

HOUSE AMENDMENTS TO HOUSE BILL 2567

By COMMITTEE ON CLIMATE, ENERGY, AND ENVIRONMENT

March 7

1 On page 1 of the printed bill, line 2, delete “section” and insert “sections 19, 20, 21 and”.

2 On page 5, delete lines 10 through 22 and insert:

3 “**SECTION 2.** Section 19, chapter 86, Oregon Laws 2022, is amended to read:

4 “**Sec. 19.** (1) The State Department of Energy shall provide rebates for the purchase and in-
5 stallation of air-source or ground-source heat pumps to owners of a dwelling unit used as a resi-
6 dential tenancy and to owners of a manufactured dwelling or recreational vehicle who rent a space
7 in a manufactured dwelling or recreational vehicle park.

8 “(2)(a) Rebates available under this section may only be claimed by a contractor that installs a
9 heat pump for the owner of a residential dwelling unit in Oregon. A contractor that claims a rebate
10 under this section must use the full amount of the rebate to reduce the net cost to the customer of
11 the purchase of the heat pump for which the rebate is issued.

12 “(b) The amount that may be claimed as a rebate under this section may not exceed:

13 “(A) For the owner of a dwelling unit used as a residential tenancy, 60 percent of the purchase
14 price of the heat pump.

15 “(B) For the owner of a manufactured dwelling or recreation vehicle, a percentage of the pur-
16 chase price of the heat pump as established by the department.

17 “(c) To be eligible to claim a rebate on behalf of a customer under this section, a contractor that
18 installs a heat pump must, at the time of the installation:

19 “(A) Hold any license, bond, insurance or permit required to sell and install the heat pump;

20 “(B) Demonstrate a history of compliance with the rules and other requirements of the Con-
21 struction Contractors Board, the Bureau of Labor and Industries and the Workers’ Compensation
22 Division and the Occupational Safety and Health Division of the Department of Consumer and
23 Business Services; and

24 “(C) Meet any other certification requirements set forth in rules adopted by the State Depart-
25 ment of Energy.

26 “(3)(a) **The department may provide an incentive amount that is in addition to the**
27 **amount of a rebate made under this section as an incentive for contractors to install air-**
28 **source or ground-source heat pumps in rural or frontier communities.**

29 “(b) **The department shall establish the incentive amount, not to exceed \$1,000, and may**
30 **establish different incentive amounts for rural communities and frontier communities.**

31 “(c) **An incentive may be claimed by a contractor that installs a heat pump for the owner**
32 **of a residential dwelling unit that is located in a rural or frontier community under rules**
33 **adopted by the department and meets all other requirements to claim a rebate under this**
34 **section. A contractor may reserve or claim an incentive as part of reserving or claiming a**
35 **rebate. A contractor may claim one incentive for each installation that the contractor claims**

1 **a rebate.**

2 “[3] (4) To claim a rebate under this section, a contractor must:

3 “(a) Before installing a heat pump, apply to the department to reserve a rebate on behalf of the
4 customer for whom the heat pump will be installed.

5 “(b) After installing the heat pump, verify the purchase and installation of the heat pump on a
6 form provided by the department that must contain:

7 “(A) The location of the heat pump;

8 “(B) A description of the heat pump;

9 “(C) Evidence that the contractor is eligible to claim a rebate under subsection (2)(c) of this
10 section;

11 “(D) A statement signed by both the contractor and the customer for whom the heat pump is
12 installed that the customer has received the full value of the rebate as a reduction in the net cost
13 of the purchase and installation of the heat pump and that the rebate was clearly reflected on an
14 invoice provided to the customer;

15 “(E) The projected energy savings from the installation of the heat pump; and

16 “(F) Any other information that the department determines is necessary.

17 “[4] (5) Rebates, **including incentives**, made under this section must be made from moneys in
18 the Residential Heat Pump Fund established under section 21, **chapter 86, Oregon Laws 2022** [*of*
19 *this 2022 Act*]. A rebate may be made only if there are moneys available in the fund to make the
20 rebate.

21 “[5] (6) Pursuant to the procedures for a contested case under ORS chapter 183, the depart-
22 ment may:

23 “(a) Deny or revoke a contractor’s eligibility to claim a rebate on behalf of a customer under
24 this section if the department finds that:

25 “(A) The contractor’s eligibility was obtained by fraud or misrepresentation by the contractor;

26 “(B) The contractor’s performance for installation of heat pumps does not meet industry stan-
27 dards; or

28 “(C) The contractor has misrepresented to customers either the program established under this
29 section or the nature or quality of the heat pumps for which rebates are available.

30 “(b) Revoke a rebate or a portion of a rebate made under this section if the department finds
31 that:

32 “(A) The rebate was obtained by fraud or misrepresentation; or

33 “(B) The rebate was obtained by mistake or miscalculation.

34 “[6)(a)] (7)(a) The department may adopt rules to administer the rebate program.

35 “(b) In adopting rules under this section, the department may coordinate or consult with:

36 “(A) The Housing and Community Services Department, the Building Codes Division of the De-
37 partment of Consumer and Business Services and any other relevant state agencies;

38 “(B) Nonprofit organizations and utilities; and

39 “(C) Other incentive providers.

40 “(c) Rules adopted under this section may include:

41 “(A) Preferences for providing rebates that benefit low and moderate income residential tenants;

42 “(B) Preferences for providing rebates to support heat pumps with superior energy efficiency;

43 “(C) Provisions for determining eligibility and verification of heat pumps; and

44 “(D) Policies and procedures for the administration and enforcement of this section and section
45 21, **chapter 86, Oregon Laws 2022** [*of this 2022 Act*], which may include policies and procedures for

1 audits and inspections.

2 “**SECTION 3.** Section 20, chapter 86, Oregon Laws 2022, is amended to read:

3 “**Sec. 20.** (1) The State Department of Energy shall provide grants for upgrades, including elec-
4 trical and mechanical upgrades, to facilitate the installation of heat pumps for owners of a dwelling
5 unit or a manufactured dwelling for whom a rebate has been reserved under section 19 [(3)(a)] **(4)(a)**,
6 **chapter 86, Oregon Laws 2022** [of this 2022 Act].

7 “(2) Grants made under this section must be made from moneys in the Residential Heat Pump
8 Fund established under section 21, **chapter 86, Oregon Laws 2022** [of this 2022 Act]. A grant may
9 be made only if there are moneys available in the fund to make the grant.

10 “(3)(a) The department shall adopt rules to administer the grant program.

11 “(b) In adopting rules under this section, the department may coordinate or consult with:

12 “(A) The Housing and Community Services Department, the Building Codes Division of the De-
13 partment of Consumer and Business Services, the United States Department of Energy and any other
14 relevant agencies;

15 “(B) Nonprofit organizations and utilities; and

16 “(C) Other incentive providers.

17 “(c) Rules adopted under this section must include:

18 “(A) Preferences for providing grants that benefit low and moderate income residential tenants;

19 “(B) Provisions for determining eligibility and verification of the upgrades; and

20 “(C) Policies and procedures for the administration and enforcement of this section.

21 “**SECTION 4.** Section 21, chapter 86, Oregon Laws 2022, as amended by section 75, chapter 442,
22 Oregon Laws 2023, is amended to read:

23 “**Sec. 21.** (1) The Residential Heat Pump Fund is established in the State Treasury, separate and
24 distinct from the General Fund. Moneys in the Residential Heat Pump Fund consist of:

25 “(a) Amounts donated to the fund;

26 “(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

27 “(c) Other amounts deposited into the fund from any public or private source.

28 “(2) Moneys in the fund are continuously appropriated to the State Department of Energy to be
29 used to provide grants and rebates under sections 19 and 20, chapter 86, Oregon Laws 2022, and to
30 pay the costs and expenses of the department related to the administration and implementation of
31 sections 19 and 20, chapter 86, Oregon Laws 2022.

32 “(3) In each calendar year, of the moneys available for issuing grants and rebate from the fund:

33 “(a) 25 percent must be reserved for affordable housing providers; [and]

34 “(b) 25 percent must be reserved for owners of units occupied by low or moderate income
35 households; **and**

36 “(c) **No more than five percent may be reserved or used to provide incentives under**
37 **section 19 (3), chapter 86, Oregon Laws 2022.**

38 “**SECTION 5.** Section 23, chapter 86, Oregon Laws 2022, as amended by section 76, chapter 442,
39 Oregon Laws 2023, is amended to read:

40 “**Sec. 23.** (1) Sections 19 to 21, chapter 86, Oregon Laws 2022, are repealed on January 2,
41 [2026] **2032.**

42 “(2) **Section 6 of this 2025 Act is repealed on January 2, 2032.**

43 “[2)] (3) On the date of the repeal of sections 19 to 21, chapter 86, Oregon Laws 2022, under
44 subsection (1) of this section, any moneys in the Residential Heat Pump Fund that are unexpended,
45 unobligated and not subject to any conditions or reservations under section 19 [(3)(a)] **(4)(a)**, chapter

1 86, Oregon Laws 2022, are transferred to the General Fund.

2 **“SECTION 6. Not later than November 30 of each even-numbered year, the State De-**
3 **partment of Energy shall provide a report to the Legislative Assembly, in the manner pro-**
4 **vided in ORS 192.245, on the heat pump grants and rebates under sections 19 and 20, chapter**
5 **86, Oregon Laws 2022.”.**

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