

SENATE AMENDMENTS TO SENATE BILL 868

By COMMITTEE ON ENERGY AND ENVIRONMENT

April 12

1 In line 2 of the printed bill, after “buildings” insert “; and prescribing an effective date”.

2 Delete lines 4 through 8 and insert:

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

4 **“(a) Energy consumption in residential and commercial buildings accounted for 34 per-**
5 **cent of annual greenhouse gas emissions in this state in 2021, according to the Department**
6 **of Environmental Quality;**

7 **“(b) Space and water heating account for 64 percent of an average residential building’s**
8 **energy use;**

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

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

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

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

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

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

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

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

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

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

34 **“(d) That the state evaluate the adoption and use of heat pump technologies regularly to**
35 **determine whether the rate of adoption and use will enable the state to meet greenhouse gas**

1 emissions reduction goals; and

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

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

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

8 “(A) The State Department of Energy;

9 “(B) The Housing and Community Services Department;

10 “(C) The Public Utility Commission;

11 “(D) The Department of Environmental Quality;

12 “(E) The Oregon Health Authority; and

13 “(F) The Department of Consumer and Business Services.

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

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

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

22 “(2) In carrying out a designated state agency program, an agency described in sub-
23 section (1)(a) of this section shall consider actions to aid in achieving greenhouse gas emis-
24 sions reduction goals that include, but are not limited to:

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

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

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

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

37 “(A) Adapt to impacts from climate change; and

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

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

45 “SECTION 3. (1) The State Department of Energy shall submit to the Governor and an

1 interim committee of the Legislative Assembly related to the environment not later than
2 September 15 of each odd-numbered year, beginning in 2025, a report that evaluates the rate
3 of adoption of heat pump technologies among residents of this state and progress the state
4 is making in achieving the state’s greenhouse gas emissions reduction goals. At a minimum,
5 the report must:

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

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

12 “(c) Assess the state’s progress in achieving the goals specified in section 1 (2) of this
13 2023 Act; and

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

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

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

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

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

27 “(a) Whether reductions in greenhouse gas emissions attributable to new heat pumps
28 installed in homes and buildings in this state contribute to the state’s ability to meet
29 greenhouse gas emissions reduction goals; and

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

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

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

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

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

1 “(B) Methods, techniques, available incentives and funding available for upgrading elec-
2 trical panels and wiring to accommodate energy efficient appliances for heating and cooling;
3 and

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

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

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

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

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

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

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

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

23 “(b) Moneys in the fund may be invested and reinvested as provided in ORS 293.701 to
24 293.857.

25 “(2) Moneys in the fund consist of:

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

28 “(b) Moneys from federal sources and other moneys the department receives for the
29 purposes specified in sections 1 to 5 of this 2023 Act;

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

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

32 “(3) Subject to subsection (4) of this section, moneys in the fund are continuously ap-
33 propriated to the department for the purpose of funding the purposes described in sections
34 1 to 5 of this 2023 Act.

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

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

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

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