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 Department of Consumer and Business Services to study how to build resiliency into buildings. Directs department to submit findings to interim committees of Legislative Assembly related to environment not later than September 15, 2024.

Requires designated state agency in carrying out program related to promotion, implementation, incentivization or regulation of energy efficiency in buildings to align, improve and prioritize certain actions to aid in achieving greenhouse gas emission reduction goals.

Requires State Department of Energy to report to Legislative Assembly concerning rate of heat pump technology adoption among residents of this state and to estimate date by which state will achieve specified goals for adoption of heat pump technology.

Requires department to collaborate with other designated state agencies in reducing financial and nonfinancial barriers to home energy efficiency and resilience by providing technical assistance, education and training.

Establishes Energy Efficient Technologies Information and Training Fund and continuously appropriates moneys in fund to department for purposes of Act.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to resilient efficient buildings; and prescribing an effective date.

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

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

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

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

(c) Heat pumps provide both heating and cooling benefits that keep people safe during extreme weather events that are becoming more frequent and more intense as a consequence of climate change;

(d) Electric heat pumps can provide up to three times more heat energy than the electrical energy the heat pumps consume, which makes heat pumps the most energy efficient space heating option available in the market;

(e) Upgrading space and water heating appliances with contemporary heat pump technologies can help people to save money on household energy bills;

(f) Existing and forthcoming state and federal incentive programs will assist in energy efficiency improvements in homes and buildings, including adoption of energy efficient heating and cooling appliances;

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

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

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

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

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

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

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

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

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

(a) “Designated state agency program” means a program related to the promotion, im-
plementation, incentivization or regulation of energy efficiency in buildings carried out by
any of the following state agencies, as determined by the agency by rule:

(A) The State Department of Energy;

(B) The Housing and Community Services Department;

(C) The Public Utility Commission;

(D) The Department of Environmental Quality;

(E) The Oregon Health Authority; and

(F) The Department of Consumer and Business Services.

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

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

(d) “Heat pump technology” means a device that transfers thermal energy between the
interior and exterior of a building for the purpose of space heating and cooling and water
heating.

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

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

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

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

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

(A) Adapt to impacts from climate change; and

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

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

SECTION 3. (1) The State Department of Energy shall submit to the Governor and an interim committee of the Legislative Assembly related to the environment not later than September 15 of each odd-numbered year, beginning in 2025, a report that evaluates the rate of adoption of heat pump technologies among residents of this state and progress the state is making in achieving the state’s greenhouse gas emissions reduction goals. At a minimum, the report must:

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

(b) Identify financial and nonfinancial barriers that prevent adoption of heat pump technologies by residents of this state;

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

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

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

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

(b) Incorporate the findings from this report into the biennial energy report or into other reports to the Legislative Assembly concerning home energy efficiency or heat pump technologies.

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

(a) Whether reductions in greenhouse gas emissions attributable to new heat pumps installed in homes and buildings in this state contribute to the state’s ability to meet greenhouse gas emissions reduction goals; and
(b) To the extent possible, whether sales figures, the percentage of newly installed space and water heating systems that are heat pumps and the rate at which residents of this state install new heat pumps indicate that the state will meet the goal specified in section 1 (2)(a) of this 2023 Act.

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

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

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

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

(B) Methods, techniques, available incentives and funding available for upgrading electrical panels and wiring to accommodate energy efficient appliances for heating and cooling; and

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

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

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

(b) Include information on delivering, installing and using high efficiency heating and cooling appliances in instances where variation exists in funding options for various minimum efficiency requirements;

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

(d) Allow sufficient flexibility for designated state agencies to contract with private entities to provide needed information, assistance, training and support.

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

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

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

(2) Moneys in the fund consist of:

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

(b) Moneys from federal sources and other moneys the department receives for the purposes specified in sections 1 to 5 of this 2023 Act;
(c) Interest and other earnings on moneys in the fund; and
(d) Other amounts the department receives from any source and deposits into the fund.

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

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

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

SECTION 6. There is appropriated to the State Department of Energy, for the biennium beginning July 1, 2023, out of the General Fund, the amount of $______ for the purpose of carrying out the provisions of sections 1 to 5 of this 2023 Act.

SECTION 7. This 2023 Act takes effect on the 91st day after the date on which the 2023 regular session of the Eighty-second Legislative Assembly adjourns sine die.