

HB 2567 A STAFF MEASURE SUMMARY
House Committee On Climate, Energy, and Environment

Carrier: Rep. Levy E

Action Date: 03/04/25

Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)

Vote: 10-0-2-0

Yeas: 10 - Andersen, Edwards, Gamba, Helm, Levy B, Levy E, Marsh, Neron, Osborne, Owens

Exc: 2 - Lively, Wallan

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/11, 3/4

WHAT THE MEASURE DOES:

The measure specifies that an eligible entity should use best practices to maintain the security and confidentiality of personal information of individuals who apply for or receive financial assistance from the eligible entity under a heat pump grant program. The Act allows the Oregon Department of Energy (ODOE) to provide an incentive amount, not to exceed \$1,000, that is in addition to the amount of a Residential Heat Pump Rebate as an incentive for contractors to install air-source or ground-source heat pumps in rural or frontier communities. It extends the residential heat pump rebates and grants to January 2, 2032, and requires ODOE to provide a report to the Legislative Assembly on residential heat pump rebates and grants in each even-numbered year until 2032.

Detailed summary:

SECTION 1

- Defines “disadvantaged community” as a community that has a socioeconomic burden and an environmental, climate or other burden.
- Replaces “environmental justice community” with “disadvantaged community” in statute.
- Removes specific percentage requirement that an eligible entity can use of awarded Heat Pump Deployment Program grant funds for administrative expenses and marketing costs and directs Oregon Department of Energy (ODOE) to stipulate allowable percentage in rule.
- Specifies that an eligible entity should use best practices to maintain the security and confidentiality of personal information of individuals who apply for or receive financial assistance from the eligible entity under the grant program.

SECTIONS 2 – 3

- Allows the Oregon Department of Energy (ODOE) to provide an incentive amount, not to exceed \$1,000, that is in addition to the amount of a Residential Heat Pump Rebate as an incentive for contractors to install air-source or ground-source heat pumps in rural or frontier communities.
- Requires ODOE to establish the incentive amount and allows ODOE to establish different incentive amounts for rural communities and frontier communities.
- Allows contractors that install a heat pump for the owner of a residential dwelling unit that is located in a rural or frontier community under rules adopted by ODOE to claim a rebate if they meet all requirements.
- Allows contractors to claim one incentive for each installation that the contractor claims a rebate. Requires incentives for contractors to be made from moneys in the Residential Heat Pump Fund.

SECTION 4

Allows no more than five percent of the moneys available for issuing grants and rebate from the Residential Heat Pump Fund in each calendar year be reserved or used to provide contractor incentives.

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SECTION 5

Extends the residential heat pump rebates and grants from January 2, 2026, to January 2, 2032. Repeals reporting requirement on residential heat pump rebates and grants on January 2, 2032.

SECTION 6

Requires ODOE, not later than November 30 of each even-numbered year, to provide a report to the Legislative Assembly on residential heat pump rebates and grants.

ISSUES DISCUSSED:

- Geographic distribution of heat pump program recipients in Oregon
- Outreach efforts of Oregon Department of Energy to potential grant recipients
- Options for using dual-heat systems

EFFECT OF AMENDMENT:

The amendment allows the Oregon Department of Energy (ODOE) to provide an incentive amount of up to \$1,000 as an incentive for contractors to install air-source or ground-source heat pumps in rural or frontier communities under the Residential Heat Pump Rebate program. It allows no more than five percent of the moneys available for issuing grants and rebate from the Residential Heat Pump Fund in each calendar year be reserved or used to provide contractor incentives.

Detailed summary:

- Allows the Oregon Department of Energy (ODOE) to provide an incentive amount, not to exceed \$1,000, that is in addition to the amount of a Residential Heat Pump Rebate as an incentive for contractors to install air-source or ground-source heat pumps in rural or frontier communities.
- Requires ODOE to establish the incentive amount and allows ODOE to establish different incentive amounts for rural communities and frontier communities.
- Allows contractors that install a heat pump for the owner of a residential dwelling unit that is located in a rural or frontier community under rules adopted by ODOE to claim a rebate if they meet all requirements.
- Allows contractors to claim one incentive for each installation that the contractor claims a rebate. Requires incentives for contractors to be made from moneys in the Residential Heat Pump Fund.
- Allows no more than five percent of the moneys available for issuing grants and rebate from the Residential Heat Pump Fund in each calendar year be reserved or used to provide contractor incentives.

BACKGROUND:

Senate Bill 1536 (2022) established the Oregon Rental Home Heat Pump Program and Community Heat Pump Deployment Program, authorizing Oregon Department of Energy (ODOE) to provide rebates to owners of residential dwelling units and rented spaces in manufactured dwelling and recreational vehicle parks for purchase or installation of air-source or ground-source heat pumps.

The measure appropriated \$10,000,000 to ODOE for the Residential Heat Pump Fund (Fund). The Fund was scheduled to sunset on January 2, 2025. House Bill 3409 (2023) extended the Fund until January 2, 2026, and modified reporting deadlines for the heat pump deployment program grants.

According to ODOE, the Oregon Rental Home Heat Pump Program has not been utilized some rural and coastal areas of the state. To resolve that, the agency suggests adding an incentive for contractors who install heat pumps to serve the underserved areas.