

## **HB 4058 -2 STAFF MEASURE SUMMARY**

### **House Committee On Environment and Natural Resources**

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**Prepared By:** Erin Pischke, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/2

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#### **WHAT THE MEASURE DOES:**

##### **AIR CONDITIONER AND AIR PURIFIER DEPLOYMENT PROGRAM**

Directs Oregon Health Authority (OHA) to create a program to acquire and distribute air conditioners and air purifiers on emergency basis to individuals eligible for medical assistance. Appropriates \$5 million OHA to implement air conditioner and air purifier acquisition and distribution program.

##### **HEALTHY HOMES PROGRAM**

Adds manufactured dwelling park nonprofit cooperative to list of entities eligible to participate in Healthy Homes Program. Clarifies electric utility as eligible entity. Adds improvements to reduce heat and electrical upgrades to types of repair and rehabilitation covered by program grants.

##### **HEAT PUMP DEPLOYMENT PROGRAM**

Establishes Heat Pump Deployment Program within Oregon Department of Energy (ODOE) to provide grants to entities to provide financial assistance to an eligible entity for each region and federally recognized Indian tribe in Oregon to cover purchase and installation of heat pumps and related upgrades. Requires eligible entities that received grant funds to report to the ODOE by June 30 of each year concerning the status and use of grant funds received. Requires ODOE to adopt rules related to the Heat Pump Deployment Program in consultation with the Building Codes Division of the Department of Consumer and Business Services, the Housing and Community Services Department, the Department of Environmental Quality, the Oregon Health Authority, utilities and utility program administrators, and nonprofit organizations, housing providers, heat pump technicians and other stakeholders as appropriate. Establishes Heat Pump Deployment Advisory Council (Council) consisting of representatives from eligible entities administering grant funds under the Heat Pump Deployment Program. Directs the Council to study and identify: 1) best practices for and barriers to administering grant funds and providing financial assistance and 2) opportunities for providing technical assistance. Establishes activities of Council. Requires ODOE to provide staff support to the Council. Establishes Heat Pump Deployment Fund and appropriates \$10 million to the Fund.

##### **HEAT PUMP TECHNICIAN WORKFORCE REPORT**

Directs ODOE Director to develop and submit report related to heat pump technician training programs no later than September 15, 2023. Reporting requirement sunsets January 2, 2024.

##### **MEASURES TO ADDRESS HIGHER UTILITY BILLS**

Directs Public Utility Commission to explore measures to address differentiated rates or energy assistance for ratepayers with higher utility bills during periods of extreme temperatures or poor air quality.

Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

##### **AIR CONDITIONER AND AIR FILTER DEPLOYMENT PROGRAM**

-2 Directs Oregon Health Authority (OHA) to create a program to acquire and distribute air conditioners and air **filters** on emergency basis to individuals eligible for medical assistance and appropriates \$5 million OHA to implement the program. Requires OHA to: determine the percentage of program funds needed to support the costs of installation and materials for installation, as well as costs of program administration for OHA or for eligible distribution entities; maintain technical assistance resources for air conditioner or air filter recipients; and provide technical assistance to eligible distribution entities. Establishes that administration costs in total should be no more than 10 percent of the program. Requires OHA to make available a list of entities that distribute air conditioners and air filters through its programs to individuals eligible to receive medical assistance through OHA or Department of Human Services, to the 2-1-1 system, and to the Housing and Community Services Department to share on its website. Establishes that OHA and any eligible distribution entity participating in the program are not liable for: the functioning, safety or impact of any air conditioner or air filter distributed by the program; and any heat-related health impacts to an individual using an air conditioner or air filter distributed by the program.

#### **HEALTHY HOMES PROGRAM**

Adds **Indian health center** and manufactured dwelling park nonprofit cooperative to list of entities eligible to participate in Healthy Homes Program. Modifies “repair and rehabilitation” definitions in Healthy Homes Program (ORS 431A.400) to include: 1) improvements that reduce the reflection of heat on or around the home including but not limited to trees, vegetation, or green roofs or cool roofs; and 2) electrical upgrades that improve the safety of the home or support or enable the use of energy efficiency upgrades such as heating and cooling devices.

#### **HEAT PUMP DEPLOYMENT PROGRAM**

Requires ODOE, in awarding grants, to give preference to eligible entities that have, but may not require, eligible entities to have experience in administering state grant programs or programs similar to the Heat Pump Deployment Program, and experience with and connections to community program development within a region or with members of a tribe. Requires ODOE to develop criteria for allocating grant funds based on the energy burden of residences within a region or of members of a tribe and the climate zones of the counties that comprise that region or of tribal lands. Requires ODOE to permit a review of awarded grant funds by members of communities who may benefit from the Heat Pump Deployment Program. Requires ODOE, in consultation with electric utilities, Bonneville Power Administration, and the non-governmental entity that administers public purpose charge moneys, to set the minimum energy efficiency rating that a heat pump must have to be eligible for grant funds.

Authorizes ODOE to:

1. establish a maximum amount of grant funds payable towards the purchase and installation of a heat pump and related upgrades;
2. permit the use of loans, grants, rebates, or incentives offered by an electric utility or other programs towards any costs of the purchase and installation of a heat pump and related upgrades not covered by the Heat Pump Deployment Program; provide information to individuals receiving financial assistance from the Heat Pump Deployment Program about other loans, grants, rebates, or incentives that may be offered by an electric utility or other programs; and develop criteria about how specific loans, grants, rebates, or incentives offered by an electric utility or other programs may be used toward the costs of the purchase or installation of a heat pump and related upgrades;
3. establish incentives: to encourage the purchase and installation of heat pumps and related upgrades that have higher efficiency ratings, and for the purchase and installation of a heating or cooling device with an efficiency rating similar to or higher than that of a heat pump and that provides co-benefits such as improving indoor air quality or lowering an individual’s energy burden;

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4. develop program procedures and practices: that align program reporting and other requirements with other loans, grants, rebates, or incentives offered by an electric utility or other programs; and
5. require by rule that eligible entities about notifying electric utilities of heat pump installation and whether grant funds may be used for necessary electric distribution system upgrades associated with the installation of a heat pump.

Requires eligible entities, upon being awarded a grant, to enter into a performance agreement with ODOE that contains provisions that:

1. indicate the purposes for which the grant funds may be used;
2. prohibit the eligible entity from using more than 15 percent of awarded grant funds for administrative expenses and marketing costs;
3. include repayment provisions; and
4. permit the department to conduct audits and investigations of the eligible entity regarding the purposes for which grant funds have been used.

Requires Council members be entitled to compensation and expenses. Requires ODOE Director to submit a biennial report to the Legislative Assembly regarding the expenditures of moneys deposited in the Heat Pump Deployment Fund no later than December 31, 2023.

### **BACKGROUND:**

With the rise in extreme weather and wildfire events in the state, Oregonians face high temperatures and poor air quality. The environmental conditions that many people experience during long, dry summers often result in human health risks and impacts, such as heat stroke and respiratory problems, as well as energy cost burdens. According to the Oregon Health Authority, in 2021, there were more than 100 heat-related deaths in the state that summer. House Bill 2842 (2021) established the Healthy Homes Program within the Oregon Health Authority, for the purpose of awarding grants to eligible entities which provide financial assistance to low-income households and communities disproportionately affected by environmental pollution or other hazards, and to landlords for the repair and rehabilitation of residential dwelling units.

House Bill 4058 would direct the Oregon Health Authority to create a program to acquire and distribute air conditioners and air purifiers on emergency basis to certain individuals; establish a heat pumps grant program within Oregon Department of Energy; and would direct the Public Utility Commission to explore measures to address differentiated rates or energy assistance for ratepayers with higher utility bills during periods of extreme temperatures or poor air quality.