in achieving the goals specified in section 1 (2) of this 2023
12 Act; and

13 (d) Estimate the date by which the state will achieve the goals specified in section 1 (2)
14 of this 2023 Act.

15 (2) The department shall collaborate with other state agencies described in section 2
16 (1)(a) of this 2023 Act in preparing the report described in subsection (1) of this section and
17 may:

18 (a) Contract with a private entity to conduct research for, prepare or assist in preparing
19 the report; and

20 (b) Incorporate the findings from this report into the biennial energy report or into other
21 reports to the Legislative Assembly concerning home energy efficiency or heat pump tech-
22 nologies.

23 (3) In assessing the state's progress toward achieving the goal specified in section 1 (2)(a)
24 of this 2023 Act, the department shall focus on heat pumps that are commercially available
25 and shall, to the extent possible, use existing studies, data and analysis to evaluate:

26 (a) Whether reductions in greenhouse gas emissions attributable to new heat pumps in-
27 stalled in homes and buildings in this state contribute to the state's ability to meet
28 greenhouse gas emissions reduction goals; and

29 (b) To the extent possible, whether sales figures, the percentage of newly installed space
30 and water heating systems that are heat pumps and the rate at which residents of this state
31 install new heat pumps indicate that the state will meet the goal specified in section 1 (2)(a)
32 of this 2023 Act.

33 **SECTION 4.** (1) The State Department of Energy shall collaborate with other state
34 agencies described in section 2 (1)(a) of this 2023 Act to reduce financial and nonfinancial
35 barriers to home energy efficiency and resilience by:

36 (a) Providing initial and continuing technical assistance and training in order to build
37 capacity in developers, builders, community-based organizations, homeowners and tenants
38 to conduct renovations and installations of energy efficient technologies, including heat
39 pumps; and

40 (b) Providing education and training to contractors, subcontractors, technicians,
41 community-based organizations and other installers and other workers in industries related
42 to construction and energy appliance installation concerning:

43 (A) The availability of moneys, programs, rebates and other incentives for acquiring and
44 installing energy efficient appliances for heating and cooling;

45 (B) Methods, techniques, available incentives and funding available for upgrading elec-

1 trical panels and wiring to accommodate energy efficient appliances for heating and cooling;
2 and

3 (C) Planning for, installing and operating heat pumps.

4 (2) The program described in subsection (1) of this section must:

5 (a) Provide information and assistance that is understandable and usable by developers,
6 builders, community-based organizations and other industry stakeholders with an interest in
7 acquiring, maintaining and using energy efficient technologies for heating and cooling homes
8 and commercial buildings, including heat pump technologies;

9 (b) Include information on delivering, installing and using high efficiency heating and
10 cooling appliances in instances where variation exists in funding options for various mini-
11 mum efficiency requirements;

12 (c) Work with locally connected and culturally connected organizations to provide the
13 program's information, technical assistance, training and support; and

14 (d) Allow sufficient flexibility for designated state agencies to contract with private en-
15 tities to provide needed information, assistance, training and support.

16 (3) The department may incorporate the work described in this section with other pro-
17 grams that serve to educate the public on energy efficiency.

18 **SECTION 5.** (1)(a) The Energy Efficient Technologies Information and Training Fund is
19 established in the State Treasury, separate and distinct from the General Fund. Interest that
20 the Energy Efficient Technologies Information and Training Fund earns must be credited to
21 the fund.

22 (b) Moneys in the fund may be invested and reinvested as provided in ORS 293.701 to
23 293.857.

24 (2) Moneys in the fund consist of:

25 (a) Appropriations to the State Department of Energy for the purposes described in
26 sections 1 to 5 of this 2023 Act;

27 (b) Moneys from federal sources and other moneys the department receives for the pur-
28 poses specified in sections 1 to 5 of this 2023 Act;

29 (c) Interest and other earnings on moneys in the fund; and

30 (d) Other amounts the department receives from any source and deposits into the fund.

31 (3) Subject to subsection (4) of this section, moneys in the fund are continuously appro-
32 priated to the department for the purpose of funding the purposes described in sections 1 to
33 5 of this 2023 Act.

34 (4)(a) The department may not during any biennium expend more than 10 percent of the
35 average quarterly balance of the fund to pay the cost of administering the fund or the ad-
36 ministrative costs of carrying out the purposes described in sections 1 to 5 of this 2023 Act.

37 (b) As used in this subsection, "administrative cost" does not include grants or other
38 funds provided to community-based organizations or other contracted entities.

39
40 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES:**
41 **ENERGY EFFICIENCY IN BUILDINGS**
42

43 **SECTION 6.** (1) The Department of Consumer and Business Services shall, as the
44 department's responsibilities relate to efficiency or resiliency in buildings:

45 (a) Exercise any and all authority and discretion the department has available under ap-

1 applicable law to help to facilitate, at a minimum, emissions reductions consistent with the
2 greenhouse gas emissions reduction goals specified in ORS 468A.205;

3 (b) In addition to the department's existing responsibilities, prioritize and take such
4 actions as are necessary to accelerate reductions in greenhouse gas emissions, including but
5 not limited to rulemaking processes; and

6 (c) Consider and integrate the prevention or reduction of impacts from climate change
7 and the state's greenhouse gas emissions reduction goals into the department's planning,
8 budgeting, investment and policy-making decisions, which must involve, at a minimum:

9 (A) Prioritizing actions that reduce greenhouse gas emissions in a cost-effective manner;

10 (B) Prioritizing actions that help vulnerable populations and environmental justice com-
11 munities, as defined in ORS 469A.400, adapt to impacts from climate change; and

12 (C) Consulting with the Environmental Justice Council when evaluating priorities the
13 department sets and actions the department takes to adapt to and mitigate the impacts from
14 climate change.

15 (2)(a) In addition to the general directives specified in subsection (1) of this section, the
16 department shall contribute to the state's achievement of greenhouse gas emissions re-
17 duction goals and the mitigation of impacts from climate change by:

18 (A) Setting goals for improved energy efficiency in buildings;

19 (B) Investigating options for, and the feasibility of, reducing greenhouse gas emissions
20 that result from manufacturing, transporting, installing, disposing of and recovering mate-
21 rials used in building construction, based on the findings of the department and the Depart-
22 ment of Environmental Quality under paragraph (c)(B) of this subsection; and

23 (C) Investigating the potential benefits and the feasibility of updating building ventilation
24 standards and of specifying standards for air cleaners present in building mechanical systems
25 and in occupied indoor spaces.

26 (b) To carry out the directives specified in paragraph (a)(A) of this subsection, the De-
27 partment of Consumer and Business Services shall:

28 (A) Consult with the department's advisory boards and committees and cooperate with
29 the State Department of Energy to specify energy efficiency goals for new residential and
30 commercial construction that aim to achieve by 2030, at each new residential or commercial
31 building site, at least a 60 percent reduction in annual energy consumption from standards
32 specified in the statewide building code and applicable specialty codes that were in effect in
33 2006, excluding consumption of electricity in transportation or in powering appliances or
34 other loads that the statewide building code or specialty codes do not regulate;

35 (B) Cooperate with the State Department of Energy to identify metrics derived from best
36 practices and academic research to inform updates to the statewide building code and appli-
37 cable specialty codes specifying a baseline for, and achievable reductions in, energy con-
38 sumption;

39 (C) Report not later than December 31 of every third year, beginning with December 31,
40 2023, to an interim committee of the Legislative Assembly related to the environment con-
41 cerning:

42 (i) The Department of Consumer and Business Services' evaluation of progress toward
43 achieving the goals the department specifies under subparagraph (A) of this paragraph; and

44 (ii) Options for achieving the goals over the course of the subsequent three updates to
45 the statewide building code and applicable specialty codes;

1 (D) Outline and evaluate for feasibility in the report described in subparagraph (C) of this
2 paragraph a range of available options for achieving steady progress toward the goals de-
3 scribed in subparagraph (A) of this paragraph over the course of scheduled updates to the
4 statewide building code and applicable specialty codes that occur up until 2030; and

5 (E) Update the Reach Code described in ORS 455.500 to reflect incremental progress to-
6 ward the goals specified in subparagraph (A) of this paragraph each time the Department
7 of Consumer and Business Services updates the statewide building code and applicable spe-
8 cialty codes.

9 (c) To carry out the directives specified in paragraph (a)(B) of this subsection, the de-
10 partment shall coordinate with the Department of Environmental Quality to:

11 (A) Quantify, to the extent feasible, greenhouse gas emissions that occur as a result of
12 the manufacture, transport, installation, disposal and recovery of materials used in building
13 construction; and

14 (B) To the extent feasible and in cooperation with the Department of Environmental
15 Quality, and taking into account applicable standards that the Department of Transportation
16 has specified for procuring building construction materials, identify options to reduce,
17 through the building code or other means, greenhouse gas emissions attributable to building
18 materials so that lower carbon materials may serve the same function and provide the same
19 level of utility and reliability.

20 (3) In carrying out the directives set forth in this section, the Department of Consumer
21 and Business Services shall consider industry standards including, where appropriate, stan-
22 dards promulgated by the American Society of Heating, Refrigerating and Air-Conditioning
23 Engineers.

24 **SECTION 7.** The Department of Consumer and Business Services shall, no later than
25 December 31, 2024, report to an interim committee of the Legislative Assembly related to the
26 environment. The report under this section shall include the department’s findings and rec-
27 ommendations on options for, and the feasibility of, reducing greenhouse gas emissions that
28 result from manufacturing, transporting, installing, disposing of and recovering materials
29 used in building construction, based on the findings of the department and the Department
30 of Environmental Quality under section 6 (2)(c)(B) of this 2023 Act, including:

31 (1) Specifying the use of lower carbon materials in the statewide building code or appli-
32 cable specialty code; or

33 (2) Other means identified by the Department of Consumer and Business Services and
34 the Department of Environmental Quality for reducing greenhouse gas emissions attribut-
35 able to building materials.

36
37 **ENERGY PERFORMANCE STANDARDS FOR COVERED COMMERCIAL BUILDINGS**

38
39 **SECTION 8.** As used in sections 8 to 17 of this 2023 Act:

40 (1)(a) “Agricultural building” means a structure that is used for:

41 (A) Storing, maintaining or repairing farm or forestry machinery and equipment;

42 (B) Raising, harvesting and selling crops or forest products;

43 (C) Feeding, breeding, managing and selling livestock, poultry, fur-bearing animals or
44 honeybees or the produce of livestock, poultry, fur-bearing animals or honeybees;

45 (D) Dairying and selling dairy products; or

1 (E) Any other agricultural, forestry or horticultural use or animal husbandry, or any
2 combination of agricultural, horticultural or animal husbandry uses, including preparing and
3 storing produce raised on the farm for human use and animal use, preparing, processing and
4 storing agricultural and forestry products and goods and disposing, by marketing or other-
5 wise, of farm produce or forest products.

6 (b) “Agricultural building” does not include:

7 (A) A dwelling;

8 (B) A structure used for a purpose other than growing plants in which 10 or more per-
9 sons are present at any one time;

10 (C) A structure regulated by the State Fire Marshal pursuant to ORS chapter 476;

11 (D) A structure used by the public; or

12 (E) A structure that is subject to the National Flood Insurance Act of 1968 (42 U.S.C 4001
13 to 4127), as amended, and regulations promulgated under that Act.

14 (2) “Conditional compliance” means a temporary method that a building owner can use
15 to demonstrate that the building owner has implemented required energy use reduction
16 strategies when the building owner cannot demonstrate full compliance with a required en-
17 ergy use intensity target.

18 (3) “Covered commercial building” means a tier 1 building or a tier 2 building.

19 (4) “Eligible building owner” means:

20 (a) An owner of a tier 1 building that must comply with the standard established in sec-
21 tion 9 of this 2023 Act; or

22 (b) An owner of tier 2 building.

23 (5) “Energy” means:

24 (a) Electricity, including electricity that is delivered through the electric grid and elec-
25 tricity that is generated at a building site using solar or wind energy resources;

26 (b) Natural gas;

27 (c) Steam, hot water or chilled water used for heating or cooling;

28 (d) Propane;

29 (e) Fuel oil;

30 (f) Wood;

31 (g) Coal; or

32 (h) Any other fuel that meets a covered commercial building’s energy load.

33 (6) “Energy use intensity” means a measurement that weather normalizes a building’s
34 site energy use relative to the building’s size, calculated by dividing the total net energy the
35 building consumes in one year by the building’s gross floor area, excluding any parking ga-
36 rage, and that is reported in thousands of British thermal units per square foot per year.

37 (7) “Energy use intensity target” means a net energy use intensity that complies with
38 the standard set forth in section 9 of this 2023 Act.

39 (8) “Greenhouse gas” has the meaning given that term in ORS 468A.210.

40 (9)(a) “Gross floor area” means the total number of square feet of a building, measured
41 from the exterior surfaces of a building’s fixed enclosing walls, including all floor space used
42 as offices, lobbies, restrooms, equipment storage areas, mechanical rooms, break rooms and
43 elevator shafts.

44 (b) “Gross floor area” does not include bays or docks outside the building.

45 (10) “Net energy use” means the sum of metered and bulk fuel energy that enters a

1 building, minus the sum of metered energy that leaves the building.

2 (11) "Savings to investment ratio" means the ratio of the total present value of savings
3 to the total present value of costs to implement an energy conservation measure or water
4 conservation measure, in which the numerator of the ratio is the present value of net
5 savings in energy or water or in maintenance costs not related to fuel use or water use that
6 are attributable to the energy conservation measure or water conservation measure and the
7 denominator of the ratio is the present value of the net increase in investment and replace-
8 ment costs, less the salvage value, of the energy conservation or water conservation meas-
9 ure.

10 (12) "Semiheated space" means an enclosed space within a covered commercial building
11 that is heated by a heating system with an output the Department of Consumer and Business
12 Services specifies in an applicable specialty code.

13 (13) "Tier 1 building" means a building in which the sum of gross floor area for hotel,
14 motel and nonresidential use equals or exceeds 35,000 square feet, excluding any parking
15 garage.

16 (14)(a) "Tier 2 building" means:

17 (A) A building with gross floor area, excluding any parking garage, that equals or exceeds
18 35,000 square feet and that is used as a multifamily residential building, a hospital, a school,
19 a dormitory or a university building; or

20 (B) A building in which the sum of gross floor area for hotel, motel and nonresidential
21 use exceeds 20,000 square feet but does not exceed 35,000 square feet, excluding any parking
22 garage.

23 (b) "Tier 2 building" does not include a covered commercial building that is classified as
24 a tier 1 building.

25 (15) "Unconditioned space" means an enclosed space within a covered commercial build-
26 ing that is not:

27 (a) Heated by a heating system or cooled by a cooling system with output capacities the
28 Department of Consumer and Business Services specifies in an applicable specialty code; or

29 (b) Indirectly heated or cooled in accordance with standards the department specifies in
30 an applicable specialty code.

31 (16) "Weather normalized" means a method for modifying a building's energy use inten-
32 sity in a specific year to account for deviations from the building's energy use intensity as
33 the energy use intensity ordinarily occurs during a year in which the weather does not
34 fluctuate substantially or vary as a consequence of extreme weather events.

35 **SECTION 9.** (1)(a) Not later than December 31, 2024, the State Department of Energy, in
36 consultation with the Department of Consumer and Business Services, shall adopt rules that
37 use the American National Standards Institute's standards for Energy Efficiency in Existing
38 Buildings (ANSI/ASHRAE/IES Standard 100) as an initial model for specifying an energy
39 performance standard for covered commercial buildings. In rulemaking proceedings to adopt
40 or update rules under this paragraph, the State Department of Energy shall disclose the
41 sources of information, including the model described in this paragraph and any peer-
42 reviewed science, that the department relies on in developing or updating the energy per-
43 formance standard. The department shall update the energy performance standard not later
44 than July 1, 2029, and by the same month and day in each successive period of five years.

45 (b) The energy performance standard described in paragraph (a) of this subsection must:

- 1 (A) Comply with the requirements of sections 8 to 10 of this 2023 Act;
- 2 (B) Seek to maximize reductions in greenhouse gas emissions from covered commercial
3 buildings;
- 4 (C) Include energy use intensity targets that apply to specific types of buildings; and
- 5 (D) Provide for methods to achieve conditional compliance with an applicable energy use
6 intensity target, which must, at a minimum, require:
- 7 (i) Preparing an energy management plan;
- 8 (ii) Developing a program for building operations and maintenance that aims at achieving
9 the applicable energy use intensity target;
- 10 (iii) Making investments in energy use efficiency measures that aim at achieving the
11 applicable energy use intensity target; and
- 12 (iv) Submitting to energy use audits, which may be based upon or linked to ASHRAE
13 Standard 211 audits.
- 14 (c) Adoption of the energy performance standard described in paragraph (a) of this sub-
15 section does not change eligibility criteria for, or benefits or incentives available under, other
16 programs for energy efficiency demand response.
- 17 (2)(a) In adopting the energy performance standard described in subsection (1) of this
18 section, the department:
- 19 (A) Shall:
- 20 (i) Develop energy use intensity targets that are not more stringent than the average
21 energy use intensity for each covered commercial building occupancy classification, adjusting
22 as necessary for a covered commercial building's unique energy-using features;
- 23 (ii) Consider, for the purpose of establishing energy use intensity targets, regional and
24 local data that identifies building energy use, such as existing benchmarking data from the
25 Energy Star program established under 42 U.S.C. 6294a;
- 26 (iii) Consider, for the purpose of establishing the energy performance standard, federal
27 and local programs that relate to energy efficiency standards, aligning where possible re-
28 quirements under the energy performance standard to avoid duplicative work by regulators
29 and eligible building owners;
- 30 (iv) Develop energy use intensity targets for two or more climate zones that represent
31 energy use in a year with normal weather;
- 32 (v) Develop energy use intensity targets that exclude energy delivered through electric
33 vehicle supply equipment; and
- 34 (vi) Adopt a conditional compliance method that:
- 35 (I) Requires eligible building owners of covered commercial buildings that do not meet
36 an energy use intensity target to take action to reduce energy use; and
- 37 (II) Specifies investment criteria that meet the requirements set forth in paragraph (b)
38 of this subsection and that ensure progress toward meeting the energy use intensity target;
39 and
- 40 (B) May:
- 41 (i) Consider building occupancy classifications set forth in ANSI/ASHRAE/IES Standard
42 100 and the United States Environmental Protection Agency's Energy Star portfolio man-
43 ager;
- 44 (ii) Base energy use intensity targets for recently constructed covered commercial
45 buildings on statewide energy codes that were in effect at the time the covered commercial

1 **building was constructed; and**

2 **(iii) Require utilities, eligible building owners and other entities to aggregate data for**
3 **covered commercial buildings that have multiple meters and to report or, as appropriate,**
4 **provide the aggregated data for reports under section 10 of this 2023 Act.**

5 **(b)(A) Investment criteria the department specifies as part of a conditional compliance**
6 **method under paragraph (a) of this subsection must:**

7 **(i) Ensure that an eligible building owner meets the covered commercial building's energy**
8 **use intensity target by implementing energy efficiency measures identified in energy use**
9 **audits; and**

10 **(ii) Except as provided in subparagraph (B) of this paragraph, require an eligible building**
11 **owner to implement an optimized bundle of energy efficiency measures that provide maxi-**
12 **imum energy savings without resulting in a savings to investment ratio of less than 1.0 or**
13 **require the eligible building owner to achieve the energy use intensity target by means of**
14 **an implementation plan that:**

15 **(I) Is based on an energy use audit and life-cycle cost analysis from ANSI/ASHRAE/IES**
16 **Standard 211 that accounts for the period during which a bundle of energy efficiency meas-**
17 **ures provide savings;**

18 **(II) Reflects the eligible building owner's net costs of implementing energy efficiency**
19 **measures, excluding any costs that utility or government grants cover;**

20 **(III) Allows an exclusion of energy efficiency measures that do not pay back the cost of**
21 **the energy efficiency measure over the useful life of the energy efficiency measure;**

22 **(IV) Allows an exclusion of energy efficiency measures that are excluded under subpar-**
23 **agraph (B) of this paragraph; and**

24 **(V) Allows for phased implementation in which an eligible building owner need not re-**
25 **place a system or equipment before the useful life of the system or equipment ends.**

26 **(B) An eligible building owner need not meet an energy efficiency requirement that would**
27 **compromise the historical integrity of a covered commercial building or part of a covered**
28 **commercial building that:**

29 **(i) Is listed on a state or national register of historic places;**

30 **(ii) Is designated as an historic property under a state or local statute, ordinance, rule**
31 **or other legislative act or a survey conducted under a statute, ordinance, rule or other leg-**
32 **islative act;**

33 **(iii) Is certified as a contributing resource within a historic district that is listed on a**
34 **national register or is locally designated as a historic district; or**

35 **(iv) A state historic preservation officer or the keeper of the national register of historic**
36 **places has determined in an opinion or certification is eligible to be listed on the national or**
37 **state register of historic places either as an individual building or as a building that con-**
38 **tributes to a historic district.**

39 **(3) The department shall create a database of eligible building owners and covered com-**
40 **mercial buildings that are subject to the requirements of sections 8 to 10 of this 2023 Act**
41 **based on records the department obtains from each county assessor and on other informa-**
42 **tion available to the department.**

43 **(4)(a) Not later than July 1, 2025, the department shall notify eligible building owners of**
44 **the requirement to comply with the provisions set forth for tier 1 buildings in sections 8 to**
45 **10 of this 2023 Act.**

1 (b) The department may approve an eligible building owner's use of a conditional com-
2 pliance method in lieu of full compliance with an energy use intensity target if the depart-
3 ment determines that the eligible building owner has the capacity to take the actions and
4 make the investments required under the conditional compliance method and otherwise
5 qualifies to use the conditional compliance method.

6 (5) A municipality, as defined in ORS 455.010, may by ordinance, rule or land use process,
7 adopt an energy performance standard and greenhouse gas emission reduction standards
8 that are more stringent, or that have broader application, than the energy performance
9 standard that the department adopts under this section. A municipality shall cooperate with
10 the department in aligning, where practicable, an energy performance standard the munici-
11 pality adopts with the energy performance standard the department adopts under this sec-
12 tion.

13 **SECTION 10.** (1) An eligible building owner of a tier 1 building shall report to the State
14 Department of Energy concerning the eligible building owner's compliance with the energy
15 performance standard described in section 9 of this 2023 Act. The eligible building owner shall
16 submit the report in accordance with the schedule specified in subsection (4) of this section
17 and shall submit a new report at the end of every successive five-year period. Each report
18 the eligible building owner submits must include documentation that demonstrates that:

19 (a) The tier 1 building's weather normalized energy use intensity during the previous
20 calendar year is less than or equal to the applicable energy use intensity target;

21 (b) The eligible building owner is taking actions and making investments in accordance
22 with a conditional compliance method the department approved; or

23 (c) The tier 1 building is exempt from an energy performance standard that otherwise
24 would apply to the tier 1 building because:

25 (A) The tier 1 building did not have a certificate of occupancy or temporary certificate
26 of occupancy during all of the 12 months that preceded the date on which the eligible building
27 owner's report is due;

28 (B) The tier 1 building did not have an actual rate of occupancy that exceeded 50 percent
29 of the tier 1 building's capacity during all of the 12 months that preceded the date on which
30 the eligible building owner's report is due;

31 (C) The sum of the tier 1 building's gross floor area, minus unconditioned spaces and
32 semiheated spaces, is less than 35,000 square feet;

33 (D) The primary use for the tier 1 building is manufacturing or another industrial use,
34 as defined in accordance with the following use designations of the International Building
35 Code:

36 (i) Factory group F; or

37 (ii) High hazard group H;

38 (E) The tier 1 building is an agricultural building; or

39 (F) The eligible building owner or the tier 1 building has undergone or is undergoing fi-
40 nancial hardship, as measured in accordance with the following criteria:

41 (i) Within the 24 months that precede the date on which the eligible building owner's
42 report is due, a city or county listed the tier 1 building on the city's or county's annual tax
43 lien sale list because of arrears in property taxes or water or wastewater charges;

44 (ii) A court appointed receiver controls the tier 1 building because of financial distress;

45 (iii) A financial institution owns the tier 1 building because of a borrower's default;

1 (iv) Within the 24 months that precede the date on which the eligible building owner's
2 report is due, the eligible building owner acquired the tier 1 building by means of a deed in
3 lieu of foreclosure;

4 (v) The tier 1 building has a senior mortgage that is subject to a notice of default; or

5 (vi) Other criteria that the department specifies by rule as indicative of financial hard-
6 ship.

7 (2) The department shall develop methods and procedures for administering reports that
8 eligible building owners of tier 1 buildings submit to the department under subsection (1) of
9 this section.

10 (3)(a) The department shall provide a support program to eligible building owners of
11 covered commercial buildings that includes, at a minimum, information and periodic train-
12 ing, technical assistance and telephone and electronic mail support that will assist eligible
13 building owners in complying with the energy performance standard, applicable energy use
14 intensity targets and reporting requirements under sections 8 to 10 of this 2023 Act.

15 (b) As part of the support program described in paragraph (a) of this subsection, the
16 department may encourage eligible building owners to seek for maintenance staff accredi-
17 tation from the U.S. Green Building Council's Green Janitors Education Program.

18 (4) An eligible building owner must comply with the energy performance standard
19 adopted under section 9 of this 2023 Act by the following dates:

20 (a) If the eligible building owner's tier 1 building has a gross floor area of 200,000 square
21 feet or more, not later than June 1, 2028;

22 (b) If the eligible building owner's tier 1 building has a gross floor area of 90,000 square
23 feet or more but less than 200,000 square feet, not later than June 1, 2029; and

24 (c) If the eligible building owner's tier 1 building has a gross floor area of 35,000 square
25 feet or more but less than 90,000 square feet, not later than June 1, 2030.

26 (5)(a) The department shall notify an eligible building owner of a tier 1 building of a fail-
27 ure to comply with sections 8 to 10 of this 2023 Act if the eligible building owner fails to:

28 (A) Submit the report described in subsection (1) of this section by the date required or
29 in a form and manner the department requires;

30 (B) Meet the energy performance standard or an applicable energy use intensity target
31 or, in lieu of meeting the standard or target, fails to obtain the department's approval to use
32 a conditional compliance method;

33 (C) Provide accurate reporting that meets the requirements of sections 8 to 10 of this
34 2023 Act; or

35 (D) Demonstrate as provided in subsection (1)(c) of this section that the eligible building
36 owner is exempt from an otherwise applicable energy performance standard.

37 (b) In the notice described in paragraph (a) of this subsection, the department may
38 specify a date by which the eligible building owner of a tier 1 building must correct the fail-
39 ure the department identified in the notice. In addition, the department shall specify the date
40 by which the eligible building owner's failure to comply or failure to correct a lack of com-
41 pliance will subject the eligible building owner to a civil penalty under subsection (6) of this
42 section.

43 (c) At an eligible building owner's request, the department shall cite the specific legal
44 authority upon which the department relied as a basis for issuing a notice to the eligible
45 building owner under paragraph (a) of this subsection.

1 (6)(a) The department may impose a civil penalty as provided in ORS 183.745 upon an el-
2 igible building owner of a tier 1 building to which the department issued a notice under
3 subsection (5) of this section if the department determines that the eligible building owner:

4 (A) Has not complied with the requirement set forth in the notice or has not corrected
5 a lack of compliance by the date for correction that the department specifies in the notice;
6 or

7 (B) Otherwise violated a provision of sections 8 to 10 of this 2023 Act or a rule the de-
8 partment adopted under sections 8 to 10 of this 2023 Act.

9 (b) A civil penalty the department imposes under paragraph (a) of this subsection may
10 not exceed \$5,000 plus an amount for the duration of a continuing violation, which may not
11 exceed a daily amount that the department calculates by multiplying \$1 per year per square
12 foot of gross floor area of the tier 1 building that is the subject of the department's notice.

13 (c) The department shall deposit the proceeds of any civil penalty the department im-
14 poses and collects under this subsection into the State Department of Energy Account es-
15 tablished under ORS 469.120 and shall allocate the proceeds for the purpose of administering
16 the department's energy efficiency programs.

17 **SECTION 11.** (1) In addition to the energy performance standard the State Department
18 of Energy adopts in accordance with section 9 of this 2023 Act, the department shall adopt
19 rules to implement sections 8 to 10 of this 2023 Act. The rules must:

20 (a) Ensure timely, accurate and complete reporting of compliance with the requirements
21 of sections 8 to 10 of this 2023 Act from all tier 1 buildings;

22 (b) Enable the department to effectively enforce the energy performance standard and
23 energy use intensity targets established under sections 8 to 10 of this 2023 Act;

24 (c) Provide means for affected eligible building owners of tier 1 buildings to appeal deci-
25 sions and enforcement actions of the department that affect the eligible building owner; and

26 (d) Ensure that an eligible building owner of a tier 1 building is responsible for paying the
27 costs of compliance with sections 8 to 10 of this 2023 Act.

28 (2) Before adopting rules under this section, the department shall establish and consult
29 an advisory committee that includes representatives of eligible building owners, tenants of
30 covered commercial buildings, public utilities, organizations with experience in designing or
31 implementing energy efficiency programs, local governments, organizations that focus on
32 environmental justice and other stakeholders the department identifies as needing repre-
33 sentation. The department shall consult with the advisory committee before amending rules
34 the department adopts under this section.

35 **SECTION 12.** At the request of the State Department of Energy, each county assessor
36 in this state shall provide information from existing records data that the department re-
37 quires to implement sections 8 to 10 of this 2023 Act, including information about covered
38 commercial buildings within the county.

39 **SECTION 13.** The State Department of Energy shall report not later than January 15,
40 2025, and by the same date in each succeeding year until 2035, to the Governor and to com-
41 mittees of the Legislative Assembly that are related to the environment concerning the im-
42 plementation of the energy performance standard established under section 9 of this 2023
43 Act. The report must include information about the department's adoption of the
44 ANSI/ASHRAE/IES Standard 100 as the department's initial model for the energy perform-
45 ance standard, the financial impact the standard has had on eligible building owners of tier

1 1 buildings, the amount of any incentives the department provided for compliance and any
2 other information that is relevant to the department's implementation of sections 8 to 10 of
3 this 2023 Act.

4 **SECTION 14.** (1) Sections 8 to 10 of this 2023 Act do not require an eligible building owner
5 to take action to comply with sections 8 to 10 of this 2023 Act:

6 (a) If the eligible building owner owns a tier 2 building; or

7 (b) Before the State Department of Energy adopts an energy performance standard under
8 section 9 of this 2023 Act, if the eligible building owner owns a tier 1 building.

9 (2) The department may offer incentives for eligible building owners to voluntarily comply
10 with, or for early compliance with, ANSI/ASHRAE/IES Standard 100 or the energy perform-
11 ance standard the department establishes under section 9 of this 2023 Act.

12 **SECTION 15.** (1)(a) Not later than December 31, 2024, the State Department of Energy
13 by rule shall establish a requirement and standards under which eligible building owners of
14 tier 2 buildings must provide to the department data that would enable the department to
15 establish a benchmark for energy use in, and greenhouse gas emissions from, tier 2
16 buildings.

17 (b) The State Department of Energy shall cooperate with the Department of Education
18 to establish a requirement to provide the data described in paragraph (a) of this subsection
19 in a manner that minimizes costs to schools and avoids or minimizes duplication with the
20 Department of Education's school facility assessments.

21 (2) Not later than July 1, 2025, the State Department of Energy shall notify all eligible
22 building owners of tier 2 buildings of the requirement and standards the department adopts
23 by rule under subsection (1) of this section.

24 (3) Not later than July 1, 2028, and by July 1 every five years thereafter, an eligible
25 building owner of a tier 2 building shall provide the department with data the department
26 requires in rules the department adopts under subsection (1) of this section.

27 (4) Not later than July 1, 2029, the department shall evaluate and use the data the de-
28 partment receives from eligible building owners of tier 2 buildings to calculate average en-
29 ergy use in, and average greenhouse gas emissions from, each of the categories of tier 2
30 buildings that exist in this state.

31 (5) Not later than July 1, 2025, the department shall establish and consult an advisory
32 committee to identify and evaluate the financial and nonfinancial implications of establishing
33 and implementing an energy performance standard for tier 2 buildings. The advisory com-
34 mittee must include, but is not limited to, representatives of renters, low-income tenants and
35 environmental justice communities, as defined in ORS 469A.400.

36 (6) Not later than October 1, 2030, the department shall submit a report to the Governor
37 and to an interim committee of the Legislative Assembly related to energy that:

38 (a) Recommends a cost-effective energy performance standard for tier 2 buildings; and

39 (b) Includes estimates of costs to eligible building owners, and challenges that eligible
40 building owners would face, in implementing an energy performance standard for tier 2
41 buildings.

42 **SECTION 16.** (1) As used in this section, "person" means an individual, corporation,
43 nonprofit corporation, professional corporation, limited liability company, partnership, lim-
44 ited partnership, limited liability partnership, cooperative, business trust, joint venture or
45 other form of business entity, including Energy Trust of Oregon.

1 **(2) The State Department of Energy may contract with another person to administer**
2 **incentive payments to eligible building owners for early compliance with the energy per-**
3 **formance standard described in section 9 of this 2023 Act.**

4 **(3) The person with which the department contracts under subsection (2) of this section**
5 **shall administer incentive payments:**

6 **(a) In a manner that is consistent with rules the department adopts under, and for**
7 **compliance that is consistent with, sections 8 to 10 of this 2023 Act; and**

8 **(b) To eligible building owners that the department certifies as qualifying for incentive**
9 **payments under, and at rates established for the payments in, section 17 of this 2023 Act.**

10 **(4) A person that administers incentive payments on the department's behalf:**

11 **(a) Remains subject to any obligations the person has or will have to provide energy ef-**
12 **iciency programs or incentives to the person's customers; and**

13 **(b) Is not liable for excess incentive payments the person makes in reliance on the**
14 **department's certification or determination of the proper amount of the incentive payment,**
15 **if the person is not otherwise responsible for any inaccuracy in the amount of the incentive**
16 **payment.**

17 **SECTION 17. (1) The State Department of Energy by rule shall establish a program to**
18 **pay incentives to eligible building owners that implement ANSI/ASHRAE/IES Standard 100**
19 **or the energy performance standard described in section 9 of this 2023 Act for covered**
20 **commercial buildings before adoption and implementation is mandatory. The program must**
21 **provide for:**

22 **(a) An application process;**

23 **(b) Standards by which the department may qualify an eligible building owner to receive,**
24 **or disqualify an eligible building owner from receiving, an incentive payment;**

25 **(c) A method for verifying a covered commercial building's energy consumption with the**
26 **eligible building owner and the electric utility, gas company or thermal energy company that**
27 **supplies energy to the covered commercial building for the purpose of qualifying the eligible**
28 **building owner to receive an incentive payment;**

29 **(d) A process for calculating the amount of any incentive payment;**

30 **(e) An administrative process by which an eligible building owner may appeal the**
31 **department's decision to qualify or disqualify the eligible building owner or the department's**
32 **determination of the amount of an incentive payment; and**

33 **(f) A process for authorizing incentive payments and notifying eligible building owners**
34 **and persons that administer incentive payments of the department's authorization.**

35 **(2) To qualify for an incentive payment, an eligible building owner must report to the**
36 **department in accordance with section 10 of this 2023 Act by the deadlines and for a period**
37 **of time the department specifies by rule. In addition:**

38 **(a) The eligible building owner must own a tier 1 building that is or will become subject**
39 **to the requirements of sections 8 to 10 of this 2023 Act or must own a tier 2 building that**
40 **qualifies as provided in subsection (3) of this section;**

41 **(b) If the covered commercial building is a tier 1 building, the tier 1 building must have**
42 **a baseline energy use intensity that exceeds an applicable energy use intensity target by at**
43 **least 15 energy use intensity units; and**

44 **(c) The eligible building owner must comply with any other requirements the department**
45 **specifies by rule.**

1 (3) An eligible building owner of a tier 2 building may receive an incentive payment of 35
2 cents per square foot of gross floor area, excluding any parking garage, unconditioned space
3 or semiheated space if the eligible building owner has submitted to the department, or has
4 agreed to submit to the department in advance of an established deadline, the data described
5 in section 15 of this 2023 Act.

6 (4)(a) Subject to paragraph (c) of this subsection, an eligible building owner that applies
7 and qualifies for an incentive payment under subsection (2) or (3) of this section may receive
8 for meeting the energy performance standard described in section 9 of this 2023 Act early
9 or voluntarily an incentive payment of 85 cents per square foot of gross floor area of the
10 eligible building owner's covered commercial building, excluding any parking garage, uncon-
11 ditioned space or semiheated space.

12 (b) The department may authorize additional incentive payments to an eligible building
13 owner that owns a tier 2 multifamily residential building and that enters into a binding
14 agreement not to displace tenants from the multifamily residential building.

15 (c) The department may authorize an incentive payment only if funds are available for
16 the payment and contingent upon an eligible building owner's compliance with the require-
17 ments of this section and any rules the department adopts to govern incentive payments.

18 (5) Before qualifying an eligible building owner to receive an incentive payment under this
19 section, the department shall review the eligible building owner's application and verify any
20 report the eligible building owner must provide under section 10 of this 2023 Act and any
21 energy consumption the department must measure for the purposes of the qualification. If
22 the department determines that an eligible building owner qualifies for an incentive payment,
23 the department shall certify the qualification to the eligible building owner and to the person
24 that administers incentive payments under section 16 of this 2023 Act.

25 (6) Not later than September 30, 2026, and by the same date every two years thereafter,
26 the department shall report to interim committees of the Legislative Assembly related to
27 energy concerning the operations and results of the incentive program the department es-
28 tablishes under this section. The report must include recommendations for aligning the in-
29 centive program with greenhouse gas emission reduction goals that meet or exceed the goals
30 specified in ORS 468A.205.

31
32 **STATE AGENCIES TO CONDUCT ASSESSMENT OF ENERGY USE**

33
34 **SECTION 18.** (1) As used in this section, "state agency" has the meaning given that term
35 in ORS 278.005.

36 (2)(a) The Oregon Department of Administrative Services, in cooperation with the State
37 Department of Energy, shall develop a methodology and work plan for state agencies to im-
38 plement a comprehensive assessment of energy use and greenhouse gas emissions of state-
39 owned buildings. At a minimum, the assessments must:

40 (A) Examine and quantify each building's greenhouse gas emissions, using where feasible
41 existing data such as energy use reporting for existing state-owned buildings that state
42 agencies submitted to the State Department of Energy and data from other existing pro-
43 grams and contracts;

44 (B) Identify equipment or usage that contributes to greenhouse gas emissions from each
45 building; and

1 (C) Determine and quantify the useful life of equipment in each building that contributes
2 to greenhouse gas emissions.

3 (b) The Oregon Department of Administrative Services may direct state agencies to
4 conduct the assessments described in paragraph (a) of this subsection in phases or stages
5 and may specify a minimum building size that is subject to an assessment.

6 (c) The Oregon Department of Administrative Services may procure and make available
7 to state agencies services from a private contractor to conduct the assessments described
8 in paragraph (a) of this subsection throughout the state.

9 (3) All agencies of state government shall cooperate with and assist the Oregon Depart-
10 ment of Administrative Services, or the department's contractor, in conducting the assess-
11 ments and shall timely provide relevant information to the department, or the department's
12 contractor, in accordance with methodology the department specifies.

13 (4) The Oregon Department of Administrative Services, with support from the State De-
14 partment of Energy, shall create a searchable and modifiable database with the data that the
15 Oregon Department of Administrative Services, or the department's contractor, collects
16 from state agency assessments described in subsection (2) of this section. State agencies
17 shall use baseline data from the database as a tool for planning energy use reduction and
18 greenhouse gas emissions reduction targets in capital projects.

19 (5)(a) The Oregon Department of Administrative Services, in collaboration with the De-
20 partment of Environmental Quality and the State Department of Energy, shall oversee all
21 capital projects in which:

22 (A) A state agency constructs or performs a major renovation on a state building; and

23 (B) The estimated contract price for the capital project exceeds \$1 million.

24 (b) In performing the oversight described in paragraph (a) of this subsection, the Oregon
25 Department of Administrative Services shall:

26 (A) Develop and implement guidelines for sustainable design that:

27 (i) Apply to all state agencies and all capital projects described in paragraph (a) of this
28 subsection;

29 (ii) Take into account the building's life cycle and the life cycle of all of the building's
30 systems, components, materials, operations and maintenance; and

31 (iii) Consider each building's size, cost or purpose;

32 (B) Provide guidance and technical expertise to each state agency with respect to con-
33 struction methods, materials, energy conservation measures, greenhouse gas emissions re-
34 duction methods, green building construction and renovation and other techniques and
35 technologies that will aid in achieving the state's green building, energy efficiency and
36 greenhouse gas emissions reduction goals; and

37 (C) Use existing work the State Department of Energy performed in connection with the
38 United States Department of Energy's Standard Energy Efficiency Data program, data from
39 other existing programs and contracts and, where appropriate, data from the database de-
40 scribed in subsection (4) of this section.

41 (c) Each state agency shall report regularly to the Oregon Department of Administrative
42 Services concerning progress on a capital project described in paragraph (a) of this sub-
43 section, with an emphasis on progress toward meeting the goals described in paragraph
44 (b)(B) of this subsection. A state agency may combine a report under this paragraph with a
45 report from another state agency.

1 **(6) The Oregon Department of Administrative Services and the State Department of En-**
2 **ergy shall participate on behalf of the state in the National Building Performance Standards**
3 **Coalition.**

4 **SECTION 19.** ORS 469.754 is amended to read:

5 469.754. (1) State agencies [*are authorized to*] **may** enter into such contractual and other ar-
6 rangements as [*may be*] **are** necessary or convenient to design, develop, operate and finance projects
7 on-site at state owned or state rented facilities. [*In developing such projects, state agencies shall offer*
8 *a right of first refusal of two months for conservation and direct use renewable resources and three*
9 *months for cogeneration and generating renewable resources to each local utility providing utility ser-*
10 *vice to the agency to jointly develop, finance, operate and otherwise act together in the development and*
11 *operation of such projects. The State Department of Energy shall adopt rules to establish the procedure*
12 *by which the right of first refusal shall be administered. In adopting the rules, the department shall*
13 *insure that the local utility providing utility service to the state agency is entitled to the first right to*
14 *negotiate with the state agency and that the utility is entitled to match any offer made by any other*
15 *entity to participate in the project. The department also shall adopt procedures that insure that the right*
16 *to first negotiate and the right to match any offer applies to the sale of electrical or steam output from*
17 *the project.*]

18 (2)(a) For as long as a project established under ORS 469.752 to 469.756 produces savings:

19 (A) A state agency's budget [*shall*] **may** not be cut because of savings due to the project; and

20 (B) A state agency shall retain [50] **100** percent of the net savings to the state agency after any
21 project debt service.

22 (b) Savings from a project [*shall*] **must** be deposited in a revolving fund administered by the
23 state agency.

24 (3) A state agency shall spend the savings under subsection (2) of this section to increase pro-
25 ductivity through:

26 (a) Energy efficiency projects;

27 (b) High-tech improvements, such as the purchase or installation of new desktop or laptop com-
28 puters or the linkage of computers into systems or networks; or

29 (c) Infrastructure improvements.

30 (4) The moneys credited to the revolving fund may be invested and reinvested as provided in
31 ORS 293.701 to 293.790. Notwithstanding ORS 293.105 (3) or any other provision of law, interest or
32 other earnings on moneys in the revolving fund [*shall*] **must** be credited to the revolving fund.

33 [*(5) The remaining 50 percent of net savings to the state agency after any project debt service shall*
34 *be deposited in the General Fund.*]

35 [*(6)*] **(5)** [*Nothing in*] ORS 469.752 to 469.756 [*authorizes*] **do not authorize** a state agency to sell
36 electricity to an entity other than an investor owned utility, a publicly owned utility, an electric
37 cooperative utility or the Bonneville Power Administration.

38 [*(7)*] **(6)** [*Nothing in*] ORS 469.752 to 469.756 [*limits*] **do not limit** the authority of a state agency
39 conferred by any other provision of law, or [*affects*] **affect** any authority, including the authority
40 of a municipality, to regulate utility service under existing law.

41 **SECTION 20.** ORS 469.756 is amended to read:

42 469.756. The State Department of Energy in consultation with other state agencies and utilities
43 shall adopt rules, guidelines and procedures that are necessary to establish savings for projects and
44 to implement other provisions of ORS 469.752 to 469.756[, *including, but not limited to, rules pre-*
45 *scribing the procedures to be followed by an agency in negotiating with local utilities to develop*

1 *agreements suitable for the joint development of projects, and procedures to determine which local*
2 *utility, if any, shall be chosen to jointly develop the project]. The department may enter into agree-*
3 *ments under ORS chapter 190 with state agencies to provide technical assistance in selecting ap-*
4 *propriate projects and to evaluate and determine energy and cost savings.*

5 **SECTION 21.** The amendments to ORS 469.754 and 469.756 by sections 19 and 20 of this
6 2023 Act apply to projects that a state agency commences, and to contracts for energy sales
7 into which a state agency enters, on and after the 91st day after the date on which the 2023
8 regular session of the Eighty-second Legislative Assembly adjourns sine die.

9
10 **COMMUNITY GREEN INFRASTRUCTURE GRANT PROGRAM**

11
12 **SECTION 22.** The Legislative Assembly finds and declares that:

13 (1) The purpose of community green infrastructure projects and green infrastructure
14 economic development projects is to provide direct social, environmental and economic ben-
15 efits to communities across this state through green infrastructure.

16 (2) The social, environmental and economic benefits of green infrastructure to commu-
17 nities include, but are not limited to:

- 18 (a) Climate change mitigation, adaptation and resilience;
- 19 (b) Stormwater management;
- 20 (c) Air temperature regulation;
- 21 (d) Air quality benefits;
- 22 (e) Noise abatement;
- 23 (f) Energy savings;
- 24 (g) Economic development opportunities;
- 25 (h) Public or community health benefits;
- 26 (i) Support for community food pathways through regenerative agriculture;
- 27 (j) Water quality improvements, including temperature regulation;
- 28 (k) Water conservation;
- 29 (L) Erosion control;
- 30 (m) Park and open space benefits;
- 31 (n) Urban forest benefits;
- 32 (o) Restoration of floodplain functions;
- 33 (p) Restored or expanded wetlands and riparian areas;
- 34 (q) Habitat improvements;
- 35 (r) Aquifer recharge that does not include an extractive or consumptive use of the
36 aquifer;
- 37 (s) Stream flow augmentation;
- 38 (t) Carbon sequestration;
- 39 (u) Community livability;
- 40 (v) Local jobs; and
- 41 (w) The use of plants and food in maintaining social and environmental identity and
42 lifeways.

43 **SECTION 23.** As used in sections 22 to 26 of this 2023 Act:

44 (1) “Community green infrastructure project” means a green infrastructure project that
45 provides social, environmental or economic benefits to a particular community and is devel-

1 oped through a collaborative process that helps to define those benefits.

2 (2) “Environmental justice community” has the meaning given that term in ORS 182.535.

3 (3) “Green communities nursery” means an Oregon nursery certified by the State De-
4 partment of Agriculture under section 27 of this 2023 Act.

5 (4) “Green infrastructure” means:

6 (a) Green infrastructure as defined in ORS 550.160; or

7 (b) Infrastructure that:

8 (A) Mimics natural systems, or enables natural systems to be less stressed through wa-
9 ter conservation, water protection or ecosystem restoration, at the neighborhood or site
10 scale as part of an integrated approach in residential, municipal or industrial developments
11 or water infrastructure; and

12 (B) Implements community-based concepts, principles and practices to conserve and
13 manage resources for future generations, sequester carbon and provide environmental and
14 social benefits.

15 (5) “Green infrastructure economic development project” means a community green
16 infrastructure project that employs members of a community that benefits from the com-
17 munity green infrastructure project in the development, construction, planting or mainte-
18 nance of the project.

19 (6) “Green infrastructure improvement zone” means an area designated by the State
20 Forestry Department under section 28 of this 2023 Act.

21 (7) “Green infrastructure master plan” means a long-term plan developed by a public
22 body or tribal government that involves the creation, protection or enhancement of green
23 infrastructure, including but not limited to:

24 (a) An urban forestry plan;

25 (b) A storm water management plan; and

26 (c) A plan to establish parks or other public green spaces.

27 (8) “Indian tribe” means a federally recognized Indian tribe in Oregon.

28 (9) “Native plant nursery” means an Oregon nursery that specializes in plants native to
29 Oregon.

30 (10) “Native seed bank” means a store of seeds from native plants that helps to:

31 (a) Preserve genetic diversity in those plant species to increase plant yield and health,
32 including disease resistance and drought tolerance;

33 (b) Hold seeds and plants for the restorative health of a community; or

34 (c) Support the replanting of post-fire successional plants.

35 (11) “Oregon nursery” means:

36 (a) A person that holds a license required by ORS 571.055 issued by the State Department
37 of Agriculture; or

38 (b) A nursery operated by an Indian tribe, an entity wholly owned by an Indian tribe or
39 an enrolled member of an Indian tribe and operated on the tribe’s reservation or trust land.

40 (12) “Public body” has the meaning given that term in ORS 174.109.

41 **SECTION 24.** (1) The Community Green Infrastructure Grant Program is established as
42 a program administered by the Department of Land Conservation and Development for the
43 purpose of awarding grants for:

44 (a) Offsetting the cost of planning and developing community green infrastructure
45 projects or green infrastructure economic development projects;

1 **(b) Developing or supporting native seed banks or native plant nurseries; or**

2 **(c) Supporting and implementing green infrastructure master plans.**

3 **(2) The Department of Land Conservation and Development may enter into intergovern-**
4 **mental agreements under ORS chapter 190 with the Oregon Health Authority, the Oregon**
5 **Business Development Department, the Bureau of Labor and Industries, the State Depart-**
6 **ment of Agriculture, the Oregon Watershed Enhancement Board, the Department of Envi-**
7 **ronmental Quality, the State Parks and Recreation Department or an Indian tribe for the**
8 **purposes of assistance with:**

9 **(a) The design and implementation of the Community Green Infrastructure Grant Pro-**
10 **gram;**

11 **(b) Readiness to acquire and administer federal funding related to green infrastructure**
12 **projects; or**

13 **(c) Technical advice or feedback on the grant review process established under this sec-**
14 **tion.**

15 **(3) The Department of Land Conservation and Development shall enter into an intergove-**
16 **rnmental agreement under ORS chapter 190 with the State Forestry Department for the**
17 **purposes of assistance with:**

18 **(a) The design and implementation of the Community Green Infrastructure Grant Pro-**
19 **gram;**

20 **(b) Readiness to acquire and administer federal funding related to green infrastructure**
21 **projects; and**

22 **(c) Technical advice or feedback on the grant review process established under this sec-**
23 **tion.**

24 **(4) The Department of Land Conservation and Development shall enter into an intergove-**
25 **rnmental agreement under ORS chapter 190 with the Department of Transportation for the**
26 **purposes of assistance with:**

27 **(a) Technical advice regarding state transportation facilities and rights of way as they**
28 **relate to the design and implementation of the Community Green Infrastructure Grant**
29 **Program;**

30 **(b) Readiness to acquire and administer federal funding related to green infrastructure**
31 **projects; and**

32 **(c) Technical advice or feedback on the grant review process established under this sec-**
33 **tion.**

34 **(5)(a) A public body, a local workforce development board as defined in ORS 660.300, a**
35 **manufactured dwelling park nonprofit cooperative as defined in ORS 62.803, an Indian tribe,**
36 **a watershed council as defined in ORS 541.890, a nonprofit organization or a faith-based or-**
37 **ganization may apply for a grant under this section for the purpose of planning or developing**
38 **a community green infrastructure project or a green infrastructure economic development**
39 **project.**

40 **(b) An applicant for a grant for a community green infrastructure project or a green**
41 **infrastructure economic development project may partner with a state agency, a private**
42 **business with a business site in this state or an owner of rental property in this state.**

43 **(c) A grant for an approved application for a community green infrastructure project or**
44 **a green infrastructure economic development project will be awarded and released only to**
45 **an applicant described in paragraph (a) of this subsection.**

1 (d)(A) An application for a community green infrastructure project or a green
2 infrastructure economic development project must be drafted in consultation with the gov-
3 ernment of the city or county in which the project will be located and with the electric and
4 water utilities in whose service territory the project will be located.

5 (B) An application must include documentation of the consultations described in this
6 paragraph and demonstrate that feedback received as a result of consultation was incorpo-
7 rated into the application materials. If the application does not incorporate feedback from a
8 consulted party into the application, the applicant must provide an explanation of why the
9 feedback was not incorporated or provide a statement that no feedback was received from
10 that party.

11 (6)(a) An application for a grant under this section shall be in the form and manner
12 prescribed by the Department of Land Conservation and Development.

13 (b) An application for a grant to plan or develop a community green infrastructure
14 project or a green infrastructure economic development project must demonstrate that the
15 project:

16 (A) Is located in this state;

17 (B) Provides social, environmental or economic benefits to an environmental justice
18 community;

19 (C) Except for projects developed by an Indian tribe, has been or will be developed in
20 coordination with an environmental justice community that will benefit from the completion
21 of the project; and

22 (D) Has a plan for the maintenance of the project for at least three years or has re-
23 quested technical assistance for maintenance planning.

24 (c) An application for a grant for a native seed bank or native plant nursery must dem-
25 onstrate that the applicant qualifies as a native seed bank or a native plan nursery.

26 (d) An application for a grant for a green infrastructure master plan must demonstrate
27 how the long-term plan of the public body or tribal government involves the creation, pro-
28 tection or enhancement of green infrastructure.

29 (7) Upon receipt of an application submitted under this section, the Department of Land
30 Conservation and Development shall review the application and determine whether the ap-
31 plicant is eligible to receive a grant from the Community Green Infrastructure Grant Pro-
32 gram. The department may award grants based on the prioritizations established under
33 subsection (8) of this section. If the department denies a grant application, the department
34 shall provide the reason for the denial in writing.

35 (8) In awarding grants under the Community Green Infrastructure Grant Program, the
36 Department of Land Conservation and Development may give priority to projects:

37 (a) Involving large, low-maintenance, storm- and drought-resistant tree plantings;

38 (b) Involving plantings that include native plants or pollinator-friendly species;

39 (c) Involving tree plantings at or near school campuses, affordable housing, senior
40 housing, manufactured dwelling parks, recreational vehicle parks or public rights of way;

41 (d) That strengthen communities and fight displacement;

42 (e) That develop innovative solutions for using urban woody biomass;

43 (f) That are carried out by a city that has adopted a plan to increase urban tree canopy
44 cover and has entered into a long-term agreement with an Oregon nursery to supply trees
45 needed to carry out the plan; or

1 (g) That utilize a community's cultural practices to educate, and conserve and manage
2 resources for, future generations.

3 (9) To the maximum extent possible, community green infrastructure projects and green
4 infrastructure economic development projects shall:

5 (a) Minimize the vehicle miles traveled associated with all plant and tree stocks utilized
6 in the project;

7 (b) Include partnerships with green communities nurseries or nurseries defined in sec-
8 tion 23 (11)(b) of this 2023 Act;

9 (c) Utilize native plant stock that is grown from native seed banks or native seed recov-
10 ery and planting efforts; and

11 (d) Utilize climate-adaptive plant stock that is regionally native, drought and disease
12 tolerant and noninvasive.

13 (10) To the maximum extent possible, community green infrastructure projects and green
14 infrastructure economic development projects that occur on school campuses shall incorpo-
15 rate a curriculum or demonstration component to connect students to the project and pro-
16 vide education about:

17 (a) Green infrastructure;

18 (b) Careers in green infrastructure; and

19 (c) Cultural practices to educate, and conserve and manage resources for, future gener-
20 ations.

21 **SECTION 25.** (1) The Community Green Infrastructure Fund is established in the State
22 Treasury, separate and distinct from the General Fund. Interest earned by the Community
23 Green Infrastructure Fund shall be credited to the fund. Moneys in the fund are continuously
24 appropriated to the Department of Land Conservation and Development for the purpose of
25 carrying out section 24 of this 2023 Act, subject to the allocations described in subsection (2)
26 of this section.

27 (2) Of the moneys in the fund:

28 (a) 30 percent shall be allocated for grants to be awarded for planning or developing green
29 infrastructure economic development projects;

30 (b) 40 percent shall be allocated for grants to be awarded for entities or projects located
31 in green infrastructure improvement zones; and

32 (c) 30 percent shall be allocated for grants to be awarded to entities or projects in tribal,
33 rural, remote or coastal communities.

34 **SECTION 26.** (1) The Department of Land Conservation and Development may appoint
35 an Advisory Committee on Community Green Infrastructure Investment to provide consul-
36 tation on the implementation of section 24 of this 2023 Act. A committee appointed under
37 this section shall consist of at least one representative of each of the following interests:

38 (a) City governments;

39 (b) County governments;

40 (c) Special districts, irrigation districts or transportation districts;

41 (d) School districts;

42 (e) Environmental justice communities;

43 (f) The Oregon nursery industry;

44 (g) Educational institutes that train professionals in horticulture, urban forestry or other
45 green infrastructure professions;

1 (h) State or local parks and recreation agencies;

2 (i) Individuals with expertise in designing, constructing and maintaining green
3 infrastructure;

4 (j) Individuals with expertise in the public or community health benefits of green
5 infrastructure;

6 (k) Individuals with expertise in green workforce development or social enterprise mod-
7 els; and

8 (L) Individuals with expertise in green infrastructure projects in tribal, rural, remote or
9 coastal communities.

10 (2)(a) The department shall invite each of the federally recognized Indian tribes in Oregon
11 to participate in the advisory committee.

12 (b) Invitation to participate in the advisory committee is not in lieu of other forms of
13 tribal consultation, outreach or engagement that the department may engage in as necessary
14 to fulfill the purposes of sections 22 to 26 of this 2023 Act.

15 (3) No later than September 15 of each even-numbered year, the advisory committee shall
16 submit a report on the implementation of the Community Green Infrastructure Grant Pro-
17 gram to the appropriate interim committees of the Legislative Assembly, in the manner
18 provided by ORS 192.245.

19
20 **GREEN COMMUNITIES NURSERIES**

21
22 **SECTION 27.** (1) As used in this section, “Oregon nursery” has the meaning given that
23 term in section 23 of this 2023 Act.

24 (2) The State Department of Agriculture shall certify an Oregon nursery as a green
25 communities nursery if the nursery:

26 (a) Has practices in pest and disease management that satisfy standards established by
27 the department;

28 (b) Materially demonstrates a history of compliance with the rules and other require-
29 ments of state and local agencies with oversight regarding workers’ compensation, building
30 codes and occupational safety and health over a period of seven years or the life of the
31 nursery, whichever is shorter;

32 (c) Materially demonstrates a history of compliance with federal and state wage and hour
33 laws over a period of seven years or the life of the nursery, whichever is shorter; and

34 (d) Grows and maintains noninvasive nursery stock for the purposes of partnering with
35 communities or public bodies on green infrastructure projects.

36 (3) An Oregon nursery may apply for certification under this section in the form and
37 manner prescribed by the department.

38
39 **URBAN TREE CANOPIES**

40
41 **SECTION 28.** (1) The State Forestry Department shall acquire and maintain a statewide
42 urban tree canopy assessment tool.

43 (2) The assessment tool must provide geospatial mapping that includes:

44 (a) A visualization of urban tree canopies, viewable at the census tract level;

45 (b) Community demographic, economic, social and health data;

1 (c) A comprehensive inventory of tree canopies on public lands;

2 (d) Rights of way and their associated jurisdictions;

3 (e) An urban green space assessment that includes an evaluation of vegetation health and
4 a comparison of pervious surfaces to impervious surfaces within the green space; and

5 (f) An assessment of tree canopy and green space in the urban-rural gradient.

6 (3) The department may integrate the urban tree canopy assessment tool with data from
7 other agency mapping tools, including the environmental justice mapping tool developed
8 pursuant to section 12, chapter 58, Oregon Laws 2022.

9 (4) The department shall make the urban tree canopy assessment tool available on a
10 website maintained by the department, along with guidance for using the tool to promote
11 environmental, social and economic well-being.

12 (5) Using the urban tree canopy assessment tool, the department shall designate as green
13 infrastructure improvement zones areas of this state that have a high level of poverty den-
14 sity and any of the following:

15 (a) Low levels of tree canopy cover;

16 (b) Poor vegetation health;

17 (c) High risk of pests, disease or other threats to plant life; or

18 (d) Other needs for revegetation or holistic native plant restoration.

19 **SECTION 29.** (1) The State Forestry Department shall develop and implement a program
20 to provide technical and financial assistance to public bodies as defined in ORS 174.109, tribal
21 governments, watershed councils as defined in ORS 541.890 and community-based organiza-
22 tions for planning for, responding to and recovering from damage to habitats and urban tree
23 canopies due to pests, diseases or other natural or human-created conditions that lead to
24 loss of tree canopy, including but not limited to:

25 (a) Emerald ash borer infestation;

26 (b) Japanese beetle infestation;

27 (c) Sudden Oak Death;

28 (d) Pine bark beetle infestation;

29 (e) Climate change;

30 (f) Drought; or

31 (g) Wildfire.

32 (2) The program may include, but need not be limited to, assistance for:

33 (a) Vulnerability assessments;

34 (b) Tree inventories;

35 (c) Response and recovery plan development;

36 (d) Community engagement and community-led strategies; and

37 (e) Tree removal and replanting with species that are resistant to disease, pest and
38 drought.

39 (3) The department shall coordinate with the State Department of Agriculture to support
40 program activities related to any pests or diseases subject to quarantine under the laws of
41 this state or of the United States.

42
43 COLLEGE OF FORESTRY, OREGON STATE UNIVERSITY:
44 LOW CARBON FUELS FROM WOODY BIOMASS RESIDUES
45

1 **SECTION 30.** (1) The College of Forestry at Oregon State University, in collaboration
2 with the Department of Environmental Quality and the State Forestry Department, shall
3 conduct research to develop methodologies and data necessary to establish fuel pathways,
4 consistent with the clean fuels program adopted under ORS 468A.265 to 468A.277, for low
5 carbon fuels derived from woody biomass residues from forestry operations. In carrying out
6 the research under this section, the College of Forestry shall:

7 (a) Coordinate with the Department of Environmental Quality to ensure that the meth-
8 odologies and data are consistent with the methodologies and data used to determine
9 lifecycle greenhouse gas emissions and carbon intensity under the clean fuels program.

10 (b) Research any methods to convert biomass feedstocks to low carbon fuels, with par-
11 ticular focus on wood slash piles that would otherwise be burned on lands managed by the
12 State Forester or lands used by the College of Forestry to carry out research.

13 (2) No later than July 31, 2025, the College of Forestry shall submit its findings in a re-
14 port, in the manner provided by ORS 192.245, to the interim committees of the Legislative
15 Assembly related to natural resources. The report must include, but need not be limited to:

16 (a) Progress in establishing fuel pathways and carbon intensity values for low carbon
17 fuels derived from woody biomass residues from forestry operations; and

18 (b) The impact converting woody biomass residues to low carbon fuels has on:

19 (A) Greenhouse gas and black carbon emissions;

20 (B) Snowpack in the Cascade Mountains;

21 (C) Water quality and drought; and

22 (D) Wildfire.

23 (3) The College of Forestry may collaborate with the Department of Environmental
24 Quality or any other relevant state agency to prepare the report described in subsection (2)
25 of this section.

26 **SECTION 31.** ORS 530.050 is amended to read:

27 530.050. Under the authority and direction of the State Board of Forestry except as otherwise
28 provided for the sale of forest products, the State Forester shall manage the lands acquired pursuant
29 to ORS 530.010 to 530.040 so as to secure the greatest permanent value of those lands to the state,
30 and to that end may:

31 (1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with
32 persons owning lands within the state in the protection of the lands and enter into all agreements
33 necessary or convenient for the protection of the lands.

34 (2) Sell forest products from the lands, and execute mining leases and contracts as provided for
35 in ORS 273.551.

36 (3) Enter into and administer contracts for the sale of timber from lands owned or managed by
37 the State Board of Forestry and the State Forestry Department.

38 (4) Enter into and administer contracts for activities necessary or convenient for the sale of
39 timber under subsection (3) of this section, either separately from or in conjunction with contracts
40 for the sale of timber, including but not limited to activities such as timber harvesting and sorting,
41 transporting, gravel pit development or operation, and road construction, maintenance or improve-
42 ment.

43 (5) Permit the use of the lands for other purposes, including but not limited to forage and browse
44 for domestic livestock, fish and wildlife environment, landscape effect, protection against floods and
45 erosion, recreation, and protection of water supplies when, in the opinion of the board, the use is

1 not detrimental to the best interest of the state.

2 (6) Grant easements, permits and licenses over, through and across the lands. The State Forester
3 may require and collect reasonable fees or charges relating to the location and establishment of
4 easements, permits and licenses granted by the state over the lands. The fees and charges collected
5 shall be used exclusively for the expenses of locating and establishing the easements, permits and
6 licenses under this subsection and shall be placed in the State Forestry Department Account.

7 (7) Require and collect fees or charges for the use of state forest roads. The fees or charges
8 collected shall be used exclusively for purposes of maintenance and improvements of the roads and
9 shall be placed in the State Forestry Department Account.

10 (8) Reforest the lands and cooperate with the counties, and with persons owning timberlands
11 within the state, in the reforestation, and make all agreements necessary or convenient for the
12 reforestation.

13 (9) Require such undertakings as in the opinion of the board are necessary or convenient to
14 secure performance of any contract entered into under the terms of this section or ORS 273.551.

15 (10) Sell rock, sand, gravel, pumice and other such materials from the lands. The sale may be
16 negotiated without bidding, provided the appraised value of the materials does not exceed \$2,500.

17 (11) Enter into agreements, each for not more than 10 years duration, for the production of mi-
18 nor forest products.

19 (12) Establish a forestry carbon offset program to market, register, transfer or sell forestry
20 carbon offsets. In establishing the program, the forester may:

21 (a) Execute any contracts or agreements necessary to create opportunities for the creation of
22 forestry carbon offsets; and

23 (b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of
24 forestry carbon offsets.

25 **(13) Establish a forestry renewable woody biomass conversion program to market, reg-
26 ister, transfer or sell forestry woody biomass conversion oftakes. In establishing the pro-
27 gram, the forester may:**

28 **(a) Execute any contracts or agreements necessary to create opportunities for the cre-
29 ation of forestry woody biomass conversion oftakes; and**

30 **(b) Negotiate prices that are at, or greater than, fair market value for the transfer or
31 sale of forestry woody biomass conversion oftakes.**

32 ~~[(13)]~~ (14) Do all things and make all rules, not inconsistent with law, necessary or convenient
33 for the management, protection, utilization and conservation of the lands.

34
35 **REBATE PROGRAM FOR MEDIUM AND HEAVY DUTY**
36 **ZERO-EMISSION VEHICLES**
37

38 **SECTION 32. Sections 33 and 34 of this 2023 Act are added to and made a part of ORS**
39 **chapter 468.**

40 **SECTION 33. (1) As used in this section, “qualifying vehicle” means a motor vehicle, as**
41 **defined in ORS 801.360, or a combination of vehicles operated as a unit, that:**

42 **(a) Has a gross vehicle weight rating of 8,501 pounds or greater;**

43 **(b) Has a drivetrain that produces zero exhaust emissions of any criteria pollutant or**
44 **greenhouse gas; and**

45 **(c) Meets other criteria established by the Environmental Quality Commission by rule.**

1 **(2) The Department of Environmental Quality shall establish a program for providing**
2 **rebates to persons that purchase or lease qualifying vehicles for use in this state. The Di-**
3 **rector of the Department of Environmental Quality may hire or contract with a third-party**
4 **nonprofit organization to implement and serve as the administrator of the program required**
5 **by this section.**

6 **(3) The department may:**

7 **(a) Specify design features for the program; and**

8 **(b) Establish procedures to:**

9 **(A) Prioritize available moneys for specific qualifying vehicles;**

10 **(B) Limit the number of rebates available for each type of qualifying vehicle; and**

11 **(C) Limit the number of rebates available per applicant.**

12 **(4) The purchaser or lessee of a qualifying vehicle may apply for a rebate or may choose**
13 **to assign the rebate to a vehicle dealer.**

14 **(5) Rebates under the program shall be made from moneys credited to or deposited in the**
15 **Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund established under section 34**
16 **of this 2023 Act.**

17 **(6)(a) The department shall prescribe the rebate application procedure for purchasers and**
18 **lessees.**

19 **(b) The department may establish a dealer application or individual application procedure.**

20 **(c) All rebate applications must include a declaration under penalty of perjury in the**
21 **form required by ORCP 1 E.**

22 **(7)(a) Rebates for qualifying vehicles shall be set annually at amounts determined by the**
23 **Environmental Quality Commission by rule.**

24 **(b) The commission may establish separate rebate amounts for different classes of vehi-**
25 **cles.**

26 **(c) The commission may establish an additional rebate for the purchase or lease of**
27 **qualifying vehicles that will be registered to an address, or frequently operated, in an area**
28 **of this state that is disproportionately burdened by air pollution as determined by the com-**
29 **mission.**

30 **(8) To be eligible for a rebate, a person requesting a rebate under the program shall:**

31 **(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 36**
32 **months.**

33 **(b) Provide proof of an intent to operate the qualifying vehicle primarily in this state,**
34 **which must be satisfied by providing proof of registration of the qualifying vehicle in Oregon,**
35 **which may include proof of proportional registration under ORS 826.009 or 826.011 issued by**
36 **the Department of Transportation.**

37 **(c) Submit an application for a rebate to the administrator of the program within three**
38 **months after the date of purchase of the qualifying vehicle or three months after the date**
39 **the lease of the qualifying vehicle begins.**

40 **(d) Retain registration of the qualifying vehicle for a minimum of 36 consecutive months**
41 **after the date of purchase or the date the lease begins.**

42 **(9)(a) More than 50 percent of the operation of the qualifying vehicle must occur in**
43 **Oregon.**

44 **(b) In each of the three years following receipt of a rebate, a rebate recipient shall:**

45 **(A) Maintain records of the miles driven or hours of use for the qualifying vehicle and**

1 whether the miles driven or hours used occurred in Oregon; and

2 (B) Provide an annual report to the department to demonstrate that more than 50 per-
3 cent of the miles driven or hours of use of the qualifying vehicle occurred in Oregon.

4 (10) A rebate recipient may not make or allow any modifications to the qualifying
5 vehicle's emissions control systems, hardware or software calibrations.

6 (11)(a) If a rebate recipient sells the qualifying vehicle or terminates the qualifying ve-
7 hicle lease before the end of 36 months, the rebate recipient shall:

8 (A) Notify the administrator of the program of the sale; and

9 (B) Reimburse the administrator for the rebate in a prorated amount based on the
10 number of months that the rebate recipient owned or leased the qualifying vehicle.

11 (b) The administrator may waive the reimbursement requirement under paragraph (a)
12 of this subsection if the administrator determines that a waiver is appropriate given un-
13 foreseeable or unavoidable circumstances that gave rise to a need for the rebate recipient
14 to sell the qualifying vehicle or terminate the qualifying vehicle lease before the end of 36
15 months.

16 (12) Rebate recipients are required to participate in ongoing research efforts, if requested
17 to do so by the administrator.

18 (13) The administrator of the program shall work to ensure timely payment of rebates
19 with a goal of paying rebates within 90 days after receiving an application for a rebate.

20 (14) A vehicle dealer may advertise the program on the premises owned or operated by
21 the vehicle dealer. If no moneys are available from the program or the program otherwise
22 changes, a vehicle dealer who advertises the program may not be held liable for advertising
23 false or misleading information.

24 (15) The department may perform activities necessary to ensure that recipients of re-
25 bates under this section comply with applicable requirements. If the department determines
26 that a recipient has not complied with applicable requirements, the department may order
27 the recipient to refund all rebate moneys and may impose penalties pursuant to ORS 468.140.

28 (16) The commission may adopt any rules necessary to carry out the provisions of this
29 section.

30 **SECTION 34.** (1) The Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund is
31 established in the State Treasury, separate and distinct from the General Fund. Interest
32 earned by the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall be cred-
33 ited to the fund.

34 (2) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall
35 consist of:

36 (a) Amounts donated to the fund;

37 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
38 sembly;

39 (c) Other amounts deposited in the fund from any public or private source; and

40 (d) Interest earned by the fund.

41 (3) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund are
42 continuously appropriated to the Department of Environmental Quality to be used to carry
43 out the provisions of section 33 of this 2023 Act.

44 (4) No more than 15 percent of the moneys deposited in the Zero-Emission Medium and
45 Heavy Duty Vehicle Incentive Fund per biennium may be expended to pay administrative

1 expenses incurred in the administration of section 33 of this 2023 Act by:

2 (a) The department; or

3 (b) Any third-party organization that the department hires or contracts with under sec-
4 tion 33 of this 2023 Act.

5 (5)(a) The Environmental Quality Commission shall require by rule that at least 40 per-
6 cent of the moneys deposited in the fund per biennium are allocated to fund the provision
7 of rebates for vehicles located in communities disproportionately burdened by diesel pol-
8 lution, as described in section 33 (7)(c) of this 2023 Act.

9 (b) Notwithstanding paragraph (a) of this subsection, if the department determines that
10 the total amount of rebates provided to applicants eligible for the rebate described in section
11 33 (7)(c) of this 2023 Act is unlikely to exceed 40 percent of the total amount of moneys de-
12 posited in the fund during a biennium, the department may release moneys allocated under
13 paragraph (a) of this subsection to be used for the provision of any rebate under section 33
14 of this 2023 Act.

15
16 **FINDING OPPORTUNITIES AND**
17 **REDUCING CONFLICT IN SITING PHOTOVOLTAIC**
18 **SOLAR POWER GENERATION FACILITIES**
19

20 **SECTION 35.** (1) On or before November 3, 2023, the Land Conservation and Development
21 Commission shall adopt rules to allow a local government to consider a photovoltaic solar
22 power generation facility a rural industrial use for purposes of justifying a reason for an
23 exception under ORS 197.732 (2)(c)(A).

24 (2) On or before July 1, 2025, the commission shall adopt rules:

25 (a) Establishing criteria through which local governments may be permitted or required
26 to allow the siting of a photovoltaic solar power generation facility, including criteria that
27 consider:

28 (A) Potential conflicts with other resource lands; and

29 (B) Soliciting public feedback from neighboring landowners or residents; and

30 (b) Identifying the characteristics of lands in Eastern Oregon, as defined in ORS 321.700,
31 best suited for counties to allow, encourage and incentivize photovoltaic solar power gener-
32 ation facilities, based on consideration of:

33 (A) The land's suitability for contributing to the state's clean energy goals;

34 (B) Site characteristics, resource potential, proximity to current and future transmission
35 access and locations for potential interconnection; and

36 (C) The ability to readily avoid negative impacts on natural resources, forestry, habitat,
37 agriculture, community needs and historic, cultural or archeological resources, or to readily
38 minimize or mitigate those negative impacts.

39 **SECTION 36.** The Department of Land Conservation and Development may enter into
40 intergovernmental agreements under ORS chapter 190 with other state agencies, tribal gov-
41 ernments and counties, for the purposes of:

42 (1) Supporting the Land Conservation and Development Commission in adopting rules
43 under section 35 of this 2023 Act;

44 (2) Furnishing information or technical assistance;

45 (3) Providing feedback on the membership and work of the Rules Advisory Committee for

1 **Siting Photovoltaic Solar Power Generation Facilities established under section 37 of this**
2 **2023 Act;**

3 **(4) Identifying opportunities to streamline permitting and review processes across and**
4 **between state agencies; and**

5 **(5) With regard to tribal governments, consulting on how best to protect historic, cul-**
6 **tural or archeological resources without revealing sensitive information.**

7 **SECTION 37. (1) The Rules Advisory Committee for Siting Photovoltaic Solar Power**
8 **Generation Facilities is established to serve as an advisory committee, as described in ORS**
9 **183.333, to the Land Conservation and Development Commission in adopting administrative**
10 **rules under section 35 (2) of this 2023 Act.**

11 **(2) The Department of Land Conservation and Development shall appoint the members**
12 **of the rules advisory committee. In appointing members, the department shall solicit and**
13 **consider recommendations for membership from:**

14 **(a) Public bodies;**

15 **(b) Tribal governments;**

16 **(c) Federal and state agencies;**

17 **(d) Energy, community and conservation advocates; and**

18 **(e) Individuals who have expertise in the energy or natural resources industries, includ-**
19 **ing renewable energy developers, utilities and agricultural producer associations.**

20 **(3) The membership of the rules advisory committee shall consist of at least 17 members,**
21 **including:**

22 **(a) At least two members representing a tribal government or county;**

23 **(b) At least one member who represents public bodies;**

24 **(c) At least one member who represents small-scale renewable energy developers;**

25 **(d) At least one member who represents large-scale renewable energy developers;**

26 **(e) At least one member who has expertise in community renewable energy development;**

27 **(f) At least one member who has expertise in renewable energy siting, policy or planning;**

28 **(g) At least one member who has expertise in transmission siting;**

29 **(h) At least one member who represents electric utilities, as defined in ORS 757.600;**

30 **(i) At least one member who represents the labor interests of the clean energy or**
31 **renewable energy workforce;**

32 **(j) At least one member who represents environmental justice communities, as defined**
33 **in ORS 469A.400;**

34 **(k) At least one member who represents owners of irrigated or dryland farmland or**
35 **rangeland;**

36 **(L) At least one member who has expertise in habitat conservation, preservation and**
37 **restoration;**

38 **(m) At least one member who has expertise in land and water use;**

39 **(n) At least one member who has expertise in rural economic development;**

40 **(o) At least one member who has expertise in industrial forestland management; and**

41 **(p) At least one member who has expertise in small woodland management.**

42 **(4) In addition to its duties under subsection (1) of this section, the rules advisory com-**
43 **mittee shall prepare a report that includes:**

44 **(a) A summary of the rules adopted under section 35 of this 2023 Act;**

45 **(b) Review of renewable energy siting assessment tools used by the State Department of**

1 Energy and recommendations regarding missing or outdated data sets;

2 (c) Review of existing practices relating to mitigation of impacts of photovoltaic solar
3 power generation facilities and transmission development and recommendations for:

4 (A) Mitigating impacts on farming practices on agricultural lands through best practices
5 and land use regulations;

6 (B) Mitigating impacts on fish and wildlife habitat in accordance with the policies de-
7 scribed under ORS 496.012 and 506.109;

8 (C) Supporting certainty for developers regarding mitigation requirements within the
9 siting process; and

10 (D) Identifying characteristics and considerations of regional and local habitats that may
11 require specific mitigation practices; and

12 (d) Recommendations for technical assistance resources to support county siting pro-
13 cesses and the engagement of public bodies, tribal governments and communities in the sit-
14 ing process for renewable energy and transmission development.

15 (5)(a) On or before September 15, 2025, the Department of Land Conservation and De-
16 velopment shall provide an interim copy of the report under subsection (4) of this section to
17 an appropriate interim committee of the Legislative Assembly in the manner provided in
18 ORS 192.245.

19 (b) On or before December 31, 2025, the department shall provide a copy of the final re-
20 port under subsection (4) of this section to, and seek feedback from:

21 (A) Regional energy planning entities;

22 (B) The Energy Facility Siting Council;

23 (C) The Environmental Justice Council;

24 (D) The Land Conservation and Development Commission;

25 (E) The State Department of Fish and Wildlife;

26 (F) The State Department of Agriculture; and

27 (G) Relevant federal agencies, including the United States Department of Defense, the
28 Bureau of Land Management, the United States Forest Service and the Bonneville Power
29 Administration.

30 (6) A majority of the members of the rules advisory committee constitutes a quorum for
31 the transaction of business.

32 (7) Official action by the rules advisory committee requires the approval of a majority
33 of the members of the rules advisory committee.

34 (8) The rules advisory committee may adopt rules necessary for the operation of the
35 rules advisory committee and form subcommittees.

36 (9) In addition to other scheduled meetings, the rules advisory committee shall also meet
37 at least four times a year in different parts of this state where there is considered, planned
38 or ongoing renewable energy and transmission development.

39 (10) In performing their duties under this section, the Department of Land Conservation
40 and Development and the rules advisory committee shall coordinate with and support any
41 efforts to establish a statewide energy strategy.

42 (11) The department shall contract with a third party or parties to provide support to the
43 rules advisory committee, including support related to:

44 (a) Facilitating and coordinating meetings; and

45 (b) Furnishing data, maps and technical assistance.

1 (12) A member of the rules advisory committee is entitled to compensation and expenses
2 as provided in ORS 292.495.

3 **SECTION 37a.** Sections 36 and 37 of this 2023 Act are repealed on January 2, 2026.

4 **NOTE:** Section 38 was deleted by amendment. Subsequent sections were not renumbered.

5
6 **OREGON CLIMATE ACTION COMMISSION**
7

8 **SECTION 39.** ORS 468A.210 is amended to read:

9 468A.210. As used in ORS [352.823 and] 468A.200 to 468A.260:

10 (1) "Global warming" means an increase in the average temperature of the earth's atmosphere
11 that is associated with the release of greenhouse gases.

12 (2) "Greenhouse gas" means any gas that contributes to anthropogenic global warming includ-
13 ing, but not limited to, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons
14 and sulfur hexafluoride.

15 [(3) "Greenhouse gas cap-and-trade system" means a system that:]

16 [(a) Establishes a total cap on greenhouse gas emissions from an identified group of emitters;]

17 [(b) Establishes a market for allowances that represent emissions; and]

18 [(c) Allows trading of allowances among greenhouse gas emitters.]

19 **SECTION 40.** ORS 468A.215 is amended to read:

20 468A.215. (1) There is created the Oregon [Global Warming] **Climate Action** Commission. The
21 commission shall consist of [25] **35** members, including [11] **13** voting members appointed by the
22 Governor under this section and [14] **22** [ex officio] nonvoting members specified in ORS 468A.220.

23 (2) Members of the commission appointed under this section shall be appointed so as to be rep-
24 resentative of the social, environmental, cultural and economic diversity of the state and to be rep-
25 resentative of the policy, science, education and implementation elements of the efforts to reduce
26 greenhouse gas emissions and to prepare Oregon for the effects of global warming. Of the members
27 appointed by the Governor under this section:

28 (a) One member shall have significant experience in manufacturing;

29 (b) One member shall have significant experience in energy;

30 (c) One member shall have significant experience in transportation;

31 (d) One member shall have significant experience in forestry;

32 (e) One member shall have significant experience in agriculture; [and]

33 (f) One member shall have significant experience in environmental policy[.];

34 **(g) One member shall have significant experience in environmental justice;**

35 **(h) One member shall be appointed as a youth representative, who must be at least 16**
36 **but no more than 24 years of age when appointed; and**

37 **(i) One member shall have significant experience in the fishing industry.**

38 (3) The Governor shall select a chairperson and a vice chairperson from among the members
39 appointed under this section.

40 (4) The term of office of a member appointed under this section is four years, **except that the**
41 **term of office of the member appointed as a youth representative is two years.** Before the
42 expiration of the term of a member, the Governor shall appoint a successor whose term begins on
43 January 31 next following. A member appointed under this section is eligible for reappointment. In
44 case of vacancy for any cause, the Governor shall make an appointment to become immediately ef-
45 fective for the unexpired term.

1 (5) The members of the commission appointed under this section must be residents of this state.
2 Failure of a member to maintain compliance with the eligibility requirements related to the
3 member's appointment shall result in disqualification from serving on the commission.

4 (6) Voting members of the commission appointed under this section are entitled to expenses as
5 provided in ORS 292.495 (2).

6 **SECTION 41.** ORS 468A.220 is amended to read:

7 468A.220. (1) In addition to the members appointed under ORS 468A.215, the Oregon [*Global*
8 *Warming*] **Climate Action** Commission includes the following [*ex officio*] nonvoting members:

- 9 (a) The Director of the State Department of Energy;
- 10 (b) The Director of Transportation;
- 11 (c) The chairperson of the Public Utility Commission of Oregon;
- 12 (d) The Director of the Department of Environmental Quality;
- 13 (e) The Director of Agriculture;
- 14 (f) The State Forester;
- 15 (g) The Water Resources Director; [*and*]
- 16 **(h) The Director of the Department of Land Conservation and Development;**
- 17 **(i) The Director of the Oregon Health Authority;**
- 18 **(j) The Director of the Oregon Business Development Department;**
- 19 **(k) The Director of the Oregon Department of Administrative Services;**
- 20 **(L) The Director of the Department of Consumer and Business Services;**
- 21 **(m) The State Fish and Wildlife Director;**
- 22 **(n) The Director of the Housing and Community Services Department;**
- 23 **(o) The executive director of the Oregon Watershed Enhancement Board; and**

24 [*h*] **(p)** Three additional [*ex officio*] nonvoting members, each from a state agency or an aca-
25 demic institution.

26 (2) The following representatives of the Legislative Assembly also shall serve as [*ex officio*]
27 nonvoting members:

28 (a) Two members of the Senate, not from the same political party, appointed by the President
29 of the Senate; and

30 (b) Two members of the House of Representatives, not from the same political party, appointed
31 by the Speaker of the House of Representatives.

32 (3) Each legislative member serves at the pleasure of the appointing authority and may serve
33 so long as the member remains in the chamber of the Legislative Assembly from which the member
34 was appointed.

35 (4) Notwithstanding ORS 171.072, members of the commission who are members of the Legisla-
36 tive Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on the
37 commission.

38 **SECTION 42.** ORS 468A.225 is amended to read:

39 468A.225. (1) A majority of the **voting** members of the Oregon [*Global Warming*] **Climate Action**
40 Commission constitutes a quorum for the transaction of business.

41 (2) The commission shall meet at times and places specified by a majority of the members of the
42 commission.

43 (3) The State Department of Energy shall provide clerical, technical and management personnel
44 to serve the commission. [*Other agencies shall provide support as requested by the department or the*
45 *commission.*]

1 (4) In order to assist the commission in its duties, state agencies shall regularly report
2 to the commission on the respective state agencies' efforts to make progress toward the
3 greenhouse gas emissions reduction goals established by ORS 468A.205 and to prepare for the
4 effects of global warming.

5 **SECTION 43.** ORS 468A.230 is amended to read:

6 468A.230. The Oregon [*Global Warming*] **Climate Action** Commission may adopt by rule such
7 standards and procedures as it considers necessary for the operation of the commission.

8 **SECTION 44.** ORS 468A.235 is amended to read:

9 468A.235. The Oregon [*Global Warming*] **Climate Action** Commission shall recommend ways to
10 coordinate state and local efforts to reduce greenhouse gas emissions in Oregon consistent with the
11 greenhouse gas emissions reduction goals established by ORS 468A.205 and shall recommend efforts
12 to help Oregon prepare for the effects of global warming. The Office of the Governor and state
13 agencies working on multistate and regional efforts to reduce greenhouse gas emissions shall inform
14 the commission about these efforts and shall consider input from the commission for such efforts.

15 **SECTION 45.** ORS 468A.240 is amended to read:

16 468A.240. (1) In furtherance of the greenhouse gas emissions reduction goals established by ORS
17 468A.205, the Oregon [*Global Warming*] **Climate Action** Commission may recommend statutory and
18 administrative changes, policy measures and other recommendations to be carried out by state and
19 local governments, businesses, nonprofit organizations or residents. In developing its recommen-
20 dations, the commission shall consider economic, environmental, health and social costs, and the
21 risks and benefits of alternative strategies, including least-cost options. The commission shall solicit
22 and consider public comment relating to statutory, administrative or policy recommendations.

23 [(2) *The commission shall examine greenhouse gas cap-and-trade systems, including a statewide*
24 *and multistate carbon cap-and-trade system and market-based mechanisms, as a means of achieving the*
25 *greenhouse gas emissions reduction goals established by ORS 468A.205.]*

26 [(3)] (2) The commission shall examine possible funding mechanisms to obtain low-cost
27 greenhouse gas emissions reductions and energy efficiency enhancements, including but not limited
28 to those in the natural gas industry.

29 **SECTION 46.** ORS 468A.245 is amended to read:

30 468A.245. The Oregon [*Global Warming*] **Climate Action** Commission shall develop an outreach
31 strategy to educate Oregonians about the scientific aspects and economic impacts of global warming
32 and to inform Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the
33 effects of global warming. The commission, at a minimum, shall work with state and local govern-
34 ments, the State Department of Energy, the Department of Education, the Higher Education Coor-
35 dinating Commission and businesses to implement the outreach strategy.

36 **SECTION 47.** ORS 468A.250 is amended to read:

37 468A.250. (1) The Oregon [*Global Warming*] **Climate Action** Commission shall track and evalu-
38 ate:

39 (a) Economic, environmental, health and social assessments of global warming impacts on
40 Oregon and the Pacific Northwest;

41 (b) Existing greenhouse gas emissions reduction policies and measures;

42 (c) Economic, environmental, health and social costs, and the risks and benefits of alternative
43 strategies, including least-cost options;

44 (d) The physical science of global warming;

45 (e) Progress toward the greenhouse gas emissions reduction goals established by ORS 468A.205;

1 (f) Greenhouse gases emitted by various sectors of the state economy, including but not limited
2 to industrial, transportation and utility sectors;

3 (g) Technological progress on sources of energy the use of which generates no or low
4 greenhouse gas emissions and methods for carbon sequestration;

5 (h) Efforts to identify the greenhouse gas emissions attributable to the residential and commer-
6 cial building sectors;

7 (i) The carbon sequestration potential of Oregon's [*forests*] **natural and working lands**, alter-
8 native methods of [*forest*] **land** management that can increase carbon sequestration and reduce the
9 loss of carbon sequestration to wildfire, changes in the mortality and distribution of tree and other
10 plant species and the extent to which carbon is stored in tree-based building materials;

11 (j) The advancement of regional, national and international policies to reduce greenhouse gas
12 emissions;

13 (k) Local and regional efforts to prepare for the effects of global warming; and

14 (L) Any other information, policies or analyses that the commission determines will aid in the
15 achievement of the greenhouse gas emissions reduction goals established by ORS 468A.205.

16 (2) The commission shall:

17 (a) Work with the State Department of Energy and the Department of Environmental Quality
18 to evaluate all gases with the potential to be greenhouse gases and to determine a carbon dioxide
19 equivalency for those gases; [*and*]

20 (b) Use regional and national baseline studies of building performance to identify incremental
21 targets for the reduction of greenhouse gas emissions attributable to residential and commercial
22 building construction and operations[.];

23 **(c) Prepare a detailed forecast of expected greenhouse gas emissions reductions; and**

24 **(d)(A) Periodically evaluate the greenhouse gas emissions reduction goals established by**
25 **ORS 468A.205 and, as necessary, make recommendations to the Legislative Assembly for**
26 **updating those goals based on the best available science.**

27 **(B) At a minimum, the commission shall complete an evaluation and provide any rec-**
28 **ommendations to the Legislative Assembly, in the manner provided in ORS 192.245, no later**
29 **than 18 months after the date on which the United Nations Intergovernmental Panel on**
30 **Climate Change publishes a synthesis report or the United States Global Change Research**
31 **Program publishes a national climate assessment.**

32 **SECTION 48.** ORS 468A.255 is amended to read:

33 468A.255. The Oregon [*Global Warming*] **Climate Action** Commission may recommend to the
34 Governor the formation of citizen advisory groups to explore particular areas of concern with regard
35 to the reduction of greenhouse gas emissions and the effects of global warming.

36 **SECTION 49.** ORS 468A.260 is amended to read:

37 468A.260. The Oregon [*Global Warming*] **Climate Action** Commission shall submit a report to
38 the Legislative Assembly, in the manner provided by ORS 192.245, by [*March 31*] **December 1**
39 of each [*odd-numbered*] **even-numbered** year that describes Oregon's progress toward achievement of
40 the greenhouse gas emissions reduction goals established by ORS 468A.205. The report may include
41 relevant issues and trends of significance, including trends of greenhouse gas emissions, emerging
42 public policy and technological advances. The report also may discuss measures the state may adopt
43 to mitigate the impacts of global warming on the environment, the economy and the residents of
44 Oregon and to prepare for those impacts.

45 **SECTION 50.** ORS 352.823 is amended to read:

1 352.823. (1) The Oregon Climate Change Research Institute is established at Oregon State Uni-
2 versity. In administering the institute, Oregon State University may seek the cooperation of other
3 public universities listed in ORS 352.002.

4 (2) The purpose of the Oregon Climate Change Research Institute is to:

5 (a) Facilitate research by faculty at public universities listed in ORS 352.002 on climate change
6 and its effects on natural and human systems in Oregon;

7 (b) Serve as a clearinghouse for climate change information;

8 (c) Provide climate change information to the public in integrated and accessible formats;

9 (d) Support the Oregon [*Global Warming*] **Climate Action** Commission in developing strategies
10 to prepare for and to mitigate the effects of climate change on natural and human systems; and

11 (e) Provide technical assistance to local governments to assist them in developing climate
12 change policies, practices and programs.

13 (3) The Oregon Climate Change Research Institute shall assess, at least once each biennium, the
14 state of climate change science, including biological, physical and social science, as it relates to
15 Oregon and the likely effects of climate change on the state. The institute shall submit the assess-
16 ment to the Legislative Assembly in the manner provided in ORS 192.245 and to the Governor.

17 (4) State agencies may contract with the Oregon Climate Change Research Institute to fulfill
18 agency needs regarding the collection, storage, integration, analysis, dissemination and monitoring
19 of climate change information, research and training.

20 **SECTION 51. (1) The amendments to ORS 352.823, 468A.215, 468A.220, 468A.225, 468A.230,**
21 **468A.235, 468A.240, 468A.245, 468A.250, 468A.255 and 468A.260 by sections 40 to 50 of this 2023**
22 **Act are intended to change the name of the “Oregon Global Warming Commission” to the**
23 **“Oregon Climate Action Commission.”**

24 **(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**
25 **may substitute for words designating the “Oregon Global Warming Commission,” wherever**
26 **they occur in statutory law, other words designating the “Oregon Climate Action Commis-**
27 **sion.”**

28
29 **OPPORTUNITIES TO REDUCE OREGON’S**
30 **CONSUMPTION-BASED GREENHOUSE GAS EMISSIONS**

31
32 **SECTION 52. (1) The Department of Environmental Quality, in consultation with the**
33 **Oregon Climate Action Commission, shall evaluate opportunities to reduce Oregon’s**
34 **consumption-based greenhouse gas emissions. The department shall present its findings in**
35 **a report submitted in the manner provided in ORS 192.245, and may include recommendations**
36 **for legislation, to the interim committees of the Legislative Assembly related to the envi-**
37 **ronment, and the commission, no later than September 15, 2024.**

38 **(2) The report under this section must:**

39 **(a) Update Oregon’s consumption-based greenhouse gas emissions inventory;**

40 **(b) Identify opportunities to reduce consumption-based greenhouse gas emissions through**
41 **materials management or other state programs or policies;**

42 **(c) Include recommendations for regularly updating the consumption-based greenhouse**
43 **gas emissions inventory; and**

44 **(d) Evaluate the effects of consumption-based greenhouse gas emissions reductions,**
45 **taking into account economic, social and environmental factors.**

STATE POLICY FOR NATURAL CLIMATE SOLUTIONS

SECTION 53. As used in sections 53 to 63 of this 2023 Act:

(1) “Biological carbon sequestration” means the removal of carbon from the atmosphere by plants and microorganisms and storage of carbon dioxide in vegetation, such as grasslands, marshes or forests, or in soils and oceans.

(2) “Climate resilience” means the capability to anticipate, prepare for, respond to and recover from significant climate-related threats while minimizing damage to social well-being, the economy and ecosystem functions.

(3) “Environmental justice community” has the meaning given that term in ORS 182.535.

(4) “Natural and working lands” means:

(a) Lands:

(A) Actively used by an agricultural owner or operator for an agricultural operation, including but not limited to active engagement in farming or ranching;

(B) Producing forest products;

(C) Consisting of forests, woodlands, grasslands, sagebrush steppes, deserts, freshwater and riparian systems, wetlands, coastal and estuarine areas or the submerged and submersible lands within Oregon’s territorial sea and marine habitats associated with those lands;

(D) That are privately owned and that are eligible for special assessment under ORS chapter 308A;

(E) Used for recreational purposes, including, but not limited to, parks, trails, greenbelts and other similar open space lands; or

(F) Consisting of trees, other vegetation and soils in urban and near-urban areas, including, but not limited to, urban watersheds, street trees, park trees, residential trees and riparian habitats; and

(b) Lands described in paragraph (a) of this subsection that are:

(A) Held in trust by the United States for the benefit of any of the nine federally recognized Indian tribes in this state;

(B) Held in trust by the United States for the benefit of individual members of any of the nine federally recognized Indian tribes in this state;

(C) Within the boundaries of the reservation of any of the nine federally recognized Indian tribes in this state; or

(D) Otherwise owned or controlled by any of the nine federally recognized Indian tribes in this state.

(5) “Natural climate solution” means an activity that enhances or protects net biological carbon sequestration on natural and working lands, while maintaining or increasing ecosystem resilience and human well-being.

SECTION 54. The Legislative Assembly declares that it is the policy of this state to:

(1) Implement strategies to advance natural climate solutions to mitigate the future impacts of climate change.

(2) Invest in research to improve our understanding of:

(a) The effects of natural climate solutions on natural and working lands;

(b) The climate, ecosystem and carbon benefits of products from natural and working lands;

1 (c) The contributions of natural climate solutions to reducing greenhouse gas emissions,
2 increasing net carbon sequestration and storage and strengthening climate resilience; and

3 (d) The cobenefits that communities and Indian tribes derive from natural climate sol-
4 utions.

5 (3) Incentivize and implement natural climate solutions by:

6 (a) Securing and leveraging federal and private investments in natural climate solutions
7 on natural and working lands;

8 (b) Prioritizing the use of existing programs;

9 (c) Ensuring equitable benefits of climate mitigation for environmental justice commu-
10 nities, landowners and land managers; and

11 (d) Ensuring that a diversity of landowners and managers are able to voluntarily partic-
12 ipate in incentive-based programs for natural climate solutions and climate resilience
13 through activities that may include, but are not limited to:

14 (A) Removing barriers for Indian tribes, environmental justice communities, landowners
15 and land managers to engage in natural climate solutions or access funding to support na-
16 tural climate solutions;

17 (B) Identifying resources to provide incentives to land managers interested in voluntarily
18 adopting practices that optimize natural climate solutions;

19 (C) Strengthening education, engagement and technical assistance efforts for land man-
20 agers, Indian tribes and environmental justice communities;

21 (D) Providing financial assistance for Indian tribes, local governments or nongovern-
22 mental organizations for the purpose of entering into voluntary transactions with willing
23 landowners to acquire natural and working lands to enhance the local benefits of natural
24 climate solutions;

25 (E) Increasing and deploying natural climate solutions in and around our urban and built
26 environment; and

27 (F) Optimizing the social, health, ecological, climate resilience and economic benefits of
28 natural climate solutions, including:

29 (i) Reducing heat island effects;

30 (ii) Improving air quality;

31 (iii) Improving flood control;

32 (iv) Improving soil health and productivity;

33 (v) Improving wildfire resilience and community protection;

34 (vi) Improving drought resilience and response;

35 (vii) Improving stream health, wetland recovery and riparian functionality;

36 (viii) Protecting and recovering drinking watersheds for enhanced water quality and
37 quantity;

38 (ix) Maintaining or increasing short-term, mid-term and long-term fiber supplies;

39 (x) Maintaining or increasing food supplies;

40 (xi) Increasing the climate resilience of fish, wildlife and their habitats;

41 (xii) Improving protection for coastal communities from the impacts of storm surge; and

42 (xiii) Improving public health.

43 **SECTION 55.** (1) The Natural and Working Lands Fund is established in the State
44 Treasury, separate and distinct from the General Fund. Interest earned by the Natural and
45 Working Lands Fund shall be credited to the fund. Moneys in the Natural and Working

1 **Lands Fund are continuously appropriated to the Oregon Watershed Enhancement Board for**
2 **the purpose of transferring moneys to the funds described in subsection (2) of this section**
3 **as directed by the Oregon Global Warming Commission under section 56 of this 2023 Act.**

4 **(2) The board shall annually transfer moneys in the Natural and Working Lands Fund to**
5 **the following funds in accordance with section 56 of this 2023 Act:**

6 **(a) The Agriculture Natural Climate Solutions Fund established under section 64 of this**
7 **2023 Act.**

8 **(b) The Forestry Natural Climate Solutions Fund established under section 65 of this 2023**
9 **Act.**

10 **(c) The Watershed Natural Climate Solutions Fund established under section 66 of this**
11 **2023 Act.**

12 **(d) The Fish and Wildlife Natural Climate Solutions Fund established under section 67**
13 **of this 2023 Act.**

14 **SECTION 56. (1)(a) The Oregon Global Warming Commission shall annually determine**
15 **amounts to be allocated from the Natural and Working Lands Fund. The commission shall**
16 **evaluate the following factors when determining amounts to allocate under this subsection:**

17 **(A) The expected ability of each agency to carry out programs or other activities under**
18 **this section; and**

19 **(B) The degree to which moneys allocated to the agency may be used to secure federal**
20 **funding or other sources of funding.**

21 **(b) Prior to determining the allocations under this subsection, the commission shall**
22 **consult with the State Department of Agriculture, the State Forestry Department, the State**
23 **Department of Fish and Wildlife and the Oregon Watershed Enhancement Board to deter-**
24 **mine each agency's proposed uses for moneys allocated from the Natural and Working Lands**
25 **Fund.**

26 **(c) In accordance with the provisions of ORS chapter 183, the commission may adopt**
27 **rules for determining the amount of allocations to agencies as provided in this subsection.**

28 **(2) The Oregon Watershed Enhancement Board shall transfer moneys under section 55**
29 **of this 2023 Act when directed to do so by the commission in the amounts determined by the**
30 **commission.**

31 **(3) The State Department of Agriculture, the State Forestry Department and the Oregon**
32 **Watershed Enhancement Board shall use moneys allocated from the Natural and Working**
33 **Lands Fund to establish and implement programs to:**

34 **(a) Provide incentives to help landowners, Indian tribes, land managers and environ-**
35 **mental justice communities adopt practices that support natural climate solutions; and**

36 **(b) Provide financial assistance for technical support for landowners, Indian tribes, land**
37 **managers and environmental justice communities for the adoption of natural climate sol-**
38 **utions.**

39 **(4) Of the moneys expended by each agency pursuant to subsection (3) of this section,**
40 **priority shall be given to expenditures for:**

41 **(a) Technical assistance to environmental justice communities or Indian tribes; and**

42 **(b) Incentives for programs or activities supported by an environmental justice commu-**
43 **nity or supported by a resolution of an Indian tribe, with priority given to those projects or**
44 **activities administered or proposed by an environmental justice community or an Indian**
45 **tribe.**

1 (5) The State Department of Fish and Wildlife shall use moneys allocated from the Na-
2 tural and Working Lands Fund to promote natural climate solutions and mitigate the future
3 impacts of climate change by:

4 (a) Conducting research to understand:

5 (A) The effects of natural climate solutions on natural and working lands;

6 (B) The climate, ecosystem and carbon benefits of products from natural and working
7 lands;

8 (C) The contributions of natural climate solutions to reducing greenhouse gas emissions,
9 increasing net carbon sequestration and storage and strengthening climate resilience; and

10 (D) The cobenefits to communities and Indian tribes that derive from natural climate
11 solutions.

12 (b)(A) Relying on existing programs where possible, securing federal matching funds or
13 other sources of funding to support investments in natural climate solutions on natural and
14 working lands.

15 (B) In carrying out this paragraph, the department shall ensure the benefits of natural
16 climate solutions are equitably distributed among landowners, Indian tribes, land managers
17 and environmental justice communities.

18 (6) The State Department of Agriculture, the State Forestry Department, the State De-
19 partment of Fish and Wildlife and the Oregon Watershed Enhancement Board, in consulta-
20 tion with the Oregon Global Warming Commission, may adopt rules as necessary to carry
21 out the programs described in this section. Rules adopted by agencies administering pro-
22 grams for financial assistance or incentives may include, but need not be limited to, rules
23 establishing application procedures, eligibility criteria, maximum amounts for individual
24 grant awards and reporting requirements for grant recipients.

25 (7) The Oregon Global Warming Commission, the State Department of Agriculture, the
26 State Forestry Department, the State Department of Fish and Wildlife and the Oregon
27 Watershed Enhancement Board shall jointly:

28 (a) Coordinate, to the maximum extent practicable, on the development and implemen-
29 tation of programs and activities related to natural climate solutions to reduce duplication
30 and overlapping or redundant efforts;

31 (b) Review, at regular intervals, progress made in implementing natural climate solutions
32 and barriers to future implementation;

33 (c) Identify opportunities for cross-agency coordination on natural climate solutions; and

34 (d) Identify opportunities for leveraging natural climate solution capacities across agen-
35 cies.

36 (8) The Oregon Global Warming Commission shall provide a summary of the uses of the
37 Natural and Working Lands Fund, and identify additional funding needs, in a report to the
38 committees of the Legislative Assembly related to the environment, in the manner provided
39 by ORS 192.245, no later than September 15 of each year.

40 (9) The State Department of Energy shall provide staff support to the commission for the
41 purpose of carrying out the commission's responsibilities under this section. The department
42 may contract with a third party to provide staff support services described in this sub-
43 section.

44 **SECTION 57.** (1) No later than December 1 of each even-numbered year, the Oregon
45 Global Warming Commission, in consultation with the State Department of Energy, the

1 State Department of Agriculture, the State Forestry Department, the State Department of
2 Fish and Wildlife and the Oregon Watershed Enhancement Board, shall submit a report, in
3 the manner provided by ORS 192.245, to the interim committees of the Legislative Assembly
4 related to the environment and the Governor. The report shall include:

5 (a) A list of projects funded by the Natural and Working Lands Fund during the previous
6 24 months and the amount expended for each project.

7 (b) A summary of state, federal and private sources of funding for natural climate sol-
8 utions projects funded by the Natural and Working Lands Fund established under section 55
9 of this 2023 Act.

10 (c) An assessment of projects described in paragraphs (a) and (b) of this subsection in
11 light of the baseline and metrics adopted under section 58 of this 2023 Act.

12 (d) A list of projects, grants or other activities that are planned for the upcoming cal-
13 endar year.

14 (e) A list of projects deployed in environmental justice communities.

15 (2) Before finalizing the report under subsection (1) of this section, the commission shall
16 solicit public comment on the report and include a summary of comments received in the
17 final version of the report submitted to the Legislative Assembly and Governor.

18 (3) The State Department of Energy shall provide staff support to the commission for the
19 purpose of preparing the report under this section. The department may contract with a
20 third party to provide staff support services described in this subsection.

21 **SECTION 58.** (1) The State Department of Energy and the Oregon Global Warming
22 Commission shall, in coordination with the State Forestry Department, the State Depart-
23 ment of Agriculture, the State Department of Fish and Wildlife, the Oregon Watershed En-
24 hancement Board the Department of State Lands, the State Parks and Recreation
25 Department and the Department of Land Conservation and Development, and in consultation
26 with relevant federal agencies, establish and maintain:

27 (a) A net biological carbon sequestration and storage baseline for natural and working
28 lands;

29 (b) Activity-based metrics in accordance with subsection (3) of this section; and

30 (c) Community impact metrics in accordance with subsection (4) of this section.

31 (2) The net biological carbon sequestration and storage baseline may use 1990 as a
32 baseline year if the department determines that there is adequate information to support
33 setting the baseline at that year.

34 (3) Activity-based metrics shall be used to evaluate progress toward increasing net bi-
35 ological carbon sequestration and storage in natural and working lands, as measured against
36 the net carbon sequestration and storage baseline. Activity-based metrics may include, but
37 need not be limited to, acres of lands for which certain management practices have been
38 adopted.

39 (4) Community impact metrics shall be used to evaluate the positive and negative effects,
40 over time, of strategies for net biological carbon sequestration and storage in natural and
41 working lands on landowners, land managers and communities. Community impact metrics
42 may include, but need not be limited to:

43 (a) Metrics to measure the effects of net biological carbon sequestration and storage
44 strategies on jobs, local economies, environmental integrity and public health; and

45 (b) Metrics to evaluate the accessibility of a diverse range of landowners to net biological

1 carbon sequestration and storage programs.

2 (5) Before finalizing the net biological carbon sequestration and storage baseline,
3 activity-based metrics and community impact metrics, the State Department of Energy and
4 the commission shall make draft versions publicly available and receive comments from the
5 public, state agencies and the advisory committee established under section 62 of this 2023
6 Act.

7 (6) The State Department of Energy and the Oregon Global Warming Commission, in
8 consultation with the State Forestry Department, the State Department of Agriculture, the
9 Oregon Watershed Enhancement Board, the State Department of Fish and Wildlife, shall,
10 no later than January 1, 2025, establish nonbinding biological carbon sequestration and stor-
11 age goals for Oregon's natural and working lands and update those goals as new information
12 becomes available.

13 (7) The State Department of Energy may contract with a third party to assist the de-
14 partment in performing its duties under this section.

15 **SECTION 59.** (1) The State Department of Energy and the Oregon Global Warming
16 Commission, in coordination with the State Forestry Department, the State Department of
17 Agriculture, the Oregon Watershed Enhancement Board, the Department of State Lands, the
18 Department of Land Conservation and Development and federal land management partners,
19 shall develop a natural and working lands net biological carbon sequestration and storage
20 inventory. The inventory must:

21 (a) Be based on the best available field-based and remote sensing data on biological car-
22 bon sequestration;

23 (b) To the greatest extent possible, be developed using methods consistent with methods
24 used to assess greenhouse gas fluxes related to land use, land change and forestry for the
25 United States Environmental Protection Agency's Inventory of U.S. Greenhouse Gas Emis-
26 sions and Sinks; and

27 (c) Where feasible, utilize information from the environmental justice mapping tool de-
28 veloped under section 12, chapter 58, Oregon Laws 2022.

29 (2) Before finalizing the inventory, the State Department of Energy and the commission
30 shall make a draft version publicly available and receive comments from the public, state
31 agencies and the advisory committee established under section 62 of this 2023 Act.

32 (3) The State Department of Energy shall update the inventory and submit a report de-
33 scribing the inventory to the Oregon Global Warming Commission no later than December
34 1 of each even-numbered year.

35 (4) The State Department of Energy may contract with a third party to assist the de-
36 partment in performing its duties under this section.

37 **SECTION 60.** (1) The State Department of Energy, in coordination with the Oregon
38 Global Warming Commission, shall study the workforce and training programs needed to
39 support adoption of natural climate solutions on natural and working lands.

40 (2) The department shall provide the results of the study, and may include recommen-
41 dations for legislation, in a report to the committees of the Legislative Assembly related to
42 the environment, in the manner provided under ORS 192.245, no later than September 15,
43 2024.

44 (3) The department may contract with a third party to assist the department in per-
45 forming its duties under this section.

1 **SECTION 61.** Section 60 of this 2023 Act is repealed on January 2, 2025.

2 **SECTION 62.** (1) The Oregon Global Warming Commission may appoint a natural and
3 working lands advisory committee to advise the commission in the performance of the
4 commission's duties under sections 53 to 63 of this 2023 Act. The commission shall seek
5 recommendations for committee members from industry and advocacy associations where
6 appropriate.

7 (2) The advisory committee shall consist of at least 15 members appointed as follows:

8 (a) One member with expertise in tribal culture, customs and government;

9 (b) One local government representative from a county whose primary economic activity
10 is derived from the agriculture, forestry, fishing and hunting industries, as described by code
11 11 of the North American Industry Classification System;

12 (c) One member with expertise in urban forestry or parks management;

13 (d) Three members with experience in forestry or forest products, including one member
14 who is a private forest landowner with less than 5,000 acres of forestland;

15 (e) Two members with expertise in agriculture, including one member who owns a small
16 family farming operation;

17 (f) One member with expertise in livestock;

18 (g) One member with expertise in blue carbon;

19 (h) One member with expertise in environmental justice;

20 (i) Two members with expertise in conservation or environmental management; and

21 (j) Two members with expertise in landowner technical assistance.

22 (3) The commission may appoint additional members as needed to provide additional ex-
23 pertise or represent other interests.

24 (4) The State Department of Energy shall provide staff support for the advisory com-
25 mittee. The department may contract with a third party to provide staff support services
26 under this subsection.

27 **SECTION 63.** The Oregon Global Warming Commission shall establish a process for con-
28 sultation with representatives of federally recognized Indian tribes in this state to advise the
29 commission on the performance of its duties under sections 53 to 63 of this 2023 Act, in-
30 cluding the identification of opportunities to support indigenous practices and knowledge
31 from tribal nations to sequester and store carbon on natural and working lands.

32 **SECTION 64.** (1) The Agriculture Natural Climate Solutions Fund is established in the
33 State Treasury, separate and distinct from the General Fund. Interest earned by the Agri-
34 culture Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund are
35 continuously appropriated to State Department of Agriculture to:

36 (a) Carry out the provisions of section 56 (3) of this 2023 Act; and

37 (b) For the administrative expenses of the department in implementing section 56 of this
38 2023 Act, except that no more than 10 percent of moneys may be used for administrative
39 expenses.

40 (2) The Agriculture Natural Climate Solutions Fund consists of moneys transferred to
41 the fund under section 55 of this 2023 Act.

42 **SECTION 65.** (1) The Forestry Natural Climate Solutions Fund is established in the State
43 Treasury, separate and distinct from the General Fund. Interest earned by the Forestry
44 Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund are con-
45 tinuously appropriated to the State Forestry Department to:

1 (a) Carry out the provisions of section 56 (3) of this 2023 Act; and

2 (b) For the administrative expenses of the department in implementing section 56 of this
3 2023 Act, except that no more than 10 percent of moneys may be used for administrative
4 expenses.

5 (2) The Forestry Natural Climate Solutions Fund consists of moneys transferred to the
6 fund under section 55 of this 2023 Act.

7 **SECTION 66.** (1) The Watershed Natural Climate Solutions Fund is established in the
8 State Treasury, separate and distinct from the General Fund. Interest earned by the
9 Watershed Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
10 are continuously appropriated to the Oregon Watershed Enhancement Board to:

11 (a) Carry out the provisions of section 56 (3) of this 2023 Act; and

12 (b) For the administrative expenses of the board in implementing section 56 of this 2023
13 Act, except that no more than 10 percent of moneys may be used for administrative ex-
14 penses.

15 (2) The Watershed Natural Climate Solutions Fund consists of moneys transferred to the
16 fund under section 55 of this 2023 Act.

17 **SECTION 67.** (1) The Fish and Wildlife Natural Climate Solutions Fund is established in
18 the State Treasury, separate and distinct from the General Fund. Interest earned by the Fish
19 and Wildlife Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
20 are continuously appropriated to the State Department of Fish and Wildlife to:

21 (a) Carry out the provisions of section 56 (5) of this 2023 Act; and

22 (b) For the administrative expenses of the department in implementing section 56 of this
23 2023 Act, except that no more than 10 percent of moneys may be used for administrative
24 expenses.

25 (2) The Fish and Wildlife Natural Climate Solutions Fund consists of moneys transferred
26 to the fund under section 55 of this 2023 Act.

27
28 **EXTENDS SUNSET FOR SOLAR AND STORAGE SYSTEM REBATE PROGRAM**

29
30 **SECTION 68.** Section 5, chapter 655, Oregon Laws 2019, is amended to read:

31 **Sec. 5.** (1) Sections 1 to 4, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] are repealed on
32 January 2, [2024] **2029**.

33 (2) Any moneys remaining in the Rooftop Solar Incentive Fund on the date of the repeal speci-
34 fied in subsection (1) of this section that are unexpended, unobligated and not subject to any con-
35 ditions shall be transferred to the General Fund.

36 **SECTION 69.** Section 1, chapter 655, Oregon Laws 2019, is amended to read:

37 **Sec. 1.** As used in sections 1 to 4, **chapter 655, Oregon Laws 2019** [of this 2019 Act]:

38 (1) “Contractor” means a person whose trade or business consists of offering for sale solar
39 electric systems or paired solar and storage systems or of providing construction, installation or
40 design services for solar electric systems or paired solar and storage systems.

41 (2) “Electric utility” has the meaning given that term in ORS 757.600.

42 (3) “Energy storage system” means commercially available technology that is capable of retain-
43 ing energy, storing the energy for a period of time and transmitting the energy after storage.

44 (4) “Low-income service provider” means a nonresidential customer that provides health, dental,
45 social, financial, energy conservation or other assistive services to low or moderate income persons

1 or low or moderate income households, as further defined by the State Department of Energy by
2 rule.

3 (5) “Net cost” means the actual cost of the purchase, construction and installation of a solar
4 electric system or a paired solar and storage system, minus any incentive received for the system
5 from the electric utility serving the customer for which the system is installed.

6 (6) “Paired solar and storage system” means a solar electric system and an energy storage sys-
7 tem purchased **together**, constructed and installed [*together*] by the same contractor and paired such
8 that the energy storage system provides storage capacity for electrical energy produced by the solar
9 electric system.

10 (7) “Solar electric system” means any system, mechanism or series of mechanisms, including
11 photovoltaic systems, that uses solar radiation to generate electrical energy.

12
13 **RENEWABLE ENERGY PRODUCTION SYSTEM GRANT PROGRAM**

14
15 **SECTION 70. Notwithstanding ORS 469B.256:**

16 **(1) The State Department of Energy shall waive the requirement under ORS 469B.256 (2)**
17 **that construction begin within 12 months of an award under ORS 469B.256 if the department**
18 **finds that:**

19 **(a) Construction was delayed because of supply chain or workforce disruptions or short-**
20 **ages related to the COVID-19 pandemic; and**

21 **(b) Construction began between March 1, 2020, and March 31, 2022.**

22 **(2) A performance agreement is not void and the department may not revoke a grant if**
23 **the department waives, pursuant to subsection (1) of this section, the requirement under**
24 **ORS 469B.256 (2) that construction begin within 12 months of an award under ORS 469B.256.**

25
26 **RESIDENTIAL HEAT PUMP PROGRAM;**
27 **AIR CONDITIONER AND AIR FILTER DEPLOYMENT PROGRAM**

28
29 **SECTION 71. Section 2, chapter 86, Oregon Laws 2022, is amended to read:**

30 **Sec. 2.** (1) As used in this section:

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

37 (b) “Forecast zone” means a region for which the National Weather Service of the Na-
38 tional Oceanic and Atmospheric Administration issues forecasts and some watches and
39 warnings based on differences in weather.

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

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

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

- 1 (A) Violate building codes or state or federal law;
- 2 (B) Violate the device manufacture’s written safety guidelines for the device;
- 3 (C) Damage the premises or render the premises uninhabitable; or
- 4 (D) Require amperage to power the device that cannot be accommodated by the power service
- 5 to the building, dwelling unit or circuit;
- 6 (b) If the device would be installed in a window:
- 7 (A) The window is a necessary egress from the dwelling unit;
- 8 (B) The device would interfere with the tenant’s ability to lock a window that is accessible from
- 9 outside;
- 10 (C) The device requires the use of brackets or other hardware that would damage or void the
- 11 warranty of the window or frame, puncture the envelope of the building or otherwise cause signif-
- 12 icant damages;
- 13 (D) The restrictions require that the device be adequately drained to prevent damage to the
- 14 dwelling unit or building; or
- 15 (E) The restrictions require that the device be installed in a manner that prevents risk of falling;
- 16 or
- 17 (c) The restrictions require that the device be:
- 18 (A) Installed or removed by the landlord or landlord’s agent;
- 19 (B) Subject to inspection or servicing by the landlord or landlord’s agent; or
- 20 (C) Removed from October 1 through April 30.
- 21 (3) A landlord may not enforce a restriction on portable cooling devices against a tenant allowed
- 22 under subsection (2) of this section unless the restrictions are in writing and delivered to the tenant.
- 23 The written restrictions must include whether the landlord intends to operate, whenever there is
- 24 an extreme heat event for the [county] **forecast zone** of the premises, one or more community
- 25 cooling spaces available to the tenant that are located on or near the premises and that maintain
- 26 a temperature of not higher than 80 degrees Fahrenheit.
- 27 (4) A landlord is immune from liability for any claim for damages, injury or death caused by a
- 28 portable cooling device installed by the tenant.
- 29 (5) A landlord who must limit portable cooling devices for a building under subsection (2)(a)(D)
- 30 of this section shall prioritize allowing the use of devices for individuals who require a device to
- 31 accommodate a disability. A landlord is not responsible for any interruption in electrical service
- 32 that is not caused by the landlord, including interruptions caused by an electrical supply’s inability
- 33 to accommodate use of a portable cooling device.
- 34 (6) If a landlord issues a termination notice under ORS 90.392 or 90.630 based on a violation of
- 35 a restriction regulating a portable cooling device allowed under subsection (2) of this section:
- 36 (a) On each day that there is an extreme heat event for the [county] **forecast zone** of the
- 37 premises, the notice period described in ORS 90.392 (3), (4), (5) or (6) or 90.630 (1), (3) or (6) does
- 38 not run.
- 39 (b) The termination notice must state:
- 40 (A) The deadline of a cure period designated in the notice, if any;
- 41 (B) That the date of termination specified in the notice will be extended by one day for each
- 42 day that there is an extreme heat event for the [county] **forecast zone** of the premises; and
- 43 (C) That information regarding days with an extreme heat event **for the forecast zone** can be
- 44 found on the website for the Housing and Community Services Department.
- 45 **SECTION 72.** Section 10, chapter 86, Oregon Laws 2022, is amended to read:

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

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

6 (2) Information regarding relevant programs and services available to landlords to provide ade-
7 quate cooling under ORS 90.320 (1)(m) or 90.730 (3)(d), including:

8 (a) Programs administered by the department;

9 (b) Information provided by the Oregon Health Authority regarding programs administered by
10 the authority, including the list of eligible distribution entities compiled under section 7 (5), **chapter**
11 **86, Oregon Laws 2022** [of this 2022 Act];

12 (c) Information provided by the State Department of Energy regarding programs administered
13 by the department;

14 (d) Programs administered by the nongovernmental entity that administers public purpose
15 charge moneys under ORS 757.612 (3)(d); and

16 (e) Federal programs, rebates or incentives, including those administered by the Bonneville
17 Power Administration.

18 **SECTION 73.** Section 14, chapter 86, Oregon Laws 2022, is amended to read:

19 **Sec. 14.** (1) As used in this section:

20 (a) “Bulk fuel” means liquid petroleum, propane, coal, wood, wood-based products or other fuel
21 delivered and stored until used on-site by the final consumer to produce energy.

22 (b) “Climate zone” means a heating or cooling climate zone assigned to a county by the
23 Bonneville Power Administration.

24 (c) “Electric resistance heat” means heat produced by passing an electric current through a
25 material that has high resistance, such as used in an electric baseboard, wall or space heater.

26 (d) “Electric utility” has the meaning given that term in ORS 757.600.

27 (e) “Eligible entity” means a:

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

29 (B) Local housing authority;

30 (C) Nonprofit organization;

31 (D) Federally recognized Indian tribe in Oregon;

32 (E) Coordinated care organization as defined in ORS 414.025;

33 (F) Community action agency as described in ORS 458.505;

34 (G) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803; or

35 (H) An electric utility.

36 (f) “Energy burden” means the percentage of gross household income spent on energy costs.

37 (g) “Environmental justice communities” has the meaning given that term in ORS 469A.400.

38 (h) “Heat pump” means an air-source or ground-source heat pump with an energy efficiency
39 rating set by the State Department of Energy under subsection (5) of this section or a higher effi-
40 ciency rating.

41 (i) “Region” means an economic development district in Oregon, designated by the Economic
42 Development Administration of the United States Department of Commerce, for which a regional
43 solutions center has been established under ORS 284.754.

44 (2) The Heat Pump Deployment Program is established within the State Department of Energy.
45 The purpose of the program is to award grants to one eligible entity for each region and federally

1 recognized Indian tribe in Oregon to provide financial assistance, including loans, grants, rebates
2 or incentives, for the purchase and installation of heat pumps and related upgrades to individuals
3 who reside within that region or who are members of that tribe.

4 (3)(a) To be eligible to receive a grant from the Heat Pump Deployment Program, an eligible
5 entity must establish that it:

6 (A) Serves or represents:

7 (i) An environmental justice community or communities within a region; or

8 (ii) Members of a federally recognized Indian tribe in Oregon; and

9 (B) Has the capacity to administer grant funds received under this section.

10 (b) An eligible entity applying for a grant may partner with other eligible entities, but the entity
11 that is awarded the grant shall take a lead role in administering grant funds and providing financial
12 assistance.

13 (c) An eligible entity that serves or represents a community that is located within more than
14 one region may apply for a grant only for the region within which the greatest percentage of the
15 individuals of that community reside.

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

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

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

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

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

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

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

31 (B) A percentage, as determined by the department, of the costs for related upgrades that sup-
32 port or enable the use of a heat pump, including:

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

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

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

36 (b) Prioritize the provision of financial assistance to:

37 (A) Environmental justice communities.

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

39 (C) Individuals who reside in a home or structure that does not have a functioning heating or
40 cooling system.

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

43 (5) The department shall:

44 (a) Award grants using available funds in the Heat Pump Deployment Fund established under
45 section 16, **chapter 86, Oregon Laws 2022** [of this 2022 Act].

- 1 (b) In awarding grants, give preference to eligible entities with:
- 2 (A) Experience in administering state grant programs or programs similar to the Heat Pump
- 3 Deployment Program.
- 4 (B) Experience with community program development within a region or with members of a
- 5 tribe.
- 6 (C) Connections to communities within a region or with members of a tribe.
- 7 (c) Develop criteria for allocating the amount of each grant based on the energy burden of res-
- 8 idences within the region or of members of the tribe and the climate zones that make up the coun-
- 9 ties of that region or of tribal lands.
- 10 (d) Permit a review of awarded grant funds by members of communities who may benefit from
- 11 the Heat Pump Deployment Program.
- 12 (e) In consultation with electric utilities, the Bonneville Power Administration and the nongov-
- 13 ernmental entity that administers public purpose charge moneys collected under ORS 757.612 (3)(d),
- 14 set the minimum energy efficiency rating that a heat pump must have to be eligible for grant funds.
- 15 The minimum energy efficiency rating for a heat pump set by the department must be equal to or
- 16 greater than federal energy efficiency rating standards for heat pumps.
- 17 (6) The department may not use moneys collected through the energy resource supplier assess-
- 18 ment required under ORS 469.421 (8) to fund grants awarded under the Heat Pump Deployment
- 19 Program.
- 20 (7) The department may:
- 21 (a) Establish a maximum amount of grant funds payable toward the purchase and installation
- 22 of a heat pump and related upgrades.
- 23 (b) Permit the use of loans, grants, rebates or incentives offered by an electric utility or other
- 24 programs toward any costs of the purchase and installation of a heat pump and related upgrades
- 25 not covered by the Heat Pump Deployment Program.
- 26 (c) Provide information to individuals receiving financial assistance from the Heat Pump De-
- 27 ployment Program about other loans, grants, rebates or incentives that may be offered by an electric
- 28 utility or other programs.
- 29 (d) Develop criteria for how specific loans, grants, rebates or incentives offered by an electric
- 30 utility or other programs may be used toward the costs of the purchase or installation of a heat
- 31 pump and related upgrades.
- 32 (e) Establish incentives to encourage the purchase and installation of heat pumps and related
- 33 upgrades that have higher efficiency ratings.
- 34 (f) Establish incentives for the purchase and installation of a heating or cooling device that has
- 35 an efficiency rating similar to or higher than that of a heat pump and that provides additional
- 36 benefits such as improving indoor air quality or lowering an individual's energy burden.
- 37 (g) Develop program procedures and practices that align with the reporting and other require-
- 38 ments of loans, grants, rebates or incentives offered by an electric utility or other programs.
- 39 (h) Require, by rule, that eligible entities notify electric utilities of a heat pump installation and
- 40 whether grant funds may be used for necessary electric distribution system upgrades associated with
- 41 the installation of the heat pump.
- 42 (8) Before receiving a grant under this section, an eligible entity shall enter into a performance
- 43 agreement with the department that:
- 44 (a) Indicates the purposes for which the grant funds may be used;
- 45 (b) Prohibits the eligible entity from using more than 15 percent of awarded grant funds for

1 administrative expenses and marketing costs;

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

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

5 (e) Requires the eligible entity to provide reports as required by subsection (10) of this section.

6 (9) An eligible entity must repay to the department, in whole or in part, grant funds received
7 under this section to the extent that:

8 (a) The eligible entity does not use the grant funds in accordance with the provisions of the
9 performance agreement executed between the department and the eligible entity under subsection
10 (8) of this section; or

11 (b) The Director of the State Department of Energy determines that the eligible entity must
12 repay all or part of the grant funds on grounds of misappropriation, fraud or similar reasons after
13 auditing or investigating the eligible entity's operations and conducting a contested case hearing
14 under ORS 183.413 to 183.470.

15 (10) Each eligible entity that receives a grant under this section shall report to the department
16 [by June 30 of] each year concerning the status and use of grant funds **for the period of July 1 to**
17 **June 30. The report must be submitted on a schedule determined by the department.** The re-
18 port may not disclose the personal information of the recipients of financial assistance under the
19 program. The report must include:

20 (a) A detailed description of the eligible entity's use of grant funds;

21 (b) A list of each loan, grant or other financial assistance that the eligible entity has provided
22 and, where applicable, a full accounting of the repayment status of the loans;

23 (c) The nature and amounts of the administrative expenses and marketing costs the eligible en-
24 tity has incurred in providing loans, grants and other financial assistance under the program; and

25 (d) Any other information required by the department.

26 (11) The department shall adopt rules to carry out the provisions of this section. The rules shall
27 be developed in consultation with:

28 (a) The Bureau of Labor and Industries on issues related to the workforce.

29 (b) The Building Codes Division of the Department of Consumer and Business Services on issues
30 related to building codes and commissioning.

31 (c) The Housing and Community Services Department to ensure the Heat Pump Deployment
32 Program complements any existing programs or services.

33 (d) The Department of Environmental Quality on issues of air quality related to bulk fuels and
34 to ensure the Heat Pump Deployment Program complements any existing programs or services.

35 (e) The Oregon Health Authority on any health impacts and health impact data related to the
36 Heat Pump Deployment Program and to ensure the program complements any existing programs or
37 services.

38 (f) Electric utilities and utility program administrators on any impacts the Heat Pump Deploy-
39 ment Program may have on utility systems or services and to ensure the program complements any
40 existing programs, incentives or services.

41 (g) Nonprofit organizations, housing providers, heat pump technicians and other stakeholders
42 as appropriate.

43 **SECTION 74.** Section 17, chapter 86, Oregon Laws 2022, is amended to read:

44 **Sec. 17.** The Director of the State Department of Energy shall submit the first biennial report
45 required under section 16, **chapter 86, Oregon Laws 2022**, [of this 2022 Act] to the Legislative

1 Assembly no later than *[December 31,]* **October 15, 2023.**

2 **SECTION 75.** Section 21, chapter 86, Oregon Laws 2022, is amended to read:

3 **Sec. 21.** (1) The Residential Heat Pump Fund is established in the State Treasury, separate and
4 distinct from the General Fund. Moneys in the Residential Heat Pump Fund consist of:

5 (a) Amounts donated to the fund;

6 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

7 (c) Other amounts deposited into the fund from any public or private source.

8 (2) Moneys in the fund are continuously appropriated to the State Department of Energy to be
9 used to provide grants and rebates under sections 19 and 20, **chapter 86, Oregon Laws 2022, [of**
10 *this 2022 Act]* and to pay the costs and expenses of the department related to the administration and
11 implementation of sections 19 and 20, **chapter 86, Oregon Laws 2022 [of this 2022 Act].**

12 (3) In each calendar year, of the moneys available for issuing grants and rebate from the fund:

13 (a) 25 percent must be reserved for affordable housing providers; and

14 (b) 25 percent must be reserved *[for loans]* for owners of units occupied by *[households whose*
15 *income is less than 80 percent of the area median income]* **low or moderate income households.**

16 **SECTION 76.** Section 23, chapter 86, Oregon Laws 2022, is amended to read:

17 **Sec. 23.** (1) Sections 19 to 21, **chapter 86, Oregon Laws 2022, [of this 2022 Act]** are repealed
18 on January 2, *[2025]* **2026.**

19 (2) On the date of the repeal of sections 19 to 21, **chapter 86, Oregon Laws 2022, [of this 2022**
20 *Act]* under subsection (1) of this section, any moneys in the Residential Heat Pump Fund that are
21 unexpended, unobligated and not subject to any conditions or reservations under section 19 (3)(a),
22 **chapter 86, Oregon Laws 2022, [of this 2022 Act]** are transferred to the General Fund.

23 **SECTION 77.** Section 24, chapter 86, Oregon Laws 2022, is amended to read:

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

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

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

34 (b) Information to landlords regarding:

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

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

38 (C) Best practices and model technical specifications for installing and operating various tem-
39 porary and permanent community cooling spaces.

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

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

1 purposes under this section.

2 **SECTION 78.** Section 29, chapter 86, Oregon Laws 2022, is amended to read:

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

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

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

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

12
13 **COMMUNITY CLIMATE INVESTMENT ENTITIES**

14
15 **SECTION 79.** Sections 80 and 81 of this 2023 Act are added to and made a part of ORS
16 chapter 468A.

17 **SECTION 80.** (1) As used in this section and section 81 of this 2023 Act:

18 (a) “Climate protection program” means the program to reduce greenhouse gas emis-
19 sions from certain air contamination sources in Oregon, first adopted by the Environmental
20 Quality Commission by rule on December 16, 2021.

21 (b) “Community climate investment entity” means a nonprofit organization that has been
22 approved by the Department of Environmental Quality and has entered into a written
23 agreement with the department to implement projects supported by community climate in-
24 vestment funds.

25 (c) “Community climate investment funds” means moneys paid by a covered fuel supplier
26 to a community climate investment entity to support implementation of community climate
27 investment projects.

28 (d) “Covered fuel supplier” means a fuel supplier, in-state producer or local distribution
29 company subject to the requirements of the climate protection program.

30 (2) The commission may establish by rule a fee to be paid by community climate invest-
31 ment entities. The fee established under this section:

32 (a) Must be reasonably calculated to cover the costs to the department of administering
33 and overseeing those portions of the climate protection program related to community cli-
34 mate investments; and

35 (b) May not exceed five percent of the total community climate investment funds re-
36 ceived by a community climate investment entity during the period for which the fee applies.

37 (3) Fees collected under this section shall be deposited into the Community Climate In-
38 vestment Oversight Account established under section 81 of this 2023 Act.

39 **SECTION 81.** The Community Climate Investment Oversight Account is established,
40 separate and distinct from the General Fund. The account consists of moneys deposited into
41 the account under section 80 of this 2023 Act and moneys transferred or appropriated to the
42 account by the Legislative Assembly. Interest earned by the account shall be credited to the
43 account. All moneys in the account are continuously appropriated to the Department of
44 Environmental Quality and may be used only to pay the costs of administering and oversee-
45 ing those portions of the climate protection program related to community climate invest-

1 ments.

2
3 **HARMFUL ALGAL BLOOMS**
4

5 **SECTION 82.** Section 83 of this 2023 Act is added to and made a part of ORS 448.119 to
6 448.285.

7 **SECTION 83.** (1) The Legislative Assembly finds and declares harmful algal blooms to be
8 a threat to safe drinking water supplies and a menace to public health and welfare.

9 (2) The Oregon Health Authority, in coordination with the Department of Environmental
10 Quality as further provided for in section 85 of this 2023 Act, shall:

11 (a) Determine and identify drinking water sources that are susceptible to harmful algal
12 blooms or that are downstream of or influenced by water bodies that are susceptible to
13 harmful algal blooms.

14 (b) Develop a system for the regular monitoring and testing of drinking water sources
15 determined to be susceptible to harmful algal blooms or that are downstream of or influ-
16 enced by water bodies that are susceptible to harmful algal blooms.

17 (c) Prioritize monitoring of water bodies that are susceptible to harmful algal blooms and
18 that are:

19 (A) Sources of domestic or municipal drinking water; or

20 (B) Bodies of water accessed by the public for recreational use.

21 (d) Develop a protocol for issuing hazard advisory alerts to the public in the occurrence
22 of a harmful algal bloom.

23 **SECTION 84.** Section 85 of this 2023 Act is added to and made a part of ORS chapter
24 468B.

25 **SECTION 85.** (1) The Department of Environmental Quality, in coordination with the
26 Oregon Health Authority, shall:

27 (a) Develop and maintain a coordinated state agency harmful algal bloom monitoring and
28 response strategy.

29 (b) Develop a system for the regular monitoring and testing of water bodies determined
30 to be susceptible to harmful algal blooms or that are downstream of or influenced by water
31 bodies that are susceptible to harmful algal blooms.

32 (c) Produce timely and high-quality data that allow the authority to determine the level
33 of risk of harm or injury to public health by the occurrence of harmful algal blooms.

34 (d) Maintain a publicly accessible clearinghouse or database of water quality samples
35 collected to characterize freshwater harmful algal blooms.

36 (e) Identify sources of pollutants that contribute to the occurrences of harmful algal
37 blooms.

38 (f) Develop and implement strategies for reducing pollutants that contribute to the oc-
39 currences of harmful algal blooms and the frequency and severity of harmful algal blooms.

40 (g) Monitor and evaluate the effectiveness of strategies implemented for reducing
41 pollutants that contribute to the occurrences of harmful algal blooms.

42 (2)(a) As part of the state agency harmful algal bloom monitoring and response strategy
43 developed by the department under subsection (1) of this section, the department shall make
44 efforts to determine the causes of harmful algal blooms and to identify any point sources or
45 nonpoint sources that contribute to the susceptibility of specific bodies of water to harmful

1 algal blooms.

2 (b) The department shall work with persons to develop pollution reduction plans for point
3 sources and nonpoint sources identified under paragraph (a) of this subsection.

4
5 **RESILIENCE HUBS AND NETWORKS**

6
7 **SECTION 86. (1) As used in this section:**

8 (a) “Resilience Hub” means a physical facility that is operated, managed or supported by
9 one or more local residents, local governments, tribal governments, public schools,
10 community-based organizations, faith-based organizations, nonprofit organizations or non-
11 governmental organizations and that:

12 (A) Supports the needs of community members or tribal communities, facilitates gath-
13 ering and communication, distributes resources and otherwise enhances quality of life within
14 a community;

15 (B) Serves as a central point for gathering, information sharing, and coordination in re-
16 sponse to a disruption in the community;

17 (C) Enhances the ability of a community to respond to and recover from a disruption in
18 a community;

19 (D) Is positioned, operated and resourced on a day-to-day basis to provide community
20 resources, including but not limited to food, water, information exchange, electronic charg-
21 ing stations, basic medical supplies and equipment proportionate to the size of the
22 community’s population and needs;

23 (E) Supports community cache sites and other support for community members who
24 shelter in place;

25 (F) Can provide child care, training, food distribution and other services that can help a
26 community respond to unmet social needs to prepare for, respond to and recover from dis-
27 asters;

28 (G) Can provide, or can be retrofitted to provide, heating, cooling, air filtration and
29 weather protection; and

30 (H) Accommodates individuals with accessibility needs.

31 (b) “Resilience Network” means an association of facilities, organizations, resource pro-
32 viders or service providers outside of a physical Resilience Hub facility that collectively serve
33 the purposes of a Resilience Hub.

34 (2) The Department of Human Services shall, in consultation with the State Department
35 of Energy and the Oregon Health Authority, provide grants, support and technical assistance
36 for Resilience Hubs and Networks in Oregon. The Department of Human Services shall
37 award:

38 (a) Grants for expenses related to planning and organizing Resilience Hubs and Networks;

39 (b) Grants to support and expand development and operation of Resilience Hubs and
40 Networks to ensure that physical facilities can provide protection from extreme weather, can
41 maintain power and climate during power outages, have auxiliary communications capabili-
42 ties and are resilient following earthquakes, fires, tornadoes, floods, other extreme weather
43 events and other potential disasters, emergencies or incidents; and

44 (c) Grants for resources and services needed by communities to otherwise prepare for
45 and respond to disasters.

1 (3) Individuals or organizations may apply for grants by submitting an application that
2 must include:

3 (a) A description of the purposes for which grant moneys will be expended;

4 (b) A plan for implementing specific strategies to build resilience in a community;

5 (c) A description of additional resources available for purposes of the Resilience Hub or
6 Network;

7 (d) A description of the project's ability to serve vulnerable populations and communities
8 traditionally underrepresented in the public process, including communities of color, com-
9 munities experiencing lower incomes, tribal communities, rural communities, coastal com-
10 munities, communities with limited infrastructure, seniors, youth and persons with
11 disabilities; and

12 (e) Any other information required by the department.

13 (4) The department shall execute grant agreements with grant recipients obligating re-
14 cipients to use grant moneys for purposes specified in the grant agreements. The depart-
15 ment, in consultation with the State Department of Energy and the Oregon Health
16 Authority, shall determine the permissible purposes for a grant under this section based on
17 the needs of the Resilience Hub or Network. The department shall determine the needs of
18 the Resilience Hub or Network in consultation with the community, including populations
19 described in subsection (3)(d) of this section, within the locality in which the Resilience Hub
20 or Network operates.

21 (5) The Department of Human Services shall adopt rules necessary for the administration
22 of this section, including specifying the form and contents of an application for a grant under
23 this section.

24
25 **APPROPRIATIONS**

26
27 **SECTION 87.** In addition to and not in lieu of any other appropriation, there is appro-
28 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
29 the General Fund, the amount of \$525,467 for the purpose of carrying out the provisions of
30 sections 1 to 5 of this 2023 Act.

31 **SECTION 88.** In addition to and not in lieu of any other appropriation, there is appro-
32 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
33 the General Fund, the amount of \$2,000,000, for deposit into the Energy Efficient Technolo-
34 gies Information and Training Fund established by section 5 of this 2023 Act.

35 **SECTION 89.** Notwithstanding any other law limiting expenditures, the amount of
36 \$2,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
37 payment of expenses from the Energy Efficient Technologies Information and Training Fund,
38 established by section 5 of this 2023 Act, by the State Department of Energy for carrying out
39 the provisions of sections 1 to 5 of this 2023 Act.

40 **SECTION 90.** In addition to and not in lieu of any other appropriation, there is appro-
41 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
42 the General Fund, the amount of \$775,835, for the purpose of carrying out the provisions of
43 sections 41 to 50 of this 2023 Act.

44 **SECTION 91.** In addition to and not in lieu of any other appropriation, there is appro-
45 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of

1 the General Fund, the amount of \$1,526,146 for the purpose of carrying out the provisions
2 of sections 56 to 60 of this 2023 Act.

3 **SECTION 92.** Notwithstanding any other provision of law, the General Fund appropriation
4 made to the State Department of Energy by section 1 (1), chapter __, Oregon Laws 2023
5 (Enrolled House Bill 5016), for the biennium beginning July 1, 2023, for energy development
6 services, is increased by \$4,982,860 for the purpose of carrying out the provisions of sections
7 8 to 17 of this 2023 Act.

8 **SECTION 93.** Notwithstanding any other law limiting expenditures, the limitation on
9 expenditures established by section 1 (6), chapter __, Oregon Laws 2023 (Enrolled House Bill
10 5010), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
11 from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery
12 funds and federal funds, collected or received by the Department of Consumer and Business
13 Services, for the Building Codes Division, is increased by \$756,051 for the purpose of carrying
14 out the provisions of section 7 of this 2023 Act.

15 **SECTION 94.** Notwithstanding any other law limiting expenditures, the limitation on
16 expenditures established by section 2 (6), chapter __, Oregon Laws 2023 (Enrolled Senate
17 Bill 5502), for the biennium beginning July 1, 2023, as the maximum limit for payment of ex-
18 penses from fees, moneys or other revenues, including Miscellaneous Receipts and federal
19 funds received from charges, but excluding lottery funds and federal funds not described in
20 section 2, chapter __, Oregon Laws 2023 (Enrolled Senate Bill 5502), collected or received by
21 the Oregon Department of Administrative Services, for Enterprise Asset Management, is
22 increased by \$669,112 for the purpose of carrying out the provisions of section 18 of this 2023
23 Act.

24 **SECTION 95.** Notwithstanding any other provision of law, the General Fund appropriation
25 made to the Department of Land Conservation and Development by section 1 (1), chapter __,
26 Oregon Laws 2023 (Enrolled House Bill 5027), for the biennium beginning July 1, 2023, for the
27 planning program, is increased by \$1,240,433 for the purpose of carrying out the provisions
28 of sections 24, 25, 26, 35 and 36 of this 2023 Act.

29 **SECTION 96.** In addition to and not in lieu of any other appropriation, there is appro-
30 priated to the Department of Land Conservation and Development, for the biennium begin-
31 ning July 1, 2023, out of the General Fund, the amount of \$6,500,000, to provide grants for
32 green infrastructure projects under section 24 of this 2023 Act.

33 **SECTION 97.** Notwithstanding any other provision of law, the General Fund appropriation
34 made to the State Forestry Department by section 1 (2), chapter __, Oregon Laws 2023
35 (Enrolled House Bill 5020), for the biennium beginning July 1, 2023, for forest resources, is
36 increased by \$516,248 for the purpose of carrying out the provisions of section 24 of this 2023
37 Act.

38 **SECTION 98.** Notwithstanding any other law limiting expenditures, the limitation on
39 expenditures established by section 2 (4), chapter __, Oregon Laws 2023 (Enrolled House Bill
40 5020), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
41 from fees, moneys or other revenues, including Miscellaneous Receipts and including federal
42 funds from the United States Forest Service for fire protection and for research projects,
43 but excluding lottery funds and federal funds not described in section 2, chapter __, Oregon
44 Laws 2023 (Enrolled House Bill 5020), collected or received by the State Forestry Department,
45 for forest resources, is increased by \$90,000 for the purpose of carrying out the provisions

1 of section 24 of this 2023 Act.

2 **SECTION 99.** In addition to and not in lieu of any other appropriation, there is appro-
3 priated to the Department of Environmental Quality, for the biennium beginning July 1, 2023,
4 out of the General Fund, the amount of \$3,000,000, for deposit into the Zero-Emission Me-
5 dium and Heavy Duty Vehicle Incentive Fund established under section 34 of this 2023 Act.

6 **SECTION 100.** Notwithstanding any other law limiting expenditures, the amount of
7 \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
8 payment of expenses from the Zero-Emission Medium and Heavy Duty Vehicle Incentive
9 Fund, established by section 34 of this 2023 Act, by the Department of Environment Quality
10 for carrying out the provisions of sections 33 and 34 of this 2023 Act.

11 **SECTION 101.** Notwithstanding any other provision of law, the General Fund appropri-
12 ation made to the Department of Environmental Quality by section 1 (2), chapter __, Oregon
13 Laws 2023 (Enrolled House Bill 5018), for the biennium beginning July 1, 2023, for water
14 quality, is increased by \$376,770 for the purpose of carrying out the provisions of sections 83
15 and 85 of this 2023 Act.

16 **SECTION 102.** In addition to and not in lieu of any other appropriation, there is appro-
17 priated to the Oregon Watershed Enhancement Board, for the biennium beginning July 1,
18 2023, out of the General Fund, the amount of \$10,000,000, for deposit into the Natural and
19 Working Lands Fund established by section 55 of this 2023 Act.

20 **SECTION 103.** Notwithstanding any other law limiting expenditures, the amount of
21 \$10,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
22 payment of expenses from the Natural and Working Lands Fund, established by section 55
23 of this 2023 Act, by the Oregon Watershed Enhancement Board.

24 **SECTION 104.** In addition to and not in lieu of any other appropriation, there is appro-
25 priated to the Oregon Health Authority, for the biennium beginning July 1, 2023, out of the
26 General Fund, the amount of \$188,664, for the purpose of carrying out sections 83 and 85 of
27 this 2023 Act.

28 **SECTION 105.** In addition to and not in lieu of any other appropriation, there is appro-
29 priated to the Higher Education Coordinating Commission, for the biennium beginning July
30 1, 2023, out of the General Fund, the amount of \$3,000,000, for distribution to the College of
31 Forestry at Oregon State University to carry out section 30 of this 2023 Act.

32 **SECTION 106.** In addition to and not in lieu of any other appropriation, there is appro-
33 priated to the Oregon Health Authority, for the biennium beginning July 1, 2023, out of the
34 General Fund, the amount of \$199,007, for the program created under section 7, chapter 86,
35 Oregon Laws 2022.

36 **SECTION 107.** In addition to and not in lieu of any other appropriation, there is appro-
37 priated to the Department of Human Services, for the biennium beginning July 1, 2023, out
38 of the General Fund, the amount of \$10,187,615, to provide grants under section 86 of this
39 2023 Act.

40 **SECTION 108.** Notwithstanding any other law limiting expenditures, the limitation on
41 expenditures established by section 3 (1), chapter __, Oregon Laws 2023 (Enrolled House Bill
42 5026), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
43 from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws
44 2023 (Enrolled House Bill 5026), collected or received by the Department of Human Services,
45 for central services, is increased by \$125,081 for the purpose of carrying out the provisions

1 of section 86 of this 2023 Act.

2
3 **OPERATIVE DATES**

4
5 **SECTION 109.** Sections 1 to 5, 7, 18, 21, 30 and 53 to 67 of this 2023 Act and the amend-
6 ments to ORS 469.754, 469.756 and 530.050 by sections 19, 20 and 31 of this 2023 Act become
7 operative on the 91st day after the date on which the 2023 regular session of the Eighty-
8 second Legislative Assembly adjourns sine die.

9 **SECTION 110.** Sections 32 to 34, 51, 52, 70 and 79 to 86 of this 2023 Act and the amend-
10 ments to ORS 352.823, 468A.210, 468A.215, 468A.220, 468A.225, 468A.230, 468A.235, 468A.240,
11 468A.245, 468A.250, 468A.255 and 468A.260 and sections 1 and 5, chapter 655, Oregon Laws
12 2019, by sections 39 to 50, 68 and 69 of this 2023 Act become operative on January 1, 2024.

13 **SECTION 111.** (1) Section 6 of this 2023 Act becomes operative on January 1, 2024.

14 (2) The Director of the Department of Consumer and Business Services may adopt rules
15 and take any other action before the operative date specified in subsection (1) of this section
16 that is necessary to enable the director, on and after the operative date specified in sub-
17 section (1) of this section, to undertake and exercise all of the duties, functions and powers
18 conferred on the director by section 6 of this 2023 Act.

19
20 **UNIT CAPTIONS**

21
22 **SECTION 112.** The unit captions used in this 2023 Act are provided only for the conven-
23 ience of the reader and do not become part of the statutory law of this state or express any
24 legislative intent in the enactment of this 2023 Act.

25
26 **DECLARING EMERGENCY**

27
28 **SECTION 113.** This 2023 Act being necessary for the immediate preservation of the public
29 peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect
30 on its passage.

31 _____