

HOUSE AMENDMENTS TO HOUSE BILL 3409

By JOINT COMMITTEE ON WAYS AND MEANS

June 13

1 In line 2 of the printed bill, after “climate” insert “; creating new provisions; amending ORS
2 352.823, 468A.205, 468A.210, 468A.215, 468A.220, 468A.225, 468A.230, 468A.235, 468A.240, 468A.245,
3 468A.250, 468A.255, 468A.260, 469.754, 469.756 and 530.050 and sections 1 and 5, chapter 655, Oregon
4 Laws 2019, and sections 2, 10, 14, 17, 21, 23, 24 and 29, chapter 86, Oregon Laws 2022; and declaring
5 an emergency”.

6 Delete lines 4 through 8 and insert:

7
8 **“DESIGNATED STATE AGENCY PROGRAMS**
9 **FOR ENERGY EFFICIENCY IN BUILDINGS**

10
11 **“SECTION 1. (1) The Legislative Assembly finds that:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 “(A) The State Department of Energy;

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

18 “(C) The Public Utility Commission;

19 “(D) The Department of Environmental Quality;

20 “(E) The Oregon Health Authority; and

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

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

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

27 “(d) ‘Heat pump technology’ means:

28 “(A) A device that transfers thermal energy between the interior and exterior of a
29 building for the purpose of space heating or cooling;

30 “(B) A device that transfers thermal energy from the interior or exterior of a building
31 to water for the purpose of heating the water; or

32 “(C) A device that performs both of the functions described in subparagraphs (A) and (B)
33 of this paragraph.

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

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

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

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

1 emissions.

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

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

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

7 “(e) Consistent with applicable federal and state laws, consulting with the Oregon Global
8 Warming Commission and the Environmental Justice Council and using, when appropriate,
9 the environmental justice mapping tool developed under section 12, chapter 58, Oregon Laws
10 2022, when considering or evaluating for development or implementation the policies and
11 actions described in this subsection.

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

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

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

24 “(c) Assess the state’s progress in achieving the goals specified in section 1 (2) of this
25 2023 Act; and

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

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

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

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

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

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

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

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

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

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

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

13 **“(B) Methods, techniques, available incentives and funding available for upgrading elec-**
14 **trical panels and wiring to accommodate energy efficient appliances for heating and cooling;**
15 **and**

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

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

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

22 **“(b) Include information on delivering, installing and using high efficiency heating and**
23 **cooling appliances in instances where variation exists in funding options for various mini-**
24 **imum efficiency requirements;**

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

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

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

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

35 **“(b) Moneys in the fund may be invested and reinvested as provided in ORS 293.701 to**
36 **293.857.**

37 **“(2) Moneys in the fund consist of:**

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

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

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

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

44 **“(3) Subject to subsection (4) of this section, moneys in the fund are continuously ap-**
45 **propriated to the department for the purpose of funding the purposes described in sections**

1 1 to 5 of this 2023 Act.

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

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

7
8 “DEPARTMENT OF CONSUMER AND BUSINESS SERVICES:
9 ENERGY EFFICIENCY IN BUILDINGS
10

11 “SECTION 6. (1) The Department of Consumer and Business Services shall, as the
12 department’s responsibilities relate to efficiency or resiliency in buildings:

13 “(a) Exercise any and all authority and discretion the department has available under
14 applicable law to help to facilitate, at a minimum, emissions reductions consistent with the
15 greenhouse gas emissions reduction goals specified in ORS 468A.205;

16 “(b) In addition to the department’s existing responsibilities, prioritize and take such
17 actions as are necessary to accelerate reductions in greenhouse gas emissions, including but
18 not limited to rulemaking processes; and

19 “(c) Consider and integrate the prevention or reduction of impacts from climate change
20 and the state’s greenhouse gas emissions reduction goals into the department’s planning,
21 budgeting, investment and policy-making decisions, which must involve, at a minimum:

22 “(A) Prioritizing actions that reduce greenhouse gas emissions in a cost-effective man-
23 ner;

24 “(B) Prioritizing actions that help vulnerable populations and environmental justice
25 communities, as defined in ORS 469A.400, adapt to impacts from climate change; and

26 “(C) Consulting with the Environmental Justice Council when evaluating priorities the
27 department sets and actions the department takes to adapt to and mitigate the impacts from
28 climate change.

29 “(2)(a) In addition to the general directives specified in subsection (1) of this section, the
30 department shall contribute to the state’s achievement of greenhouse gas emissions re-
31 duction goals and the mitigation of impacts from climate change by:

32 “(A) Setting goals for improved energy efficiency in buildings;

33 “(B) Investigating options for, and the feasibility of, reducing greenhouse gas emissions
34 that result from manufacturing, transporting, installing, disposing of and recovering mate-
35 rials used in building construction, based on the findings of the department and the Depart-
36 ment of Environmental Quality under paragraph (c)(B) of this subsection; and

37 “(C) Investigating the potential benefits and the feasibility of updating building venti-
38 lation standards and of specifying standards for air cleaners present in building mechanical
39 systems and in occupied indoor spaces.

40 “(b) To carry out the directives specified in paragraph (a)(A) of this subsection, the De-
41 partment of Consumer and Business Services shall:

42 “(A) Consult with the department’s advisory boards and committees and cooperate with
43 the State Department of Energy to specify energy efficiency goals for new residential and
44 commercial construction that aim to achieve by 2030, at each new residential or commercial
45 building site, at least a 60 percent reduction in annual energy consumption from standards

1 specified in the statewide building code and applicable specialty codes that were in effect in
2 2006, excluding consumption of electricity in transportation or in powering appliances or
3 other loads that the statewide building code or specialty codes do not regulate;

4 “(B) Cooperate with the State Department of Energy to identify metrics derived from
5 best practices and academic research to inform updates to the statewide building code and
6 applicable specialty codes specifying a baseline for, and achievable reductions in, energy
7 consumption;

8 “(C) Report not later than December 31 of every third year, beginning with December 31,
9 2023, to an interim committee of the Legislative Assembly related to the environment con-
10 cerning:

11 “(i) The Department of Consumer and Business Services’ evaluation of progress toward
12 achieving the goals the department specifies under subparagraph (A) of this paragraph; and

13 “(ii) Options for achieving the goals over the course of the subsequent three updates to
14 the statewide building code and applicable specialty codes;

15 “(D) Outline and evaluate for feasibility in the report described in subparagraph (C) of
16 this paragraph a range of available options for achieving steady progress toward the goals
17 described in subparagraph (A) of this paragraph over the course of scheduled updates to the
18 statewide building code and applicable specialty codes that occur up until 2030; and

19 “(E) Update the Reach Code described in ORS 455.500 to reflect incremental progress
20 toward the goals specified in subparagraph (A) of this paragraph each time the Department
21 of Consumer and Business Services updates the statewide building code and applicable spe-
22 cialty codes.

23 “(c) To carry out the directives specified in paragraph (a)(B) of this subsection, the de-
24 partment shall coordinate with the Department of Environmental Quality to:

25 “(A) Quantify, to the extent feasible, greenhouse gas emissions that occur as a result of
26 the manufacture, transport, installation, disposal and recovery of materials used in building
27 construction; and

28 “(B) To the extent feasible and in cooperation with the Department of Environmental
29 Quality, and taking into account applicable standards that the Department of Transportation
30 has specified for procuring building construction materials, identify options to reduce,
31 through the building code or other means, greenhouse gas emissions attributable to building
32 materials so that lower carbon materials may serve the same function and provide the same
33 level of utility and reliability.

34 “(3) In carrying out the directives set forth in this section, the Department of Consumer
35 and Business Services shall consider industry standards including, where appropriate, stan-
36 dards promulgated by the American Society of Heating, Refrigerating and Air-Conditioning
37 Engineers.

38 “SECTION 7. The Department of Consumer and Business Services shall, no later than
39 December 31, 2024, report to an interim committee of the Legislative Assembly related to the
40 environment. The report under this section shall include the department’s findings and rec-
41 ommendations on options for, and the feasibility of, reducing greenhouse gas emissions that
42 result from manufacturing, transporting, installing, disposing of and recovering materials
43 used in building construction, based on the findings of the department and the Department
44 of Environmental Quality under section 6 (2)(c)(B) of this 2023 Act, including:

45 “(1) Specifying the use of lower carbon materials in the statewide building code or appli-

1 cable specialty code; or

2 “(2) Other means identified by the Department of Consumer and Business Services and
3 the Department of Environmental Quality for reducing greenhouse gas emissions attribut-
4 able to building materials.

5
6 “ENERGY PERFORMANCE STANDARDS FOR COVERED COMMERCIAL BUILDINGS

7
8 “SECTION 8. As used in sections 8 to 17 of this 2023 Act:

9 “(1)(a) ‘Agricultural building’ means a structure that is used for:

10 “(A) Storing, maintaining or repairing farm or forestry machinery and equipment;

11 “(B) Raising, harvesting and selling crops or forest products;

12 “(C) Feeding, breeding, managing and selling livestock, poultry, fur-bearing animals or
13 honeybees or the produce of livestock, poultry, fur-bearing animals or honeybees;

14 “(D) Dairying and selling dairy products; or

15 “(E) Any other agricultural, forestry or horticultural use or animal husbandry, or any
16 combination of agricultural, horticultural or animal husbandry uses, including preparing and
17 storing produce raised on the farm for human use and animal use, preparing, processing and
18 storing agricultural and forestry products and goods and disposing, by marketing or other-
19 wise, of farm produce or forest products.

20 “(b) ‘Agricultural building’ does not include:

21 “(A) A dwelling;

22 “(B) A structure used for a purpose other than growing plants in which 10 or more per-
23 sons are present at any one time;

24 “(C) A structure regulated by the State Fire Marshal pursuant to ORS chapter 476;

25 “(D) A structure used by the public; or

26 “(E) A structure that is subject to the National Flood Insurance Act of 1968 (42 U.S.C
27 4001 to 4127), as amended, and regulations promulgated under that Act.

28 “(2) ‘Conditional compliance’ means a temporary method that a building owner can use
29 to demonstrate that the building owner has implemented required energy use reduction
30 strategies when the building owner cannot demonstrate full compliance with a required en-
31 ergy use intensity target.

32 “(3) ‘Covered commercial building’ means a tier 1 building or a tier 2 building.

33 “(4) ‘Eligible building owner’ means:

34 “(a) An owner of a tier 1 building that must comply with the standard established in
35 section 9 of this 2023 Act; or

36 “(b) An owner of tier 2 building.

37 “(5) ‘Energy’ means:

38 “(a) Electricity, including electricity that is delivered through the electric grid and elec-
39 tricity that is generated at a building site using solar or wind energy resources;

40 “(b) Natural gas;

41 “(c) Steam, hot water or chilled water used for heating or cooling;

42 “(d) Propane;

43 “(e) Fuel oil;

44 “(f) Wood;

45 “(g) Coal; or

1 “(h) Any other fuel that meets a covered commercial building’s energy load.

2 “(6) ‘Energy use intensity’ means a measurement that weather normalizes a building’s

3 site energy use relative to the building’s size, calculated by dividing the total net energy the

4 building consumes in one year by the building’s gross floor area, excluding any parking ga-

5 rage, and that is reported in thousands of British thermal units per square foot per year.

6 “(7) ‘Energy use intensity target’ means a net energy use intensity that complies with

7 the standard set forth in section 9 of this 2023 Act.

8 “(8) ‘Greenhouse gas’ has the meaning given that term in ORS 468A.210.

9 “(9)(a) ‘Gross floor area’ means the total number of square feet of a building, measured

10 from the exterior surfaces of a building’s fixed enclosing walls, including all floor space used

11 as offices, lobbies, restrooms, equipment storage areas, mechanical rooms, break rooms and

12 elevator shafts.

13 “(b) ‘Gross floor area’ does not include bays or docks outside the building.

14 “(10) ‘Net energy use’ means the sum of metered and bulk fuel energy that enters a

15 building, minus the sum of metered energy that leaves the building.

16 “(11) ‘Savings to investment ratio’ means the ratio of the total present value of savings

17 to the total present value of costs to implement an energy conservation measure or water

18 conservation measure, in which the numerator of the ratio is the present value of net

19 savings in energy or water or in maintenance costs not related to fuel use or water use that

20 are attributable to the energy conservation measure or water conservation measure and the

21 denominator of the ratio is the present value of the net increase in investment and replace-

22 ment costs, less the salvage value, of the energy conservation or water conservation meas-

23 ure.

24 “(12) ‘Semiheated space’ means an enclosed space within a covered commercial building

25 that is heated by a heating system with an output the Department of Consumer and Business

26 Services specifies in an applicable specialty code.

27 “(13) ‘Tier 1 building’ means a building in which the sum of gross floor area for hotel,

28 motel and nonresidential use equals or exceeds 35,000 square feet, excluding any parking

29 garage.

30 “(14)(a) ‘Tier 2 building’ means:

31 “(A) A building with gross floor area, excluding any parking garage, that equals or ex-

32 ceeds 35,000 square feet and that is used as a multifamily residential building, a hospital, a

33 school, a dormitory or a university building; or

34 “(B) A building in which the sum of gross floor area for hotel, motel and nonresidential

35 use exceeds 20,000 square feet but does not exceed 35,000 square feet, excluding any parking

36 garage.

37 “(b) ‘Tier 2 building’ does not include a covered commercial building that is classified as

38 a tier 1 building.

39 “(15) ‘Unconditioned space’ means an enclosed space within a covered commercial build-

40 ing that is not:

41 “(a) Heated by a heating system or cooled by a cooling system with output capacities the

42 Department of Consumer and Business Services specifies in an applicable specialty code; or

43 “(b) Indirectly heated or cooled in accordance with standards the department specifies

44 in an applicable specialty code.

45 “(16) ‘Weather normalized’ means a method for modifying a building’s energy use inten-

1 sity in a specific year to account for deviations from the building’s energy use intensity as
2 the energy use intensity ordinarily occurs during a year in which the weather does not
3 fluctuate substantially or vary as a consequence of extreme weather events.

4 “**SECTION 9.** (1)(a) Not later than December 31, 2024, the State Department of Energy,
5 in consultation with the Department of Consumer and Business Services, shall adopt rules
6 that use the American National Standards Institute’s standards for Energy Efficiency in
7 Existing Buildings (ANSI/ASHRAE/IES Standard 100) as an initial model for specifying an
8 energy performance standard for covered commercial buildings. In rulemaking proceedings
9 to adopt or update rules under this paragraph, the State Department of Energy shall disclose
10 the sources of information, including the model described in this paragraph and any peer-
11 reviewed science, that the department relies on in developing or updating the energy per-
12 formance standard. The department shall update the energy performance standard not later
13 than July 1, 2029, and by the same month and day in each successive period of five years.

14 “(b) The energy performance standard described in paragraph (a) of this subsection must:

15 “(A) Comply with the requirements of sections 8 to 10 of this 2023 Act;

16 “(B) Seek to maximize reductions in greenhouse gas emissions from covered commercial
17 buildings;

18 “(C) Include energy use intensity targets that apply to specific types of buildings; and

19 “(D) Provide for methods to achieve conditional compliance with an applicable energy use
20 intensity target, which must, at a minimum, require:

21 “(i) Preparing an energy management plan;

22 “(ii) Developing a program for building operations and maintenance that aims at achiev-
23 ing the applicable energy use intensity target;

24 “(iii) Making investments in energy use efficiency measures that aim at achieving the
25 applicable energy use intensity target; and

26 “(iv) Submitting to energy use audits, which may be based upon or linked to ASHRAE
27 Standard 211 audits.

28 “(c) Adoption of the energy performance standard described in paragraph (a) of this
29 subsection does not change eligibility criteria for, or benefits or incentives available under,
30 other programs for energy efficiency demand response.

31 “(2)(a) In adopting the energy performance standard described in subsection (1) of this
32 section, the department:

33 “(A) Shall:

34 “(i) Develop energy use intensity targets that are not more stringent than the average
35 energy use intensity for each covered commercial building occupancy classification, adjusting
36 as necessary for a covered commercial building’s unique energy-using features;

37 “(ii) Consider, for the purpose of establishing energy use intensity targets, regional and
38 local data that identifies building energy use, such as existing benchmarking data from the
39 Energy Star program established under 42 U.S.C. 6294a;

40 “(iii) Consider, for the purpose of establishing the energy performance standard, federal
41 and local programs that relate to energy efficiency standards, aligning where possible re-
42 quirements under the energy performance standard to avoid duplicative work by regulators
43 and eligible building owners;

44 “(iv) Develop energy use intensity targets for two or more climate zones that represent
45 energy use in a year with normal weather;

1 “(v) Develop energy use intensity targets that exclude energy delivered through electric
2 vehicle supply equipment; and

3 “(vi) Adopt a conditional compliance method that:

4 “(I) Requires eligible building owners of covered commercial buildings that do not meet
5 an energy use intensity target to take action to reduce energy use; and

6 “(II) Specifies investment criteria that meet the requirements set forth in paragraph (b)
7 of this subsection and that ensure progress toward meeting the energy use intensity target;
8 and

9 “(B) May:

10 “(i) Consider building occupancy classifications set forth in ANSI/ASHRAE/IES Standard
11 100 and the United States Environmental Protection Agency’s Energy Star portfolio man-
12 ager;

13 “(ii) Base energy use intensity targets for recently constructed covered commercial
14 buildings on statewide energy codes that were in effect at the time the covered commercial
15 building was constructed; and

16 “(iii) Require utilities, eligible building owners and other entities to aggregate data for
17 covered commercial buildings that have multiple meters and to report or, as appropriate,
18 provide the aggregated data for reports under section 10 of this 2023 Act.

19 “(b)(A) Investment criteria the department specifies as part of a conditional compliance
20 method under paragraph (a) of this subsection must:

21 “(i) Ensure that an eligible building owner meets the covered commercial building’s en-
22 ergy use intensity target by implementing energy efficiency measures identified in energy
23 use audits; and

24 “(ii) Except as provided in subparagraph (B) of this paragraph, require an eligible building
25 owner to implement an optimized bundle of energy efficiency measures that provide maxi-
26 mum energy savings without resulting in a savings to investment ratio of less than 1.0 or
27 require the eligible building owner to achieve the energy use intensity target by means of
28 an implementation plan that:

29 “(I) Is based on an energy use audit and life-cycle cost analysis from ANSI/ASHRAE/IES
30 Standard 211 that accounts for the period during which a bundle of energy efficiency meas-
31 ures provide savings;

32 “(II) Reflects the eligible building owner’s net costs of implementing energy efficiency
33 measures, excluding any costs that utility or government grants cover;

34 “(III) Allows an exclusion of energy efficiency measures that do not pay back the cost
35 of the energy efficiency measure over the useful life of the energy efficiency measure;

36 “(IV) Allows an exclusion of energy efficiency measures that are excluded under sub-
37 paragraph (B) of this paragraph; and

38 “(V) Allows for phased implementation in which an eligible building owner need not re-
39 place a system or equipment before the useful life of the system or equipment ends.

40 “(B) An eligible building owner need not meet an energy efficiency requirement that
41 would compromise the historical integrity of a covered commercial building or part of a
42 covered commercial building that:

43 “(i) Is listed on a state or national register of historic places;

44 “(ii) Is designated as an historic property under a state or local statute, ordinance, rule
45 or other legislative act or a survey conducted under a statute, ordinance, rule or other leg-

1 islative act;

2 “(iii) Is certified as a contributing resource within a historic district that is listed on a
3 national register or is locally designated as a historic district; or

4 “(iv) A state historic preservation officer or the keeper of the national register of his-
5 toric places has determined in an opinion or certification is eligible to be listed on the na-
6 tional or state register of historic places either as an individual building or as a building that
7 contributes to a historic district.

8 “(3) The department shall create a database of eligible building owners and covered
9 commercial buildings that are subject to the requirements of sections 8 to 10 of this 2023
10 Act based on records the department obtains from each county assessor and on other in-
11 formation available to the department.

12 “(4)(a) Not later than July 1, 2025, the department shall notify eligible building owners
13 of the requirement to comply with the provisions set forth for tier 1 buildings in sections 8
14 to 10 of this 2023 Act.

15 “(b) The department may approve an eligible building owner’s use of a conditional com-
16 pliance method in lieu of full compliance with an energy use intensity target if the depart-
17 ment determines that the eligible building owner has the capacity to take the actions and
18 make the investments required under the conditional compliance method and otherwise
19 qualifies to use the conditional compliance method.

20 “(5) A municipality, as defined in ORS 455.010, may by ordinance, rule or land use pro-
21 cess, adopt an energy performance standard and greenhouse gas emission reduction stan-
22 dards that are more stringent, or that have broader application, than the energy
23 performance standard that the department adopts under this section. A municipality shall
24 cooperate with the department in aligning, where practicable, an energy performance
25 standard the municipality adopts with the energy performance standard the department
26 adopts under this section.

27 “SECTION 10. (1) An eligible building owner of a tier 1 building shall report to the State
28 Department of Energy concerning the eligible building owner’s compliance with the energy
29 performance standard described in section 9 of this 2023 Act. The eligible building owner shall
30 submit the report in accordance with the schedule specified in subsection (4) of this section
31 and shall submit a new report at the end of every successive five-year period. Each report
32 the eligible building owner submits must include documentation that demonstrates that:

33 “(a) The tier 1 building’s weather normalized energy use intensity during the previous
34 calendar year is less than or equal to the applicable energy use intensity target;

35 “(b) The eligible building owner is taking actions and making investments in accordance
36 with a conditional compliance method the department approved; or

37 “(c) The tier 1 building is exempt from an energy performance standard that otherwise
38 would apply to the tier 1 building because:

39 “(A) The tier 1 building did not have a certificate of occupancy or temporary certificate
40 of occupancy during all of the 12 months that preceded the date on which the eligible building
41 owner’s report is due;

42 “(B) The tier 1 building did not have an actual rate of occupancy that exceeded 50 percent
43 of the tier 1 building’s capacity during all of the 12 months that preceded the date on which
44 the eligible building owner’s report is due;

45 “(C) The sum of the tier 1 building’s gross floor area, minus unconditioned spaces and

1 semiheated spaces, is less than 35,000 square feet;

2 “(D) The primary use for the tier 1 building is manufacturing or another industrial use,
3 as defined in accordance with the following use designations of the International Building
4 Code:

5 “(i) Factory group F; or

6 “(ii) High hazard group H;

7 “(E) The tier 1 building is an agricultural building; or

8 “(F) The eligible building owner or the tier 1 building has undergone or is undergoing fi-
9 nancial hardship, as measured in accordance with the following criteria:

10 “(i) Within the 24 months that precede the date on which the eligible building owner’s
11 report is due, a city or county listed the tier 1 building on the city’s or county’s annual tax
12 lien sale list because of arrears in property taxes or water or wastewater charges;

13 “(ii) A court appointed receiver controls the tier 1 building because of financial distress;

14 “(iii) A financial institution owns the tier 1 building because of a borrower’s default;

15 “(iv) Within the 24 months that precede the date on which the eligible building owner’s
16 report is due, the eligible building owner acquired the tier 1 building by means of a deed in
17 lieu of foreclosure;

18 “(v) The tier 1 building has a senior mortgage that is subject to a notice of default; or

19 “(vi) Other criteria that the department specifies by rule as indicative of financial hard-
20 ship.

21 “(2) The department shall develop methods and procedures for administering reports that
22 eligible building owners of tier 1 buildings submit to the department under subsection (1) of
23 this section.

24 “(3)(a) The department shall provide a support program to eligible building owners of
25 covered commercial buildings that includes, at a minimum, information and periodic train-
26 ing, technical assistance and telephone and electronic mail support that will assist eligible
27 building owners in complying with the energy performance standard, applicable energy use
28 intensity targets and reporting requirements under sections 8 to 10 of this 2023 Act.

29 “(b) As part of the support program described in paragraph (a) of this subsection, the
30 department may encourage eligible building owners to seek for maintenance staff accredi-
31 tation from the U.S. Green Building Council’s Green Janitors Education Program.

32 “(4) An eligible building owner must comply with the energy performance standard
33 adopted under section 9 of this 2023 Act by the following dates:

34 “(a) If the eligible building owner’s tier 1 building has a gross floor area of 200,000 square
35 feet or more, not later than June 1, 2028;

36 “(b) If the eligible building owner’s tier 1 building has a gross floor area of 90,000 square
37 feet or more but less than 200,000 square feet, not later than June 1, 2029; and

38 “(c) If the eligible building owner’s tier 1 building has a gross floor area of 35,000 square
39 feet or more but less than 90,000 square feet, not later than June 1, 2030.

40 “(5)(a) The department shall notify an eligible building owner of a tier 1 building of a
41 failure to comply with sections 8 to 10 of this 2023 Act if the eligible building owner fails to:

42 “(A) Submit the report described in subsection (1) of this section by the date required
43 or in a form and manner the department requires;

44 “(B) Meet the energy performance standard or an applicable energy use intensity target
45 or, in lieu of meeting the standard or target, fails to obtain the department’s approval to use

1 a conditional compliance method;

2 “(C) Provide accurate reporting that meets the requirements of sections 8 to 10 of this
3 2023 Act; or

4 “(D) Demonstrate as provided in subsection (1)(c) of this section that the eligible building
5 owner is exempt from an otherwise applicable energy performance standard.

6 “(b) In the notice described in paragraph (a) of this subsection, the department may
7 specify a date by which the eligible building owner of a tier 1 building must correct the fail-
8 ure the department identified in the notice. In addition, the department shall specify the date
9 by which the eligible building owner’s failure to comply or failure to correct a lack of com-
10 pliance will subject the eligible building owner to a civil penalty under subsection (6) of this
11 section.

12 “(c) At an eligible building owner’s request, the department shall cite the specific legal
13 authority upon which the department relied as a basis for issuing a notice to the eligible
14 building owner under paragraph (a) of this subsection.

15 “(6)(a) The department may impose a civil penalty as provided in ORS 183.745 upon an
16 eligible building owner of a tier 1 building to which the department issued a notice under
17 subsection (5) of this section if the department determines that the eligible building owner:

18 “(A) Has not complied with the requirement set forth in the notice or has not corrected
19 a lack of compliance by the date for correction that the department specifies in the notice;
20 or

21 “(B) Otherwise violated a provision of sections 8 to 10 of this 2023 Act or a rule the de-
22 partment adopted under sections 8 to 10 of this 2023 Act.

23 “(b) A civil penalty the department imposes under paragraph (a) of this subsection may
24 not exceed \$5,000 plus an amount for the duration of a continuing violation, which may not
25 exceed a daily amount that the department calculates by multiplying \$1 per year per square
26 foot of gross floor area of the tier 1 building that is the subject of the department’s notice.

27 “(c) The department shall deposit the proceeds of any civil penalty the department im-
28 poses and collects under this subsection into the State Department of Energy Account es-
29 tablished under ORS 469.120 and shall allocate the proceeds for the purpose of administering
30 the department’s energy efficiency programs.

31 “SECTION 11. (1) In addition to the energy performance standard the State Department
32 of Energy adopts in accordance with section 9 of this 2023 Act, the department shall adopt
33 rules to implement sections 8 to 10 of this 2023 Act. The rules must:

34 “(a) Ensure timely, accurate and complete reporting of compliance with the requirements
35 of sections 8 to 10 of this 2023 Act from all tier 1 buildings;

36 “(b) Enable the department to effectively enforce the energy performance standard and
37 energy use intensity targets established under sections 8 to 10 of this 2023 Act;

38 “(c) Provide means for affected eligible building owners of tier 1 buildings to appeal de-
39 cisions and enforcement actions of the department that affect the eligible building owner;
40 and

41 “(d) Ensure that an eligible building owner of a tier 1 building is responsible for paying
42 the costs of compliance with sections 8 to 10 of this 2023 Act.

43 “(2) Before adopting rules under this section, the department shall establish and consult
44 an advisory committee that includes representatives of eligible building owners, tenants of
45 covered commercial buildings, public utilities, organizations with experience in designing or

1 implementing energy efficiency programs, local governments, organizations that focus on
2 environmental justice and other stakeholders the department identifies as needing repre-
3 sentation. The department shall consult with the advisory committee before amending rules
4 the department adopts under this section.

5 **“SECTION 12.** At the request of the State Department of Energy, each county assessor
6 in this state shall provide information from existing records data that the department re-
7 quires to implement sections 8 to 10 of this 2023 Act, including information about covered
8 commercial buildings within the county.

9 **“SECTION 13.** The State Department of Energy shall report not later than January 15,
10 2025, and by the same date in each succeeding year until 2035, to the Governor and to com-
11 mittees of the Legislative Assembly that are related to the environment concerning the im-
12 plementation of the energy performance standard established under section 9 of this 2023
13 Act. The report must include information about the department’s adoption of the
14 ANSI/ASHRAE/IES Standard 100 as the department’s initial model for the energy perform-
15 ance standard, the financial impact the standard has had on eligible building owners of tier
16 1 buildings, the amount of any incentives the department provided for compliance and any
17 other information that is relevant to the department’s implementation of sections 8 to 10 of
18 this 2023 Act.

19 **“SECTION 14.** (1) Sections 8 to 10 of this 2023 Act do not require an eligible building
20 owner to take action to comply with sections 8 to 10 of this 2023 Act:

21 **“(a)** If the eligible building owner owns a tier 2 building; or

22 **“(b)** Before the State Department of Energy adopts an energy performance standard un-
23 der section 9 of this 2023 Act, if the eligible building owner owns a tier 1 building.

24 **“(2)** The department may offer incentives for eligible building owners to voluntarily
25 comply with, or for early compliance with, ANSI/ASHRAE/IES Standard 100 or the energy
26 performance standard the department establishes under section 9 of this 2023 Act.

27 **“SECTION 15.** (1)(a) Not later than December 31, 2024, the State Department of Energy
28 by rule shall establish a requirement and standards under which eligible building owners of
29 tier 2 buildings must provide to the department data that would enable the department to
30 establish a benchmark for energy use in, and greenhouse gas emissions from, tier 2
31 buildings.

32 **“(b)** The State Department of Energy shall cooperate with the Department of Education
33 to establish a requirement to provide the data described in paragraph (a) of this subsection
34 in a manner that minimizes costs to schools and avoids or minimizes duplication with the
35 Department of Education’s school facility assessments.

36 **“(2)** Not later than July 1, 2025, the State Department of Energy shall notify all eligible
37 building owners of tier 2 buildings of the requirement and standards the department adopts
38 by rule under subsection (1) of this section.

39 **“(3)** Not later than July 1, 2028, and by July 1 every five years thereafter, an eligible
40 building owner of a tier 2 building shall provide the department with data the department
41 requires in rules the department adopts under subsection (1) of this section.

42 **“(4)** Not later than July 1, 2029, the department shall evaluate and use the data the de-
43 partment receives from eligible building owners of tier 2 buildings to calculate average en-
44 ergy use in, and average greenhouse gas emissions from, each of the categories of tier 2
45 buildings that exist in this state.

1 “(5) Not later than July 1, 2025, the department shall establish and consult an advisory
2 committee to identify and evaluate the financial and nonfinancial implications of establishing
3 and implementing an energy performance standard for tier 2 buildings. The advisory com-
4 mittee must include, but is not limited to, representatives of renters, low-income tenants and
5 environmental justice communities, as defined in ORS 469A.400.

6 “(6) Not later than October 1, 2030, the department shall submit a report to the Governor
7 and to an interim committee of the Legislative Assembly related to energy that:

8 “(a) Recommends a cost-effective energy performance standard for tier 2 buildings; and

9 “(b) Includes estimates of costs to eligible building owners, and challenges that eligible
10 building owners would face, in implementing an energy performance standard for tier 2
11 buildings.

12 “SECTION 16. (1) As used in this section, ‘person’ means an individual, corporation,
13 nonprofit corporation, professional corporation, limited liability company, partnership, lim-
14 ited partnership, limited liability partnership, cooperative, business trust, joint venture or
15 other form of business entity, including Energy Trust of Oregon.

16 “(2) The State Department of Energy may contract with another person to administer
17 incentive payments to eligible building owners for early compliance with the energy per-
18 formance standard described in section 9 of this 2023 Act.

19 “(3) The person with which the department contracts under subsection (2) of this section
20 shall administer incentive payments:

21 “(a) In a manner that is consistent with rules the department adopts under, and for
22 compliance that is consistent with, sections 8 to 10 of this 2023 Act; and

23 “(b) To eligible building owners that the department certifies as qualifying for incentive
24 payments under, and at rates established for the payments in, section 17 of this 2023 Act.

25 “(4) A person that administers incentive payments on the department’s behalf:

26 “(a) Remains subject to any obligations the person has or will have to provide energy
27 efficiency programs or incentives to the person’s customers; and

28 “(b) Is not liable for excess incentive payments the person makes in reliance on the
29 department’s certification or determination of the proper amount of the incentive payment,
30 if the person is not otherwise responsible for any inaccuracy in the amount of the incentive
31 payment.

32 “SECTION 17. (1) The State Department of Energy by rule shall establish a program to
33 pay incentives to eligible building owners that implement ANSI/ASHRAE/IES Standard 100
34 or the energy performance standard described in section 9 of this 2023 Act for covered
35 commercial buildings before adoption and implementation is mandatory. The program must
36 provide for:

37 “(a) An application process;

38 “(b) Standards by which the department may qualify an eligible building owner to receive,
39 or disqualify an eligible building owner from receiving, an incentive payment;

40 “(c) A method for verifying a covered commercial building’s energy consumption with the
41 eligible building owner and the electric utility, gas company or thermal energy company that
42 supplies energy to the covered commercial building for the purpose of qualifying the eligible
43 building owner to receive an incentive payment;

44 “(d) A process for calculating the amount of any incentive payment;

45 “(e) An administrative process by which an eligible building owner may appeal the

1 department's decision to qualify or disqualify the eligible building owner or the department's
2 determination of the amount of an incentive payment; and

3 “(f) A process for authorizing incentive payments and notifying eligible building owners
4 and persons that administer incentive payments of the department's authorization.

5 “(2) To qualify for an incentive payment, an eligible building owner must report to the
6 department in accordance with section 10 of this 2023 Act by the deadlines and for a period
7 of time the department specifies by rule. In addition:

8 “(a) The eligible building owner must own a tier 1 building that is or will become subject
9 to the requirements of sections 8 to 10 of this 2023 Act or must own a tier 2 building that
10 qualifies as provided in subsection (3) of this section;

11 “(b) If the covered commercial building is a tier 1 building, the tier 1 building must have
12 a baseline energy use intensity that exceeds an applicable energy use intensity target by at
13 least 15 energy use intensity units; and

14 “(c) The eligible building owner must comply with any other requirements the depart-
15 ment specifies by rule.

16 “(3) An eligible building owner of a tier 2 building may receive an incentive payment of
17 35 cents per square foot of gross floor area, excluding any parking garage, unconditioned
18 space or semiheated space if the eligible building owner has submitted to the department,
19 or has agreed to submit to the department in advance of an established deadline, the data
20 described in section 15 of this 2023 Act.

21 “(4)(a) Subject to paragraph (c) of this subsection, an eligible building owner that applies
22 and qualifies for an incentive payment under subsection (2) or (3) of this section may receive
23 for meeting the energy performance standard described in section 9 of this 2023 Act early
24 or voluntarily an incentive payment of 85 cents per square foot of gross floor area of the
25 eligible building owner's covered commercial building, excluding any parking garage, uncon-
26 ditioned space or semiheated space.

27 “(b) The department may authorize additional incentive payments to an eligible building
28 owner that owns a tier 2 multifamily residential building and that enters into a binding
29 agreement not to displace tenants from the multifamily residential building.

30 “(c) The department may authorize an incentive payment only if funds are available for
31 the payment and contingent upon an eligible building owner's compliance with the require-
32 ments of this section and any rules the department adopts to govern incentive payments.

33 “(5) Before qualifying an eligible building owner to receive an incentive payment under
34 this section, the department shall review the eligible building owner's application and verify
35 any report the eligible building owner must provide under section 10 of this 2023 Act and any
36 energy consumption the department must measure for the purposes of the qualification. If
37 the department determines that an eligible building owner qualifies for an incentive payment,
38 the department shall certify the qualification to the eligible building owner and to the person
39 that administers incentive payments under section 16 of this 2023 Act.

40 “(6) Not later than September 30, 2026, and by the same date every two years thereafter,
41 the department shall report to interim committees of the Legislative Assembly related to
42 energy concerning the operations and results of the incentive program the department es-
43 tablishes under this section. The report must include recommendations for aligning the in-
44 centive program with greenhouse gas emission reduction goals that meet or exceed the goals
45 specified in ORS 468A.205.

1 **“STATE AGENCIES TO CONDUCT ASSESSMENT OF ENERGY USE**

2
3 **“SECTION 18. (1) As used in this section, ‘state agency’ has the meaning given that term**
4 **in ORS 278.005.**

5 **“(2)(a) The Oregon Department of Administrative Services, in cooperation with the State**
6 **Department of Energy, shall develop a methodology and work plan for state agencies to im-**
7 **plement a comprehensive assessment of energy use and greenhouse gas emissions of state-**
8 **owned buildings. At a minimum, the assessments must:**

9 **“(A) Examine and quantify each building’s greenhouse gas emissions, using where feasi-**
10 **ble existing data such as energy use reporting for existing state-owned buildings that state**
11 **agencies submitted to the State Department of Energy and data from other existing pro-**
12 **grams and contracts;**

13 **“(B) Identify equipment or usage that contributes to greenhouse gas emissions from each**
14 **building; and**

15 **“(C) Determine and quantify the useful life of equipment in each building that contributes**
16 **to greenhouse gas emissions.**

17 **“(b) The Oregon Department of Administrative Services may direct state agencies to**
18 **conduct the assessments described in paragraph (a) of this subsection in phases or stages**
19 **and may specify a minimum building size that is subject to an assessment.**

20 **“(c) The Oregon Department of Administrative Services may procure and make available**
21 **to state agencies services from a private contractor to conduct the assessments described**
22 **in paragraph (a) of this subsection throughout the state.**

23 **“(3) All agencies of state government shall cooperate with and assist the Oregon De-**
24 **partment of Administrative Services, or the department’s contractor, in conducting the as-**
25 **sessments and shall timely provide relevant information to the department, or the**
26 **department’s contractor, in accordance with methodology the department specifies.**

27 **“(4) The Oregon Department of Administrative Services, with support from the State**
28 **Department of Energy, shall create a searchable and modifiable database with the data that**
29 **the Oregon Department of Administrative Services, or the department’s contractor, collects**
30 **from state agency assessments described in subsection (2) of this section. State agencies**
31 **shall use baseline data from the database as a tool for planning energy use reduction and**
32 **greenhouse gas emissions reduction targets in capital projects.**

33 **“(5)(a) The Oregon Department of Administrative Services, in collaboration with the De-**
34 **partment of Environmental Quality and the State Department of Energy, shall oversee all**
35 **capital projects in which:**

36 **“(A) A state agency constructs or performs a major renovation on a state building; and**

37 **“(B) The estimated contract price for the capital project exceeds \$1 million.**

38 **“(b) In performing the oversight described in paragraph (a) of this subsection, the Oregon**
39 **Department of Administrative Services shall:**

40 **“(A) Develop and implement guidelines for sustainable design that:**

41 **“(i) Apply to all state agencies and all capital projects described in paragraph (a) of this**
42 **subsection;**

43 **“(ii) Take into account the building’s life cycle and the life cycle of all of the building’s**
44 **systems, components, materials, operations and maintenance; and**

45 **“(iii) Consider each building’s size, cost or purpose;**

1 “(B) Provide guidance and technical expertise to each state agency with respect to con-
2 struction methods, materials, energy conservation measures, greenhouse gas emissions re-
3 duction methods, green building construction and renovation and other techniques and
4 technologies that will aid in achieving the state’s green building, energy efficiency and
5 greenhouse gas emissions reduction goals; and

6 “(C) Use existing work the State Department of Energy performed in connection with the
7 United States Department of Energy’s Standard Energy Efficiency Data program, data from
8 other existing programs and contracts and, where appropriate, data from the database de-
9 scribed in subsection (4) of this section.

10 “(c) Each state agency shall report regularly to the Oregon Department of Administra-
11 tive Services concerning progress on a capital project described in paragraph (a) of this
12 subsection, with an emphasis on progress toward meeting the goals described in paragraph
13 (b)(B) of this subsection. A state agency may combine a report under this paragraph with a
14 report from another state agency.

15 “(6) The Oregon Department of Administrative Services and the State Department of
16 Energy shall participate on behalf of the state in the National Building Performance Stan-
17 dards Coalition.

18 “**SECTION 19.** ORS 469.754 is amended to read:

19 “469.754. (1) State agencies [*are authorized to*] **may** enter into such contractual and other ar-
20 rangements as [*may be*] **are** necessary or convenient to design, develop, operate and finance projects
21 on-site at state owned or state rented facilities. [*In developing such projects, state agencies shall offer*
22 *a right of first refusal of two months for conservation and direct use renewable resources and three*
23 *months for cogeneration and generating renewable resources to each local utility providing utility ser-*
24 *vice to the agency to jointly develop, finance, operate and otherwise act together in the development and*
25 *operation of such projects. The State Department of Energy shall adopt rules to establish the procedure*
26 *by which the right of first refusal shall be administered. In adopting the rules, the department shall*
27 *insure that the local utility providing utility service to the state agency is entitled to the first right to*
28 *negotiate with the state agency and that the utility is entitled to match any offer made by any other*
29 *entity to participate in the project. The department also shall adopt procedures that insure that the right*
30 *to first negotiate and the right to match any offer applies to the sale of electrical or steam output from*
31 *the project.*]

32 “(2)(a) For as long as a project established under ORS 469.752 to 469.756 produces savings:

33 “(A) A state agency’s budget [*shall*] **may** not be cut because of savings due to the project; and

34 “(B) A state agency shall retain [50] **100** percent of the net savings to the state agency after any
35 project debt service.

36 “(b) Savings from a project [*shall*] **must** be deposited in a revolving fund administered by the
37 state agency.

38 “(3) A state agency shall spend the savings under subsection (2) of this section to increase
39 productivity through:

40 “(a) Energy efficiency projects;

41 “(b) High-tech improvements, such as the purchase or installation of new desktop or laptop
42 computers or the linkage of computers into systems or networks; or

43 “(c) Infrastructure improvements.

44 “(4) The moneys credited to the revolving fund may be invested and reinvested as provided in
45 ORS 293.701 to 293.790. Notwithstanding ORS 293.105 (3) or any other provision of law, interest or

1 other earnings on moneys in the revolving fund *[shall]* **must** be credited to the revolving fund.

2 “[(5) *The remaining 50 percent of net savings to the state agency after any project debt service shall*
3 *be deposited in the General Fund.*]

4 “[(6)] **(5)** *[Nothing in]* ORS 469.752 to 469.756 *[authorizes]* **do not authorize** a state agency to
5 sell electricity to an entity other than an investor owned utility, a publicly owned utility, an electric
6 cooperative utility or the Bonneville Power Administration.

7 “[(7)] **(6)** *[Nothing in]* ORS 469.752 to 469.756 *[limits]* **do not limit** the authority of a state agency
8 conferred by any other provision of law, or *[affects]* **affect** any authority, including the authority
9 of a municipality, to regulate utility service under existing law.

10 “**SECTION 20.** ORS 469.756 is amended to read:

11 “469.756. The State Department of Energy in consultation with other state agencies and utilities
12 shall adopt rules, guidelines and procedures that are necessary to establish savings for projects and
13 to implement other provisions of ORS 469.752 to 469.756, *including, but not limited to, rules pre-*
14 *scribing the procedures to be followed by an agency in negotiating with local utilities to develop*
15 *agreements suitable for the joint development of projects, and procedures to determine which local*
16 *utility, if any, shall be chosen to jointly develop the project]. The department may enter into agree-*
17 *ments under ORS chapter 190 with state agencies to provide technical assistance in selecting ap-*
18 *propriate projects and to evaluate and determine energy and cost savings.*

19 “**SECTION 21. The amendments to ORS 469.754 and 469.756 by sections 19 and 20 of this**
20 **2023 Act apply to projects that a state agency commences, and to contracts for energy sales**
21 **into which a state agency enters, on and after the 91st day after the date on which the 2023**
22 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

23
24 “**COMMUNITY GREEN INFRASTRUCTURE GRANT PROGRAM**

25
26 “**SECTION 22. The Legislative Assembly finds and declares that:**

27 “**(1) The purpose of community green infrastructure projects and green infrastructure**
28 **economic development projects is to provide direct social, environmental and economic ben-**
29 **efits to communities across this state through green infrastructure.**

30 “**(2) The social, environmental and economic benefits of green infrastructure to commu-**
31 **nities include, but are not limited to:**

32 “**(a) Climate change mitigation, adaptation and resilience;**

33 “**(b) Stormwater management;**

34 “**(c) Air temperature regulation;**

35 “**(d) Air quality benefits;**

36 “**(e) Noise abatement;**

37 “**(f) Energy savings;**

38 “**(g) Economic development opportunities;**

39 “**(h) Public or community health benefits;**

40 “**(i) Support for community food pathways through regenerative agriculture;**

41 “**(j) Water quality improvements, including temperature regulation;**

42 “**(k) Water conservation;**

43 “**(L) Erosion control;**

44 “**(m) Park and open space benefits;**

45 “**(n) Urban forest benefits;**

- 1 “(o) Restoration of floodplain functions;
- 2 “(p) Restored or expanded wetlands and riparian areas;
- 3 “(q) Habitat improvements;
- 4 “(r) Aquifer recharge that does not include an extractive or consumptive use of the
- 5 aquifer;
- 6 “(s) Stream flow augmentation;
- 7 “(t) Carbon sequestration;
- 8 “(u) Community livability;
- 9 “(v) Local jobs; and
- 10 “(w) The use of plants and food in maintaining social and environmental identity and
- 11 lifeways.

12 “**SECTION 23.** As used in sections 22 to 26 of this 2023 Act:

13 “(1) ‘Community green infrastructure project’ means a green infrastructure project that

14 provides social, environmental or economic benefits to a particular community and is devel-

15 oped through a collaborative process that helps to define those benefits.

16 “(2) ‘Environmental justice community’ has the meaning given that term in ORS 182.535.

17 “(3) ‘Green communities nursery’ means an Oregon nursery certified by the State De-

18 partment of Agriculture under section 27 of this 2023 Act.

19 “(4) ‘Green infrastructure’ means:

20 “(a) Green infrastructure as defined in ORS 550.160; or

21 “(b) Infrastructure that:

22 “(A) Mimics natural systems, or enables natural systems to be less stressed through

23 water conservation, water protection or ecosystem restoration, at the neighborhood or site

24 scale as part of an integrated approach in residential, municipal or industrial developments

25 or water infrastructure; and

26 “(B) Implements community-based concepts, principles and practices to conserve and

27 manage resources for future generations, sequester carbon and provide environmental and

28 social benefits.

29 “(5) ‘Green infrastructure economic development project’ means a community green

30 infrastructure project that employs members of a community that benefits from the com-

31 munity green infrastructure project in the development, construction, planting or mainte-

32 nance of the project.

33 “(6) ‘Green infrastructure improvement zone’ means an area designated by the State

34 Forestry Department under section 28 of this 2023 Act.

35 “(7) ‘Green infrastructure master plan’ means a long-term plan developed by a public

36 body or tribal government that involves the creation, protection or enhancement of green

37 infrastructure, including but not limited to:

38 “(a) An urban forestry plan;

39 “(b) A storm water management plan; and

40 “(c) A plan to establish parks or other public green spaces.

41 “(8) ‘Indian tribe’ means a federally recognized Indian tribe in Oregon.

42 “(9) ‘Native plant nursery’ means an Oregon nursery that specializes in plants native to

43 Oregon.

44 “(10) ‘Native seed bank’ means a store of seeds from native plants that helps to:

45 “(a) Preserve genetic diversity in those plant species to increase plant yield and health,

1 including disease resistance and drought tolerance;

2 “(b) Hold seeds and plants for the restorative health of a community; or

3 “(c) Support the replanting of post-fire successional plants.

4 “(11) ‘Oregon nursery’ means:

5 “(a) A person that holds a license required by ORS 571.055 issued by the State Depart-
6 ment of Agriculture; or

7 “(b) A nursery operated by an Indian tribe, an entity wholly owned by an Indian tribe or
8 an enrolled member of an Indian tribe and operated on the tribe’s reservation or trust land.

9 “(12) ‘Public body’ has the meaning given that term in ORS 174.109.

10 “SECTION 24. (1) The Community Green Infrastructure Grant Program is established as
11 a program administered by the Department of Land Conservation and Development for the
12 purpose of awarding grants for:

13 “(a) Offsetting the cost of planning and developing community green infrastructure
14 projects or green infrastructure economic development projects;

15 “(b) Developing or supporting native seed banks or native plant nurseries; or

16 “(c) Supporting and implementing green infrastructure master plans.

17 “(2) The Department of Land Conservation and Development may enter into intergov-
18 ernmental agreements under ORS chapter 190 with the Oregon Health Authority, the Oregon
19 Business Development Department, the Bureau of Labor and Industries, the State Depart-
20 ment of Agriculture, the Oregon Watershed Enhancement Board, the Department of Envi-
21 ronmental Quality, the State Parks and Recreation Department or an Indian tribe for the
22 purposes of assistance with:

23 “(a) The design and implementation of the Community Green Infrastructure Grant Pro-
24 gram;

25 “(b) Readiness to acquire and administer federal funding related to green infrastructure
26 projects; or

27 “(c) Technical advice or feedback on the grant review process established under this
28 section.

29 “(3) The Department of Land Conservation and Development shall enter into an inter-
30 governmental agreement under ORS chapter 190 with the State Forestry Department for the
31 purposes of assistance with:

32 “(a) The design and implementation of the Community Green Infrastructure Grant Pro-
33 gram;

34 “(b) Readiness to acquire and administer federal funding related to green infrastructure
35 projects; and

36 “(c) Technical advice or feedback on the grant review process established under this
37 section.

38 “(4) The Department of Land Conservation and Development shall enter into an inter-
39 governmental agreement under ORS chapter 190 with the Department of Transportation for
40 the purposes of assistance with:

41 “(a) Technical advice regarding state transportation facilities and rights of way as they
42 relate to the design and implementation of the Community Green Infrastructure Grant
43 Program;

44 “(b) Readiness to acquire and administer federal funding related to green infrastructure
45 projects; and

1 “(c) Technical advice or feedback on the grant review process established under this
2 section.

3 “(5)(a) A public body, a local workforce development board as defined in ORS 660.300, a
4 manufactured dwelling park nonprofit cooperative as defined in ORS 62.803, an Indian tribe,
5 a watershed council as defined in ORS 541.890, a nonprofit organization or a faith-based or-
6 ganization may apply for a grant under this section for the purpose of planning or developing
7 a community green infrastructure project or a green infrastructure economic development
8 project.

9 “(b) An applicant for a grant for a community green infrastructure project or a green
10 infrastructure economic development project may partner with a state agency, a private
11 business with a business site in this state or an owner of rental property in this state.

12 “(c) A grant for an approved application for a community green infrastructure project
13 or a green infrastructure economic development project will be awarded and released only
14 to an applicant described in paragraph (a) of this subsection.

15 “(d)(A) An application for a community green infrastructure project or a green
16 infrastructure economic development project must be drafted in consultation with the gov-
17 ernment of the city or county in which the project will be located and with the electric and
18 water utilities in whose service territory the project will be located.

19 “(B) An application must include documentation of the consultations described in this
20 paragraph and demonstrate that feedback received as a result of consultation was incorpo-
21 rated into the application materials. If the application does not incorporate feedback from a
22 consulted party into the application, the applicant must provide an explanation of why the
23 feedback was not incorporated or provide a statement that no feedback was received from
24 that party.

25 “(6)(a) An application for a grant under this section shall be in the form and manner
26 prescribed by the Department of Land Conservation and Development.

27 “(b) An application for a grant to plan or develop a community green infrastructure
28 project or a green infrastructure economic development project must demonstrate that the
29 project:

30 “(A) Is located in this state;

31 “(B) Provides social, environmental or economic benefits to an environmental justice
32 community;

33 “(C) Except for projects developed by an Indian tribe, has been or will be developed in
34 coordination with an environmental justice community that will benefit from the completion
35 of the project; and

36 “(D) Has a plan for the maintenance of the project for at least three years or has re-
37 quested technical assistance for maintenance planning.

38 “(c) An application for a grant for a native seed bank or native plant nursery must
39 demonstrate that the applicant qualifies as a native seed bank or a native plan nursery.

40 “(d) An application for a grant for a green infrastructure master plan must demonstrate
41 how the long-term plan of the public body or tribal government involves the creation, pro-
42 tection or enhancement of green infrastructure.

43 “(7) Upon receipt of an application submitted under this section, the Department of Land
44 Conservation and Development shall review the application and determine whether the ap-
45 plicant is eligible to receive a grant from the Community Green Infrastructure Grant Pro-

1 gram. The department may award grants based on the prioritizations established under
2 subsection (8) of this section. If the department denies a grant application, the department
3 shall provide the reason for the denial in writing.

4 “(8) In awarding grants under the Community Green Infrastructure Grant Program, the
5 Department of Land Conservation and Development may give priority to projects:

6 “(a) Involving large, low-maintenance, storm- and drought-resistant tree plantings;

7 “(b) Involving plantings that include native plants or pollinator-friendly species;

8 “(c) Involving tree plantings at or near school campuses, affordable housing, senior
9 housing, manufactured dwelling parks, recreational vehicle parks or public rights of way;

10 “(d) That strengthen communities and fight displacement;

11 “(e) That develop innovative solutions for using urban woody biomass;

12 “(f) That are carried out by a city that has adopted a plan to increase urban tree canopy
13 cover and has entered into a long-term agreement with an Oregon nursery to supply trees
14 needed to carry out the plan; or

15 “(g) That utilize a community’s cultural practices to educate, and conserve and manage
16 resources for, future generations.

17 “(9) To the maximum extent possible, community green infrastructure projects and green
18 infrastructure economic development projects shall:

19 “(a) Minimize the vehicle miles traveled associated with all plant and tree stocks utilized
20 in the project;

21 “(b) Include partnerships with green communities nurseries or nurseries defined in sec-
22 tion 23 (11)(b) of this 2023 Act;

23 “(c) Utilize native plant stock that is grown from native seed banks or native seed re-
24 covery and planting efforts; and

25 “(d) Utilize climate-adaptive plant stock that is regionally native, drought and disease
26 tolerant and noninvasive.

27 “(10) To the maximum extent possible, community green infrastructure projects and
28 green infrastructure economic development projects that occur on school campuses shall
29 incorporate a curriculum or demonstration component to connect students to the project
30 and provide education about:

31 “(a) Green infrastructure;

32 “(b) Careers in green infrastructure; and

33 “(c) Cultural practices to educate, and conserve and manage resources for, future gen-
34 erations.

35 “SECTION 25. (1) The Community Green Infrastructure Fund is established in the State
36 Treasury, separate and distinct from the General Fund. Interest earned by the Community
37 Green Infrastructure Fund shall be credited to the fund. Moneys in the fund are continuously
38 appropriated to the Department of Land Conservation and Development for the purpose of
39 carrying out section 24 of this 2023 Act, subject to the allocations described in subsection (2)
40 of this section.

41 “(2) Of the moneys in the fund:

42 “(a) 30 percent shall be allocated for grants to be awarded for planning or developing
43 green infrastructure economic development projects;

44 “(b) 40 percent shall be allocated for grants to be awarded for entities or projects located
45 in green infrastructure improvement zones; and

1 “(c) 30 percent shall be allocated for grants to be awarded to entities or projects in tribal,
2 rural, remote or coastal communities.

3 “**SECTION 26.** (1) The Department of Land Conservation and Development may appoint
4 an Advisory Committee on Community Green Infrastructure Investment to provide consul-
5 tation on the implementation of section 24 of this 2023 Act. A committee appointed under
6 this section shall consist of at least one representative of each of the following interests:

7 “(a) City governments;

8 “(b) County governments;

9 “(c) Special districts, irrigation districts or transportation districts;

10 “(d) School districts;

11 “(e) Environmental justice communities;

12 “(f) The Oregon nursery industry;

13 “(g) Educational institutes that train professionals in horticulture, urban forestry or
14 other green infrastructure professions;

15 “(h) State or local parks and recreation agencies;

16 “(i) Individuals with expertise in designing, constructing and maintaining green
17 infrastructure;

18 “(j) Individuals with expertise in the public or community health benefits of green
19 infrastructure;

20 “(k) Individuals with expertise in green workforce development or social enterprise
21 models; and

22 “(L) Individuals with expertise in green infrastructure projects in tribal, rural, remote
23 or coastal communities.

24 “(2)(a) The department shall invite each of the federally recognized Indian tribes in
25 Oregon to participate in the advisory committee.

26 “(b) Invitation to participate in the advisory committee is not in lieu of other forms of
27 tribal consultation, outreach or engagement that the department may engage in as necessary
28 to fulfill the purposes of sections 22 to 26 of this 2023 Act.

29 “(3) No later than September 15 of each even-numbered year, the advisory committee
30 shall submit a report on the implementation of the Community Green Infrastructure Grant
31 Program to the appropriate interim committees of the Legislative Assembly, in the manner
32 provided by ORS 192.245.

33
34 “GREEN COMMUNITIES NURSERIES

35
36 “**SECTION 27.** (1) As used in this section, ‘Oregon nursery’ has the meaning given that
37 term in section 23 of this 2023 Act.

38 “(2) The State Department of Agriculture shall certify an Oregon nursery as a green
39 communities nursery if the nursery:

40 “(a) Has practices in pest and disease management that satisfy standards established by
41 the department;

42 “(b) Materially demonstrates a history of compliance with the rules and other require-
43 ments of state and local agencies with oversight regarding workers’ compensation, building
44 codes and occupational safety and health over a period of seven years or the life of the
45 nursery, whichever is shorter;

1 “(2) The program may include, but need not be limited to, assistance for:

2 “(a) Vulnerability assessments;

3 “(b) Tree inventories;

4 “(c) Response and recovery plan development;

5 “(d) Community engagement and community-led strategies; and

6 “(e) Tree removal and replanting with species that are resistant to disease, pest and
7 drought.

8 “(3) The department shall coordinate with the State Department of Agriculture to sup-
9 port program activities related to any pests or diseases subject to quarantine under the laws
10 of this state or of the United States.

11
12 “COLLEGE OF FORESTRY, OREGON STATE UNIVERSITY:
13 LOW CARBON FUELS FROM WOODY BIOMASS RESIDUES
14

15 “SECTION 30. (1) The College of Forestry at Oregon State University, in collaboration
16 with the Department of Environmental Quality and the State Forestry Department, shall
17 conduct research to develop methodologies and data necessary to establish fuel pathways,
18 consistent with the clean fuels program adopted under ORS 468A.265 to 468A.277, for low
19 carbon fuels derived from woody biomass residues from forestry operations. In carrying out
20 the research under this section, the College of Forestry shall:

21 “(a) Coordinate with the Department of Environmental Quality to ensure that the
22 methodologies and data are consistent with the methodologies and data used to determine
23 lifecycle greenhouse gas emissions and carbon intensity under the clean fuels program.

24 “(b) Research any methods to convert biomass feedstocks to low carbon fuels, with par-
25 ticular focus on wood slash piles that would otherwise be burned on lands managed by the
26 State Forester or lands used by the College of Forestry to carry out research.

27 “(2) No later than July 31, 2025, the College of Forestry shall submit its findings in a re-
28 port, in the manner provided by ORS 192.245, to the interim committees of the Legislative
29 Assembly related to natural resources. The report must include, but need not be limited to:

30 “(a) Progress in establishing fuel pathways and carbon intensity values for low carbon
31 fuels derived from woody biomass residues from forestry operations; and

32 “(b) The impact converting woody biomass residues to low carbon fuels has on:

33 “(A) Greenhouse gas and black carbon emissions;

34 “(B) Snowpack in the Cascade Mountains;

35 “(C) Water quality and drought; and

36 “(D) Wildfire.

37 “(3) The College of Forestry may collaborate with the Department of Environmental
38 Quality or any other relevant state agency to prepare the report described in subsection (2)
39 of this section.

40 “SECTION 31. ORS 530.050 is amended to read:

41 “530.050. Under the authority and direction of the State Board of Forestry except as otherwise
42 provided for the sale of forest products, the State Forester shall manage the lands acquired pursuant
43 to ORS 530.010 to 530.040 so as to secure the greatest permanent value of those lands to the state,
44 and to that end may:

45 “(1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with

1 persons owning lands within the state in the protection of the lands and enter into all agreements
2 necessary or convenient for the protection of the lands.

3 “(2) Sell forest products from the lands, and execute mining leases and contracts as provided for
4 in ORS 273.551.

5 “(3) Enter into and administer contracts for the sale of timber from lands owned or managed
6 by the State Board of Forestry and the State Forestry Department.

7 “(4) Enter into and administer contracts for activities necessary or convenient for the sale of
8 timber under subsection (3) of this section, either separately from or in conjunction with contracts
9 for the sale of timber, including but not limited to activities such as timber harvesting and sorting,
10 transporting, gravel pit development or operation, and road construction, maintenance or improve-
11 ment.

12 “(5) Permit the use of the lands for other purposes, including but not limited to forage and
13 browse for domestic livestock, fish and wildlife environment, landscape effect, protection against
14 floods and erosion, recreation, and protection of water supplies when, in the opinion of the board,
15 the use is not detrimental to the best interest of the state.

16 “(6) Grant easements, permits and licenses over, through and across the lands. The State
17 Forester may require and collect reasonable fees or charges relating to the location and establish-
18 ment of easements, permits and licenses granted by the state over the lands. The fees and charges
19 collected shall be used exclusively for the expenses of locating and establishing the easements,
20 permits and licenses under this subsection and shall be placed in the State Forestry Department
21 Account.

22 “(7) Require and collect fees or charges for the use of state forest roads. The fees or charges
23 collected shall be used exclusively for purposes of maintenance and improvements of the roads and
24 shall be placed in the State Forestry Department Account.

25 “(8) Reforest the lands and cooperate with the counties, and with persons owning timberlands
26 within the state, in the reforestation, and make all agreements necessary or convenient for the
27 reforestation.

28 “(9) Require such undertakings as in the opinion of the board are necessary or convenient to
29 secure performance of any contract entered into under the terms of this section or ORS 273.551.

30 “(10) Sell rock, sand, gravel, pumice and other such materials from the lands. The sale may be
31 negotiated without bidding, provided the appraised value of the materials does not exceed \$2,500.

32 “(11) Enter into agreements, each for not more than 10 years duration, for the production of
33 minor forest products.

34 “(12) Establish a forestry carbon offset program to market, register, transfer or sell forestry
35 carbon offsets. In establishing the program, the forester may:

36 “(a) Execute any contracts or agreements necessary to create opportunities for the creation of
37 forestry carbon offsets; and

38 “(b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of
39 forestry carbon offsets.

40 **“(13) Establish a forestry renewable woody biomass conversion program to market, reg-**
41 **ister, transfer or sell forestry woody biomass conversion offtakes. In establishing the pro-**
42 **gram, the forester may:**

43 **“(a) Execute any contracts or agreements necessary to create opportunities for the cre-**
44 **ation of forestry woody biomass conversion offtakes; and**

45 **“(b) Negotiate prices that are at, or greater than, fair market value for the transfer or**

1 **sale of forestry woody biomass conversion offtakes.**

2 “[(13)] (14) Do all things and make all rules, not inconsistent with law, necessary or convenient
3 for the management, protection, utilization and conservation of the lands.

4
5 **“REBATE PROGRAM FOR MEDIUM AND HEAVY DUTY**
6 **ZERO-EMISSION VEHICLES**

7
8 **“SECTION 32. Sections 33 and 34 of this 2023 Act are added to and made a part of ORS**
9 **chapter 468.**

10 **“SECTION 33. (1) As used in this section, ‘qualifying vehicle’ means a motor vehicle, as**
11 **defined in ORS 801.360, or a combination of vehicles operated as a unit, that:**

12 **“(a) Has a gross vehicle weight rating of 8,501 pounds or greater;**

13 **“(b) Has a drivetrain that produces zero exhaust emissions of any criteria pollutant or**
14 **greenhouse gas; and**

15 **“(c) Meets other criteria established by the Environmental Quality Commission by rule.**

16 **“(2) The Department of Environmental Quality shall establish a program for providing**
17 **rebates to persons that purchase or lease qualifying vehicles for use in this state. The Di-**
18 **rector of the Department of Environmental Quality may hire or contract with a third-party**
19 **nonprofit organization to implement and serve as the administrator of the program required**
20 **by this section.**

21 **“(3) The department may:**

22 **“(a) Specify design features for the program; and**

23 **“(b) Establish procedures to:**

24 **“(A) Prioritize available moneys for specific qualifying vehicles;**

25 **“(B) Limit the number of rebates available for each type of qualifying vehicle; and**

26 **“(C) Limit the number of rebates available per applicant.**

27 **“(4) The purchaser or lessee of a qualifying vehicle may apply for a rebate or may choose**
28 **to assign the rebate to a vehicle dealer.**

29 **“(5) Rebates under the program shall be made from moneys credited to or deposited in**
30 **the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund established under section**
31 **34 of this 2023 Act.**

32 **“(6)(a) The department shall prescribe the rebate application procedure for purchasers**
33 **and lessees.**

34 **“(b) The department may establish a dealer application or individual application proce-**
35 **dure.**

36 **“(c) All rebate applications must include a declaration under penalty of perjury in the**
37 **form required by ORCP 1 E.**

38 **“(7)(a) Rebates for qualifying vehicles shall be set annually at amounts determined by the**
39 **Environmental Quality Commission by rule.**

40 **“(b) The commission may establish separate rebate amounts for different classes of ve-**
41 **hicles.**

42 **“(c) The commission may establish an additional rebate for the purchase or lease of**
43 **qualifying vehicles that will be registered to an address, or frequently operated, in an area**
44 **of this state that is disproportionately burdened by air pollution as determined by the com-**
45 **mission.**

1 **“(8) To be eligible for a rebate, a person requesting a rebate under the program shall:**
2 **“(a) Purchase or lease a qualifying vehicle. A lease must have a minimum term of 36**
3 **months.**
4 **“(b) Provide proof of an intent to operate the qualifying vehicle primarily in this state,**
5 **which must be satisfied by providing proof of registration of the qualifying vehicle in Oregon,**
6 **which may include proof of proportional registration under ORS 826.009 or 826.011 issued by**
7 **the Department of Transportation.**
8 **“(c) Submit an application for a rebate to the administrator of the program within three**
9 **months after the date of purchase of the qualifying vehicle or three months after the date**
10 **the lease of the qualifying vehicle begins.**
11 **“(d) Retain registration of the qualifying vehicle for a minimum of 36 consecutive months**
12 **after the date of purchase or the date the lease begins.**
13 **“(9)(a) More than 50 percent of the operation of the qualifying vehicle must occur in**
14 **Oregon.**
15 **“(b) In each of the three years following receipt of a rebate, a rebate recipient shall:**
16 **“(A) Maintain records of the miles driven or hours of use for the qualifying vehicle and**
17 **whether the miles driven or hours used occurred in Oregon; and**
18 **“(B) Provide an annual report to the department to demonstrate that more than 50 per-**
19 **cent of the miles driven or hours of use of the qualifying vehicle occurred in Oregon.**
20 **“(10) A rebate recipient may not make or allow any modifications to the qualifying**
21 **vehicle’s emissions control systems, hardware or software calibrations.**
22 **“(11)(a) If a rebate recipient sells the qualifying vehicle or terminates the qualifying ve-**
23 **hicle lease before the end of 36 months, the rebate recipient shall:**
24 **“(A) Notify the administrator of the program of the sale; and**
25 **“(B) Reimburse the administrator for the rebate in a prorated amount based on the**
26 **number of months that the rebate recipient owned or leased the qualifying vehicle.**
27 **“(b) The administrator may waive the reimbursement requirement under paragraph (a)**
28 **of this subsection if the administrator determines that a waiver is appropriate given un-**
29 **foreseeable or unavoidable circumstances that gave rise to a need for the rebate recipient**
30 **to sell the qualifying vehicle or terminate the qualifying vehicle lease before the end of 36**
31 **months.**
32 **“(12) Rebate recipients are required to participate in ongoing research efforts, if re-**
33 **quested to do so by the administrator.**
34 **“(13) The administrator of the program shall work to ensure timely payment of rebates**
35 **with a goal of paying rebates within 90 days after receiving an application for a rebate.**
36 **“(14) A vehicle dealer may advertise the program on the premises owned or operated by**
37 **the vehicle dealer. If no moneys are available from the program or the program otherwise**
38 **changes, a vehicle dealer who advertises the program may not be held liable for advertising**
39 **false or misleading information.**
40 **“(15) The department may perform activities necessary to ensure that recipients of re-**
41 **bates under this section comply with applicable requirements. If the department determines**
42 **that a recipient has not complied with applicable requirements, the department may order**
43 **the recipient to refund all rebate moneys and may impose penalties pursuant to ORS 468.140.**
44 **“(16) The commission may adopt any rules necessary to carry out the provisions of this**
45 **section.**

1 **“SECTION 34. (1) The Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund is**
2 **established in the State Treasury, separate and distinct from the General Fund. Interest**
3 **earned by the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall be cred-**
4 **ited to the fund.**

5 **“(2) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund shall**
6 **consist of:**

7 **“(a) Amounts donated to the fund;**

8 **“(b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-**
9 **sembly;**

10 **“(c) Other amounts deposited in the fund from any public or private source; and**

11 **“(d) Interest earned by the fund.**

12 **“(3) Moneys in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund are**
13 **continuously appropriated to the Department of Environmental Quality to be used to carry**
14 **out the provisions of section 33 of this 2023 Act.**

15 **“(4) No more than 15 percent of the moneys deposited in the Zero-Emission Medium and**
16 **Heavy Duty Vehicle Incentive Fund per biennium may be expended to pay administrative**
17 **expenses incurred in the administration of section 33 of this 2023 Act by:**

18 **“(a) The department; or**

19 **“(b) Any third-party organization that the department hires or contracts with under**
20 **section 33 of this 2023 Act.**

21 **“(5)(a) The Environmental Quality Commission shall require by rule that at least 40**
22 **percent of the moneys deposited in the fund per biennium are allocated to fund the provision**
23 **of rebates for vehicles located in communities disproportionately burdened by diesel pol-**
24 **lution, as described in section 33 (7)(c) of this 2023 Act.**

25 **“(b) Notwithstanding paragraph (a) of this subsection, if the department determines that**
26 **the total amount of rebates provided to applicants eligible for the rebate described in section**
27 **33 (7)(c) of this 2023 Act is unlikely to exceed 40 percent of the total amount of moneys de-**
28 **posited in the fund during a biennium, the department may release moneys allocated under**
29 **paragraph (a) of this subsection to be used for the provision of any rebate under section 33**
30 **of this 2023 Act.**

31
32 **“FINDING OPPORTUNITIES AND**
33 **REDUCING CONFLICT IN SITING PHOTOVOLTAIC**
34 **SOLAR POWER GENERATION FACILITIES**
35

36 **“SECTION 35. (1) On or before November 3, 2023, the Land Conservation and Develop-**
37 **ment Commission shall adopt rules to allow a local government to consider a photovoltaic**
38 **solar power generation facility a rural industrial use for purposes of justifying a reason for**
39 **an exception under ORS 197.732 (2)(c)(A).**

40 **“(2) On or before July 1, 2025, the commission shall adopt rules:**

41 **“(a) Establishing criteria through which local governments may be permitted or required**
42 **to allow the siting of a photovoltaic solar power generation facility, including criteria that**
43 **consider:**

44 **“(A) Potential conflicts with other resource lands; and**

45 **“(B) Soliciting public feedback from neighboring landowners or residents; and**

1 “(b) Identifying the characteristics of lands in Eastern Oregon, as defined in ORS 321.700,
2 best suited for counties to allow, encourage and incentivize photovoltaic solar power gener-
3 ation facilities, based on consideration of:

4 “(A) The land’s suitability for contributing to the state’s clean energy goals;

5 “(B) Site characteristics, resource potential, proximity to current and future trans-
6 mission access and locations for potential interconnection; and

7 “(C) The ability to readily avoid negative impacts on natural resources, forestry, habitat,
8 agriculture, community needs and historic, cultural or archeological resources, or to readily
9 minimize or mitigate those negative impacts.

10 “**SECTION 36.** The Department of Land Conservation and Development may enter into
11 intergovernmental agreements under ORS chapter 190 with other state agencies, tribal gov-
12 ernments and counties, for the purposes of:

13 “(1) Supporting the Land Conservation and Development Commission in adopting rules
14 under section 35 of this 2023 Act;

15 “(2) Furnishing information or technical assistance;

16 “(3) Providing feedback on the membership and work of the Rules Advisory Committee
17 for Siting Photovoltaic Solar Power Generation Facilities established under section 37 of this
18 2023 Act;

19 “(4) Identifying opportunities to streamline permitting and review processes across and
20 between state agencies; and

21 “(5) With regard to tribal governments, consulting on how best to protect historic, cul-
22 tural or archeological resources without revealing sensitive information.

23 “**SECTION 37.** (1) The Rules Advisory Committee for Siting Photovoltaic Solar Power
24 Generation Facilities is established to serve as an advisory committee, as described in ORS
25 183.333, to the Land Conservation and Development Commission in adopting administrative
26 rules under section 35 (2) of this 2023 Act.

27 “(2) The Department of Land Conservation and Development shall appoint the members
28 of the rules advisory committee. In appointing members, the department shall solicit and
29 consider recommendations for membership from:

30 “(a) Public bodies;

31 “(b) Tribal governments;

32 “(c) Federal and state agencies;

33 “(d) Energy, community and conservation advocates; and

34 “(e) Individuals who have expertise in the energy or natural resources industries, in-
35 cluding renewable energy developers, utilities and agricultural producer associations.

36 “(3) The membership of the rules advisory committee shall consist of at least 17 mem-
37 bers, including:

38 “(a) At least two members representing a tribal government or county;

39 “(b) At least one member who represents public bodies;

40 “(c) At least one member who represents small-scale renewable energy developers;

41 “(d) At least one member who represents large-scale renewable energy developers;

42 “(e) At least one member who has expertise in community renewable energy develop-
43 ment;

44 “(f) At least one member who has expertise in renewable energy siting, policy or plan-
45 ning;

1 “(g) At least one member who has expertise in transmission siting;
2 “(h) At least one member who represents electric utilities, as defined in ORS 757.600;
3 “(i) At least one member who represents the labor interests of the clean energy or
4 renewable energy workforce;
5 “(j) At least one member who represents environmental justice communities, as defined
6 in ORS 469A.400;
7 “(k) At least one member who represents owners of irrigated or dryland farmland or
8 rangeland;
9 “(L) At least one member who has expertise in habitat conservation, preservation and
10 restoration;
11 “(m) At least one member who has expertise in land and water use;
12 “(n) At least one member who has expertise in rural economic development;
13 “(o) At least one member who has expertise in industrial forestland management; and
14 “(p) At least one member who has expertise in small woodland management.
15 “(4) In addition to its duties under subsection (1) of this section, the rules advisory
16 committee shall prepare a report that includes:
17 “(a) A summary of the rules adopted under section 35 of this 2023 Act;
18 “(b) Review of renewable energy siting assessment tools used by the State Department
19 of Energy and recommendations regarding missing or outdated data sets;
20 “(c) Review of existing practices relating to mitigation of impacts of photovoltaic solar
21 power generation facilities and transmission development and recommendations for:
22 “(A) Mitigating impacts on farming practices on agricultural lands through best practices
23 and land use regulations;
24 “(B) Mitigating impacts on fish and wildlife habitat in accordance with the policies de-
25 scribed under ORS 496.012 and 506.109;
26 “(C) Supporting certainty for developers regarding mitigation requirements within the
27 siting process; and
28 “(D) Identifying characteristics and considerations of regional and local habitats that
29 may require specific mitigation practices; and
30 “(d) Recommendations for technical assistance resources to support county siting pro-
31 cesses and the engagement of public bodies, tribal governments and communities in the sit-
32 ing process for renewable energy and transmission development.
33 “(5)(a) On or before September 15, 2025, the Department of Land Conservation and De-
34 velopment shall provide an interim copy of the report under subsection (4) of this section to
35 an appropriate interim committee of the Legislative Assembly in the manner provided in
36 ORS 192.245.
37 “(b) On or before December 31, 2025, the department shall provide a copy of the final
38 report under subsection (4) of this section to, and seek feedback from:
39 “(A) Regional energy planning entities;
40 “(B) The Energy Facility Siting Council;
41 “(C) The Environmental Justice Council;
42 “(D) The Land Conservation and Development Commission;
43 “(E) The State Department of Fish and Wildlife;
44 “(F) The State Department of Agriculture; and
45 “(G) Relevant federal agencies, including the United States Department of Defense, the

1 Bureau of Land Management, the United States Forest Service and the Bonneville Power
2 Administration.

3 “(6) A majority of the members of the rules advisory committee constitutes a quorum
4 for the transaction of business.

5 “(7) Official action by the rules advisory committee requires the approval of a majority
6 of the members of the rules advisory committee.

7 “(8) The rules advisory committee may adopt rules necessary for the operation of the
8 rules advisory committee and form subcommittees.

9 “(9) In addition to other scheduled meetings, the rules advisory committee shall also
10 meet at least four times a year in different parts of this state where there is considered,
11 planned or ongoing renewable energy and transmission development.

12 “(10) In performing their duties under this section, the Department of Land Conservation
13 and Development and the rules advisory committee shall coordinate with and support any
14 efforts to establish a statewide energy strategy.

15 “(11) The department shall contract with a third party or parties to provide support to
16 the rules advisory committee, including support related to:

17 “(a) Facilitating and coordinating meetings; and

18 “(b) Furnishing data, maps and technical assistance.

19 “(12) A member of the rules advisory committee is entitled to compensation and expenses
20 as provided in ORS 292.495.

21 “SECTION 37a. Sections 36 and 37 of this 2023 Act are repealed on January 2, 2026.

22
23 “STATE GREENHOUSE GAS EMISSIONS REDUCTION GOALS
24

25 “SECTION 38. ORS 468A.205 is amended to read:

26 “468A.205. (1) The Legislative Assembly declares that it is the policy of this state to reduce
27 greenhouse gas emissions in Oregon [*pursuant to*] **consistent with practices to limit global**
28 **warming to 1.5 degrees Celsius and** the following greenhouse gas emissions reduction goals:

29 “[*(a) By 2010, arrest the growth of Oregon’s greenhouse gas emissions and begin to reduce*
30 *greenhouse gas emissions.*]

31 “[*(b) By 2020, achieve greenhouse gas levels that are 10 percent below 1990 levels.*]

32 “(a) By 2030, achieve greenhouse gas levels that are at least 45 percent below 1990 levels.

33 “(b) By 2040, achieve greenhouse gas levels that are at least 70 percent below 1990 levels.

34 “(c) By 2050, achieve greenhouse gas levels that are at least [75] 95 percent below 1990 levels.

35 “(2) In addition to the greenhouse gas emissions reduction goals described in subsection
36 (1) of this section, it is the policy of this state to achieve net zero emissions as soon as
37 practicable, but no later than 2050, and to maintain net negative emissions thereafter.

38 “[*(2)*] (3) The Legislative Assembly declares that it is the policy of this state for state and local
39 governments, businesses, nonprofit organizations and individual residents to prepare for the effects
40 of global warming and by doing so, prevent and reduce the social, economic and environmental ef-
41 fects of global warming.

42 “[*(3)*] (4) This section does not create any additional regulatory authority for an agency of the
43 executive department as defined in ORS 174.112.

44
45 “OREGON CLIMATE ACTION COMMISSION

1 “**SECTION 39.** ORS 468A.210 is amended to read:

2 “468A.210. As used in ORS [352.823 and] 468A.200 to 468A.260:

3 “(1) ‘Global warming’ means an increase in the average temperature of the earth’s atmosphere
4 that is associated with the release of greenhouse gases.

5 “(2) ‘Greenhouse gas’ means any gas that contributes to anthropogenic global warming includ-
6 ing, but not limited to, carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons
7 and sulfur hexafluoride.

8 “[*(3) ‘Greenhouse gas cap-and-trade system’ means a system that:*]

9 “[*(a) Establishes a total cap on greenhouse gas emissions from an identified group of emitters;*]

10 “[*(b) Establishes a market for allowances that represent emissions; and*]

11 “[*(c) Allows trading of allowances among greenhouse gas emitters.*]

12 “(3) ‘**Net negative emissions**’ means the amount of greenhouse gases emitted into the
13 atmosphere is less than the amount of greenhouse gases removed from the atmosphere, as
14 determined by emissions accounting best practices over a specified period of time.

15 “(4) ‘**Net zero emissions**’ means the amount of greenhouse gases emitted into the at-
16 mosphere is equal to the amount of greenhouse gases removed from the atmosphere, as de-
17 termined by emissions accounting best practices over a specified period of time.

18 “**SECTION 40.** ORS 468A.215 is amended to read:

19 “468A.215. (1) There is created the Oregon [*Global Warming*] **Climate Action** Commission. The
20 commission shall consist of [25] **35** members, including [11] **13** voting members appointed by the
21 Governor under this section and [14] **22** [*ex officio*] nonvoting members specified in ORS 468A.220.

22 “(2) Members of the commission appointed under this section shall be appointed so as to be
23 representative of the social, environmental, cultural and economic diversity of the state and to be
24 representative of the policy, science, education and implementation elements of the efforts to reduce
25 greenhouse gas emissions and to prepare Oregon for the effects of global warming. Of the members
26 appointed by the Governor under this section:

27 “(a) One member shall have significant experience in manufacturing;

28 “(b) One member shall have significant experience in energy;

29 “(c) One member shall have significant experience in transportation;

30 “(d) One member shall have significant experience in forestry;

31 “(e) One member shall have significant experience in agriculture; [*and*]

32 “(f) One member shall have significant experience in environmental policy[.];

33 “(g) **One member shall have significant experience in environmental justice;**

34 “(h) **One member shall be appointed as a youth representative, who must be at least 16**
35 **but no more than 24 years of age when appointed; and**

36 “(i) **One member shall have significant experience in the fishing industry.**

37 “(3) The Governor shall select a chairperson and a vice chairperson from among the members
38 appointed under this section.

39 “(4) The term of office of a member appointed under this section is four years, **except that the**
40 **term of office of the member appointed as a youth representative is two years.** Before the
41 expiration of the term of a member, the Governor shall appoint a successor whose term begins on
42 January 31 next following. A member appointed under this section is eligible for reappointment. In
43 case of vacancy for any cause, the Governor shall make an appointment to become immediately ef-
44 fective for the unexpired term.

45 “(5) The members of the commission appointed under this section must be residents of this state.

1 Failure of a member to maintain compliance with the eligibility requirements related to the
2 member's appointment shall result in disqualification from serving on the commission.

3 "(6) Voting members of the commission appointed under this section are entitled to expenses as
4 provided in ORS 292.495 (2).

5 "**SECTION 41.** ORS 468A.220 is amended to read:

6 "468A.220. (1) In addition to the members appointed under ORS 468A.215, the Oregon [*Global*
7 *Warming*] **Climate Action** Commission includes the following [*ex officio*] nonvoting members:

8 "(a) The Director of the State Department of Energy;

9 "(b) The Director of Transportation;

10 "(c) The chairperson of the Public Utility Commission of Oregon;

11 "(d) The Director of the Department of Environmental Quality;

12 "(e) The Director of Agriculture;

13 "(f) The State Forester;

14 "(g) The Water Resources Director; [*and*]

15 "**(h) The Director of the Department of Land Conservation and Development;**

16 "**(i) The Director of the Oregon Health Authority;**

17 "**(j) The Director of the Oregon Business Development Department;**

18 "**(k) The Director of the Oregon Department of Administrative Services;**

19 "**(L) The Director of the Department of Consumer and Business Services;**

20 "**(m) The State Fish and Wildlife Director;**

21 "**(n) The Director of the Housing and Community Services Department;**

22 "**(o) The executive director of the Oregon Watershed Enhancement Board; and**

23 "*[(h)] (p)* Three additional [*ex officio*] nonvoting members, each from a state agency or an aca-
24 demic institution.

25 "(2) The following representatives of the Legislative Assembly also shall serve as [*ex officio*]
26 nonvoting members:

27 "(a) Two members of the Senate, not from the same political party, appointed by the President
28 of the Senate; and

29 "(b) Two members of the House of Representatives, not from the same political party, appointed
30 by the Speaker of the House of Representatives.

31 "(3) Each legislative member serves at the pleasure of the appointing authority and may serve
32 so long as the member remains in the chamber of the Legislative Assembly from which the member
33 was appointed.

34 "(4) Notwithstanding ORS 171.072, members of the commission who are members of the Legis-
35 lative Assembly are not entitled to mileage expenses or a per diem and serve as volunteers on the
36 commission.

37 "**SECTION 42.** ORS 468A.225 is amended to read:

38 "468A.225. (1) A majority of the **voting** members of the Oregon [*Global Warming*] **Climate**
39 **Action** Commission constitutes a quorum for the transaction of business.

40 "(2) The commission shall meet at times and places specified by a majority of the members of
41 the commission.

42 "(3) The State Department of Energy shall provide clerical, technical and management personnel
43 to serve the commission. [*Other agencies shall provide support as requested by the department or the*
44 *commission.*]

45 "**(4) In order to assist the commission in its duties, state agencies shall regularly report**

1 to the commission on the respective state agencies' efforts to make progress toward the
2 greenhouse gas emissions reduction goals established by ORS 468A.205 and to prepare for the
3 effects of global warming.

4 “**SECTION 43.** ORS 468A.230 is amended to read:

5 “468A.230. The Oregon [*Global Warming*] **Climate Action** Commission may adopt by rule such
6 standards and procedures as it considers necessary for the operation of the commission.

7 “**SECTION 44.** ORS 468A.235 is amended to read:

8 “468A.235. The Oregon [*Global Warming*] **Climate Action** Commission shall recommend ways
9 to coordinate state and local efforts to reduce greenhouse gas emissions in Oregon consistent with
10 the greenhouse gas emissions reduction goals established by ORS 468A.205 and shall recommend
11 efforts to help Oregon prepare for the effects of global warming. The Office of the Governor and
12 state agencies working on multistate and regional efforts to reduce greenhouse gas emissions shall
13 inform the commission about these efforts and shall consider input from the commission for such
14 efforts.

15 “**SECTION 45.** ORS 468A.240 is amended to read:

16 “468A.240. (1) In furtherance of the greenhouse gas emissions reduction goals established by
17 ORS 468A.205, the Oregon [*Global Warming*] **Climate Action** Commission may recommend statutory
18 and administrative changes, policy measures and other recommendations to be carried out by state
19 and local governments, businesses, nonprofit organizations or residents. In developing its recom-
20 mendations, the commission shall consider economic, environmental, health and social costs, and the
21 risks and benefits of alternative strategies, including least-cost options. The commission shall solicit
22 and consider public comment relating to statutory, administrative or policy recommendations.

23 “[*(2) The commission shall examine greenhouse gas cap-and-trade systems, including a statewide
24 and multistate carbon cap-and-trade system and market-based mechanisms, as a means of achieving the
25 greenhouse gas emissions reduction goals established by ORS 468A.205.*]

26 “[*(3)*] **(2)** The commission shall examine possible funding mechanisms to obtain low-cost
27 greenhouse gas emissions reductions and energy efficiency enhancements, including but not limited
28 to those in the natural gas industry.

29 “**SECTION 46.** ORS 468A.245 is amended to read:

30 “468A.245. The Oregon [*Global Warming*] **Climate Action** Commission shall develop an outreach
31 strategy to educate Oregonians about the scientific aspects and economic impacts of global warming
32 and to inform Oregonians of ways to reduce greenhouse gas emissions and ways to prepare for the
33 effects of global warming. The commission, at a minimum, shall work with state and local govern-
34 ments, the State Department of Energy, the Department of Education, the Higher Education Coor-
35 dinating Commission and businesses to implement the outreach strategy.

36 “**SECTION 47.** ORS 468A.250 is amended to read:

37 “468A.250. (1) The Oregon [*Global Warming*] **Climate Action** Commission shall track and eval-
38 uate:

39 “(a) Economic, environmental, health and social assessments of global warming impacts on
40 Oregon and the Pacific Northwest;

41 “(b) Existing greenhouse gas emissions reduction policies and measures;

42 “(c) Economic, environmental, health and social costs, and the risks and benefits of alternative
43 strategies, including least-cost options;

44 “(d) The physical science of global warming;

45 “(e) Progress toward the greenhouse gas emissions reduction goals, **the net zero emissions**

1 **goals and the net negative emissions goals** established by ORS 468A.205;

2 “(f) Greenhouse gases emitted by various sectors of the state economy, including but not limited
3 to industrial, transportation and utility sectors;

4 “(g) Technological progress on sources of energy the use of which generates no or low
5 greenhouse gas emissions and methods for carbon sequestration;

6 “(h) Efforts to identify the greenhouse gas emissions attributable to the residential and com-
7 mercial building sectors;

8 “(i) The carbon sequestration potential of Oregon’s [*forests*] **natural and working lands**, alter-
9 native methods of [*forest*] **land** management that can increase carbon sequestration and reduce the
10 loss of carbon sequestration to wildfire, changes in the mortality and distribution of tree and other
11 plant species and the extent to which carbon is stored in tree-based building materials;

12 “(j) The advancement of regional, national and international policies to reduce greenhouse gas
13 emissions;

14 “(k) Local and regional efforts to prepare for the effects of global warming; and

15 “(L) Any other information, policies or analyses that the commission determines will aid in the
16 achievement of the greenhouse gas emissions reduction goals established by ORS 468A.205.

17 “(2) The commission shall:

18 “(a) Work with the State Department of Energy and the Department of Environmental Quality
19 to evaluate all gases with the potential to be greenhouse gases and to determine a carbon dioxide
20 equivalency for those gases; [*and*]

21 “(b) Use regional and national baseline studies of building performance to identify incremental
22 targets for the reduction of greenhouse gas emissions attributable to residential and commercial
23 building construction and operations[.];

24 **“(c) Prepare a detailed forecast of expected greenhouse gas emissions reductions; and**

25 **“(d)(A) Periodically evaluate the greenhouse gas emissions reduction goals, the net zero**
26 **emissions goals and the net negative emissions goals established by ORS 468A.205 and, as**
27 **necessary, make recommendations to the Legislative Assembly for updating those goals**
28 **based on the best available science.**

29 **“(B) At a minimum, the commission shall complete an evaluation and provide any rec-**
30 **ommendations to the Legislative Assembly, in the manner provided in ORS 192.245, no later**
31 **than 18 months after the date on which the United Nations Intergovernmental Panel on**
32 **Climate Change publishes a synthesis report or the United States Global Change Research**
33 **Program publishes a national climate assessment.**

34 **“SECTION 48.** ORS 468A.255 is amended to read:

35 “468A.255. The Oregon [*Global Warming*] **Climate Action** Commission may recommend to the
36 Governor the formation of citizen advisory groups to explore particular areas of concern with regard
37 to the reduction of greenhouse gas emissions and the effects of global warming.

38 **“SECTION 49.** ORS 468A.260 is amended to read:

39 “468A.260. The Oregon [*Global Warming*] **Climate Action** Commission shall submit a report to
40 the Legislative Assembly, in the manner provided by ORS 192.245, by [*March 31*] **December 1** of
41 each [*odd-numbered*] **even-numbered** year that describes Oregon’s progress toward achievement of
42 the greenhouse gas emissions reduction goals established by ORS 468A.205. The report may include
43 relevant issues and trends of significance, including trends of greenhouse gas emissions, emerging
44 public policy and technological advances. The report also may discuss measures the state may adopt
45 to mitigate the impacts of global warming on the environment, the economy and the residents of

1 Oregon and to prepare for those impacts.

2 **“SECTION 50.** ORS 352.823 is amended to read:

3 “352.823. (1) The Oregon Climate Change Research Institute is established at Oregon State
4 University. In administering the institute, Oregon State University may seek the cooperation of
5 other public universities listed in ORS 352.002.

6 “(2) The purpose of the Oregon Climate Change Research Institute is to:

7 “(a) Facilitate research by faculty at public universities listed in ORS 352.002 on climate change
8 and its effects on natural and human systems in Oregon;

9 “(b) Serve as a clearinghouse for climate change information;

10 “(c) Provide climate change information to the public in integrated and accessible formats;

11 “(d) Support the Oregon [*Global Warming*] **Climate Action** Commission in developing strategies
12 to prepare for and to mitigate the effects of climate change on natural and human systems; and

13 “(e) Provide technical assistance to local governments to assist them in developing climate
14 change policies, practices and programs.

15 “(3) The Oregon Climate Change Research Institute shall assess, at least once each biennium,
16 the state of climate change science, including biological, physical and social science, as it relates
17 to Oregon and the likely effects of climate change on the state. The institute shall submit the as-
18 sessment to the Legislative Assembly in the manner provided in ORS 192.245 and to the Governor.

19 “(4) State agencies may contract with the Oregon Climate Change Research Institute to fulfill
20 agency needs regarding the collection, storage, integration, analysis, dissemination and monitoring
21 of climate change information, research and training.

22 **“SECTION 51.** (1) **The amendments to ORS 352.823, 468A.215, 468A.220, 468A.225, 468A.230,**
23 **468A.235, 468A.240, 468A.245, 468A.250, 468A.255 and 468A.260 by sections 40 to 50 of this 2023**
24 **Act are intended to change the name of the ‘Oregon Global Warming Commission’ to the**
25 **‘Oregon Climate Action Commission.’**

26 **“(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**
27 **may substitute for words designating the ‘Oregon Global Warming Commission,’ wherever**
28 **they occur in statutory law, other words designating the ‘Oregon Climate Action Commis-**
29 **sion.’**

30
31 **“OPPORTUNITIES TO REDUCE OREGON’S**
32 **CONSUMPTION-BASED GREENHOUSE GAS EMISSIONS**

33
34 **“SECTION 52.** (1) **The Department of Environmental Quality, in consultation with the**
35 **Oregon Climate Action Commission, shall evaluate opportunities to reduce Oregon’s**
36 **consumption-based greenhouse gas emissions. The department shall present its findings in**
37 **a report submitted in the manner provided in ORS 192.245, and may include recommendations**
38 **for legislation, to the interim committees of the Legislative Assembly related to the envi-**
39 **ronment, and the commission, no later than September 15, 2024.**

40 **“(2) The report under this section must:**

41 **“(a) Update Oregon’s consumption-based greenhouse gas emissions inventory;**

42 **“(b) Identify opportunities to reduce consumption-based greenhouse gas emissions**
43 **through materials management or other state programs or policies;**

44 **“(c) Include recommendations for regularly updating the consumption-based greenhouse**
45 **gas emissions inventory; and**

1 “(d) Evaluate the effects of consumption-based greenhouse gas emissions reductions,
2 taking into account economic, social and environmental factors.

3
4 “STATE POLICY FOR NATURAL CLIMATE SOLUTIONS

5
6 “SECTION 53. As used in sections 53 to 63 of this 2023 Act:

7 “(1) ‘Biological carbon sequestration’ means the removal of carbon from the atmosphere
8 by plants and microorganisms and storage of carbon dioxide in vegetation, such as
9 grasslands, marshes or forests, or in soils and oceans.

10 “(2) ‘Climate resilience’ means the capability to anticipate, prepare for, respond to and
11 recover from significant climate-related threats while minimizing damage to social well-
12 being, the economy and ecosystem functions.

13 “(3) ‘Environmental justice community’ has the meaning given that term in ORS 182.535.

14 “(4) ‘Natural and working lands’ means:

15 “(a) Lands:

16 “(A) Actively used by an agricultural owner or operator for an agricultural operation,
17 including but not limited to active engagement in farming or ranching;

18 “(B) Producing forest products;

19 “(C) Consisting of forests, woodlands, grasslands, sagebrush steppes, deserts, freshwater
20 and riparian systems, wetlands, coastal and estuarine areas or the submerged and
21 submersible lands within Oregon’s territorial sea and marine habitats associated with those
22 lands;

23 “(D) That are privately owned and that are eligible for special assessment under ORS
24 chapter 308A;

25 “(E) Used for recreational purposes, including, but not limited to, parks, trails,
26 greenbelts and other similar open space lands; or

27 “(F) Consisting of trees, other vegetation and soils in urban and near-urban areas, in-
28 cluding, but not limited to, urban watersheds, street trees, park trees, residential trees and
29 riparian habitats; and

30 “(b) Lands described in paragraph (a) of this subsection that are:

31 “(A) Held in trust by the United States for the benefit of any of the nine federally re-
32 cognized Indian tribes in this state;

33 “(B) Held in trust by the United States for the benefit of individual members of any of
34 the nine federally recognized Indian tribes in this state;

35 “(C) Within the boundaries of the reservation of any of the nine federally recognized In-
36 dian tribes in this state; or

37 “(D) Otherwise owned or controlled by any of the nine federally recognized Indian tribes
38 in this state.

39 “(5) ‘Natural climate solution’ means an activity that enhances or protects net biological
40 carbon sequestration on natural and working lands, while maintaining or increasing
41 ecosystem resilience and human well-being.

42 “SECTION 54. The Legislative Assembly declares that it is the policy of this state to:

43 “(1) Implement strategies to advance natural climate solutions to mitigate the future
44 impacts of climate change.

45 “(2) Invest in research to improve our understanding of:

1 “(a) The effects of natural climate solutions on natural and working lands;
2 “(b) The climate, ecosystem and carbon benefits of products from natural and working
3 lands;
4 “(c) The contributions of natural climate solutions to reducing greenhouse gas emissions,
5 increasing net carbon sequestration and storage and strengthening climate resilience; and
6 “(d) The cobenefits that communities and Indian tribes derive from natural climate sol-
7 utions.
8 “(3) Incentivize and implement natural climate solutions by:
9 “(a) Securing and leveraging federal and private investments in natural climate solutions
10 on natural and working lands;
11 “(b) Prioritizing the use of existing programs;
12 “(c) Ensuring equitable benefits of climate mitigation for environmental justice commu-
13 nities, landowners and land managers; and
14 “(d) Ensuring that a diversity of landowners and managers are able to voluntarily par-
15 ticipate in incentive-based programs for natural climate solutions and climate resilience
16 through activities that may include, but are not limited to:
17 “(A) Removing barriers for Indian tribes, environmental justice communities, landowners
18 and land managers to engage in natural climate solutions or access funding to support na-
19 tural climate solutions;
20 “(B) Identifying resources to provide incentives to land managers interested in volun-
21 tarily adopting practices that optimize natural climate solutions;
22 “(C) Strengthening education, engagement and technical assistance efforts for land
23 managers, Indian tribes and environmental justice communities;
24 “(D) Providing financial assistance for Indian tribes, local governments or nongovern-
25 mental organizations for the purpose of entering into voluntary transactions with willing
26 landowners to acquire natural and working lands to enhance the local benefits of natural
27 climate solutions;
28 “(E) Increasing and deploying natural climate solutions in and around our urban and
29 built environment; and
30 “(F) Optimizing the social, health, ecological, climate resilience and economic benefits
31 of natural climate solutions, including:
32 “(i) Reducing heat island effects;
33 “(ii) Improving air quality;
34 “(iii) Improving flood control;
35 “(iv) Improving soil health and productivity;
36 “(v) Improving wildfire resilience and community protection;
37 “(vi) Improving drought resilience and response;
38 “(vii) Improving stream health, wetland recovery and riparian functionality;
39 “(viii) Protecting and recovering drinking watersheds for enhanced water quality and
40 quantity;
41 “(ix) Maintaining or increasing short-term, mid-term and long-term fiber supplies;
42 “(x) Maintaining or increasing food supplies;
43 “(xi) Increasing the climate resilience of fish, wildlife and their habitats;
44 “(xii) Improving protection for coastal communities from the impacts of storm surge;
45 and

1 “(xiii) Improving public health.

2 “**SECTION 55.** (1) The Natural and Working Lands Fund is established in the State
3 Treasury, separate and distinct from the General Fund. Interest earned by the Natural and
4 Working Lands Fund shall be credited to the fund. Moneys in the Natural and Working
5 Lands Fund are continuously appropriated to the Oregon Watershed Enhancement Board for
6 the purpose of transferring moneys to the funds described in subsection (2) of this section
7 as directed by the Oregon Global Warming Commission under section 56 of this 2023 Act.

8 “(2) The board shall annually transfer moneys in the Natural and Working Lands Fund
9 to the following funds in accordance with section 56 of this 2023 Act:

10 “(a) The Agriculture Natural Climate Solutions Fund established under section 64 of this
11 2023 Act.

12 “(b) The Forestry Natural Climate Solutions Fund established under section 65 of this
13 2023 Act.

14 “(c) The Watershed Natural Climate Solutions Fund established under section 66 of this
15 2023 Act.

16 “(d) The Fish and Wildlife Natural Climate Solutions Fund established under section 67
17 of this 2023 Act.

18 “**SECTION 56.** (1)(a) The Oregon Global Warming Commission shall annually determine
19 amounts to be allocated from the Natural and Working Lands Fund. The commission shall
20 evaluate the following factors when determining amounts to allocate under this subsection:

21 “(A) The expected ability of each agency to carry out programs or other activities under
22 this section; and

23 “(B) The degree to which moneys allocated to the agency may be used to secure federal
24 funding or other sources of funding.

25 “(b) Prior to determining the allocations under this subsection, the commission shall
26 consult with the State Department of Agriculture, the State Forestry Department, the State
27 Department of Fish and Wildlife and the Oregon Watershed Enhancement Board to deter-
28 mine each agency’s proposed uses for moneys allocated from the Natural and Working Lands
29 Fund.

30 “(c) In accordance with the provisions of ORS chapter 183, the commission may adopt
31 rules for determining the amount of allocations to agencies as provided in this subsection.

32 “(2) The Oregon Watershed Enhancement Board shall transfer moneys under section 55
33 of this 2023 Act when directed to do so by the commission in the amounts determined by the
34 commission.

35 “(3) The State Department of Agriculture, the State Forestry Department and the
36 Oregon Watershed Enhancement Board shall use moneys allocated from the Natural and
37 Working Lands Fund to establish and implement programs to:

38 “(a) Provide incentives to help landowners, Indian tribes, land managers and environ-
39 mental justice communities adopt practices that support natural climate solutions; and

40 “(b) Provide financial assistance for technical support for landowners, Indian tribes, land
41 managers and environmental justice communities for the adoption of natural climate sol-
42 utions.

43 “(4) Of the moneys expended by each agency pursuant to subsection (3) of this section,
44 priority shall be given to expenditures for:

45 “(a) Technical assistance to environmental justice communities or Indian tribes; and

1 “(b) Incentives for programs or activities supported by an environmental justice com-
2 munity or supported by a resolution of an Indian tribe, with priority given to those projects
3 or activities administered or proposed by an environmental justice community or an Indian
4 tribe.

5 “(5) The State Department of Fish and Wildlife shall use moneys allocated from the Na-
6 tural and Working Lands Fund to promote natural climate solutions and mitigate the future
7 impacts of climate change by:

8 “(a) Conducting research to understand:

9 “(A) The effects of natural climate solutions on natural and working lands;

10 “(B) The climate, ecosystem and carbon benefits of products from natural and working
11 lands;

12 “(C) The contributions of natural climate solutions to reducing greenhouse gas emissions,
13 increasing net carbon sequestration and storage and strengthening climate resilience; and

14 “(D) The cobenefits to communities and Indian tribes that derive from natural climate
15 solutions.

16 “(b)(A) Relying on existing programs where possible, securing federal matching funds or
17 other sources of funding to support investments in natural climate solutions on natural and
18 working lands.

19 “(B) In carrying out this paragraph, the department shall ensure the benefits of natural
20 climate solutions are equitably distributed among landowners, Indian tribes, land managers
21 and environmental justice communities.

22 “(6) The State Department of Agriculture, the State Forestry Department, the State
23 Department of Fish and Wildlife and the Oregon Watershed Enhancement Board, in consul-
24 tation with the Oregon Global Warming Commission, may adopt rules as necessary to carry
25 out the programs described in this section. Rules adopted by agencies administering pro-
26 grams for financial assistance or incentives may include, but need not be limited to, rules
27 establishing application procedures, eligibility criteria, maximum amounts for individual
28 grant awards and reporting requirements for grant recipients.

29 “(7) The Oregon Global Warming Commission, the State Department of Agriculture, the
30 State Forestry Department, the State Department of Fish and Wildlife and the Oregon
31 Watershed Enhancement Board shall jointly:

32 “(a) Coordinate, to the maximum extent practicable, on the development and implemen-
33 tation of programs and activities related to natural climate solutions to reduce duplication
34 and overlapping or redundant efforts;

35 “(b) Review, at regular intervals, progress made in implementing natural climate sol-
36 utions and barriers to future implementation;

37 “(c) Identify opportunities for cross-agency coordination on natural climate solutions;
38 and

39 “(d) Identify opportunities for leveraging natural climate solution capacities across
40 agencies.

41 “(8) The Oregon Global Warming Commission shall provide a summary of the uses of the
42 Natural and Working Lands Fund, and identify additional funding needs, in a report to the
43 committees of the Legislative Assembly related to the environment, in the manner provided
44 by ORS 192.245, no later than September 15 of each year.

45 “(9) The State Department of Energy shall provide staff support to the commission for

1 the purpose of carrying out the commission’s responsibilities under this section. The de-
2 partment may contract with a third party to provide staff support services described in this
3 subsection.

4 “**SECTION 57.** (1) No later than December 1 of each even-numbered year, the Oregon
5 Global Warming Commission, in consultation with the State Department of Energy, the
6 State Department of Agriculture, the State Forestry Department, the State Department of
7 Fish and Wildlife and the Oregon Watershed Enhancement Board, shall submit a report, in
8 the manner provided by ORS 192.245, to the interim committees of the Legislative Assembly
9 related to the environment and the Governor. The report shall include:

10 “(a) A list of projects funded by the Natural and Working Lands Fund during the previous
11 24 months and the amount expended for each project.

12 “(b) A summary of state, federal and private sources of funding for natural climate sol-
13 utions projects funded by the Natural and Working Lands Fund established under section 55
14 of this 2023 Act.

15 “(c) An assessment of projects described in paragraphs (a) and (b) of this subsection in
16 light of the baseline and metrics adopted under section 58 of this 2023 Act.

17 “(d) A list of projects, grants or other activities that are planned for the upcoming cal-
18 endar year.

19 “(e) A list of projects deployed in environmental justice communities.

20 “(2) Before finalizing the report under subsection (1) of this section, the commission shall
21 solicit public comment on the report and include a summary of comments received in the
22 final version of the report submitted to the Legislative Assembly and Governor.

23 “(3) The State Department of Energy shall provide staff support to the commission for
24 the purpose of preparing the report under this section. The department may contract with
25 a third party to provide staff support services described in this subsection.

26 “**SECTION 58.** (1) The State Department of Energy and the Oregon Global Warming
27 Commission shall, in coordination with the State Forestry Department, the State Depart-
28 ment of Agriculture, the State Department of Fish and Wildlife, the Oregon Watershed En-
29 hancement Board the Department of State Lands, the State Parks and Recreation
30 Department and the Department of Land Conservation and Development, and in consultation
31 with relevant federal agencies, establish and maintain:

32 “(a) A net biological carbon sequestration and storage baseline for natural and working
33 lands;

34 “(b) Activity-based metrics in accordance with subsection (3) of this section; and

35 “(c) Community impact metrics in accordance with subsection (4) of this section.

36 “(2) The net biological carbon sequestration and storage baseline may use 1990 as a
37 baseline year if the department determines that there is adequate information to support
38 setting the baseline at that year.

39 “(3) Activity-based metrics shall be used to evaluate progress toward increasing net bi-
40 ological carbon sequestration and storage in natural and working lands, as measured against
41 the net carbon sequestration and storage baseline. Activity-based metrics may include, but
42 need not be limited to, acres of lands for which certain management practices have been
43 adopted.

44 “(4) Community impact metrics shall be used to evaluate the positive and negative ef-
45 fects, over time, of strategies for net biological carbon sequestration and storage in natural

1 and working lands on landowners, land managers and communities. Community impact
2 metrics may include, but need not be limited to:

3 “(a) Metrics to measure the effects of net biological carbon sequestration and storage
4 strategies on jobs, local economies, environmental integrity and public health; and

5 “(b) Metrics to evaluate the accessibility of a diverse range of landowners to net biolog-
6 ical carbon sequestration and storage programs.

7 “(5) Before finalizing the net biological carbon sequestration and storage baseline,
8 activity-based metrics and community impact metrics, the State Department of Energy and
9 the commission shall make draft versions publicly available and receive comments from the
10 public, state agencies and the advisory committee established under section 62 of this 2023
11 Act.

12 “(6) The State Department of Energy and the Oregon Global Warming Commission, in
13 consultation with the State Forestry Department, the State Department of Agriculture, the
14 Oregon Watershed Enhancement Board, the State Department of Fish and Wildlife, shall,
15 no later than January 1, 2025, establish nonbinding biological carbon sequestration and stor-
16 age goals for Oregon’s natural and working lands and update those goals as new information
17 becomes available.

18 “(7) The State Department of Energy may contract with a third party to assist the de-
19 partment in performing its duties under this section.

20 “SECTION 59. (1) The State Department of Energy and the Oregon Global Warming
21 Commission, in coordination with the State Forestry Department, the State Department of
22 Agriculture, the Oregon Watershed Enhancement Board, the Department of State Lands, the
23 Department of Land Conservation and Development and federal land management partners,
24 shall develop a natural and working lands net biological carbon sequestration and storage
25 inventory. The inventory must:

26 “(a) Be based on the best available field-based and remote sensing data on biological
27 carbon sequestration;

28 “(b) To the greatest extent possible, be developed using methods consistent with methods
29 used to assess greenhouse gas fluxes related to land use, land change and forestry for the
30 United States Environmental Protection Agency’s Inventory of U.S. Greenhouse Gas Emis-
31 sions and Sinks; and

32 “(c) Where feasible, utilize information from the environmental justice mapping tool de-
33 veloped under section 12, chapter 58, Oregon Laws 2022.

34 “(2) Before finalizing the inventory, the State Department of Energy and the commission
35 shall make a draft version publicly available and receive comments from the public, state
36 agencies and the advisory committee established under section 62 of this 2023 Act.

37 “(3) The State Department of Energy shall update the inventory and submit a report
38 describing the inventory to the Oregon Global Warming Commission no later than December
39 1 of each even-numbered year.

40 “(4) The State Department of Energy may contract with a third party to assist the de-
41 partment in performing its duties under this section.

42 “SECTION 60. (1) The State Department of Energy, in coordination with the Oregon
43 Global Warming Commission, shall study the workforce and training programs needed to
44 support adoption of natural climate solutions on natural and working lands.

45 “(2) The department shall provide the results of the study, and may include recommen-

1 dations for legislation, in a report to the committees of the Legislative Assembly related to
2 the environment, in the manner provided under ORS 192.245, no later than September 15,
3 2024.

4 “(3) The department may contract with a third party to assist the department in per-
5 forming its duties under this section.

6 “**SECTION 61.** Section 60 of this 2023 Act is repealed on January 2, 2025.

7 “**SECTION 62.** (1) The Oregon Global Warming Commission may appoint a natural and
8 working lands advisory committee to advise the commission in the performance of the
9 commission’s duties under sections 53 to 63 of this 2023 Act. The commission shall seek
10 recommendations for committee members from industry and advocacy associations where
11 appropriate.

12 “(2) The advisory committee shall consist of at least 15 members appointed as follows:

13 “(a) One member with expertise in tribal culture, customs and government;

14 “(b) One local government representative from a county whose primary economic activity
15 is derived from the agriculture, forestry, fishing and hunting industries, as described by code
16 11 of the North American Industry Classification System;

17 “(c) One member with expertise in urban forestry or parks management;

18 “(d) Three members with experience in forestry or forest products, including one member
19 who is a private forest landowner with less than 5,000 acres of forestland;

20 “(e) Two members with expertise in agriculture, including one member who owns a small
21 family farming operation;

22 “(f) One member with expertise in livestock;

23 “(g) One member with expertise in blue carbon;

24 “(h) One member with expertise in environmental justice;

25 “(i) Two members with expertise in conservation or environmental management; and

26 “(j) Two members with expertise in landowner technical assistance.

27 “(3) The commission may appoint additional members as needed to provide additional
28 expertise or represent other interests.

29 “(4) The State Department of Energy shall provide staff support for the advisory com-
30 mittee. The department may contract with a third party to provide staff support services
31 under this subsection.

32 “**SECTION 63.** The Oregon Global Warming Commission shall establish a process for
33 consultation with representatives of federally recognized Indian tribes in this state to advise
34 the commission on the performance of its duties under sections 53 to 63 of this 2023 Act,
35 including the identification of opportunities to support indigenous practices and knowledge
36 from tribal nations to sequester and store carbon on natural and working lands.

37 “**SECTION 64.** (1) The Agriculture Natural Climate Solutions Fund is established in the
38 State Treasury, separate and distinct from the General Fund. Interest earned by the Agri-
39 culture Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund are
40 continuously appropriated to State Department of Agriculture to:

41 “(a) Carry out the provisions of section 56 (3) of this 2023 Act; and

42 “(b) For the administrative expenses of the department in implementing section 56 of this
43 2023 Act, except that no more than 10 percent of moneys may be used for administrative
44 expenses.

45 “(2) The Agriculture Natural Climate Solutions Fund consists of moneys transferred to

1 the fund under section 55 of this 2023 Act.

2 “**SECTION 65.** (1) The Forestry Natural Climate Solutions Fund is established in the
3 State Treasury, separate and distinct from the General Fund. Interest earned by the
4 Forestry Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
5 are continuously appropriated to the State Forestry Department to:

6 “(a) Carry out the provisions of section 56 (3) of this 2023 Act; and

7 “(b) For the administrative expenses of the department in implementing section 56 of this
8 2023 Act, except that no more than 10 percent of moneys may be used for administrative
9 expenses.

10 “(2) The Forestry Natural Climate Solutions Fund consists of moneys transferred to the
11 fund under section 55 of this 2023 Act.

12 “**SECTION 66.** (1) The Watershed Natural Climate Solutions Fund is established in the
13 State Treasury, separate and distinct from the General Fund. Interest earned by the
14 Watershed Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
15 are continuously appropriated to the Oregon Watershed Enhancement Board to:

16 “(a) Carry out the provisions of section 56 (3) of this 2023 Act; and

17 “(b) For the administrative expenses of the board in implementing section 56 of this 2023
18 Act, except that no more than 10 percent of moneys may be used for administrative ex-
19 penses.

20 “(2) The Watershed Natural Climate Solutions Fund consists of moneys transferred to
21 the fund under section 55 of this 2023 Act.

22 “**SECTION 67.** (1) The Fish and Wildlife Natural Climate Solutions Fund is established in
23 the State Treasury, separate and distinct from the General Fund. Interest earned by the Fish
24 and Wildlife Natural Climate Solutions Fund shall be credited to the fund. Moneys in the fund
25 are continuously appropriated to the State Department of Fish and Wildlife to:

26 “(a) Carry out the provisions of section 56 (5) of this 2023 Act; and

27 “(b) For the administrative expenses of the department in implementing section 56 of this
28 2023 Act, except that no more than 10 percent of moneys may be used for administrative
29 expenses.

30 “(2) The Fish and Wildlife Natural Climate Solutions Fund consists of moneys transferred
31 to the fund under section 55 of this 2023 Act.

32
33 **“EXTENDS SUNSET FOR SOLAR AND STORAGE SYSTEM REBATE PROGRAM**

34
35 “**SECTION 68.** Section 5, chapter 655, Oregon Laws 2019, is amended to read:

36 “**Sec. 5.** (1) Sections 1 to 4, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] are repealed
37 on January 2, [2024] **2029**.

38 “(2) Any moneys remaining in the Rooftop Solar Incentive Fund on the date of the repeal spec-
39 ified in subsection (1) of this section that are unexpended, unobligated and not subject to any con-
40 ditions shall be transferred to the General Fund.

41 “**SECTION 69.** Section 1, chapter 655, Oregon Laws 2019, is amended to read:

42 “**Sec. 1.** As used in sections 1 to 4, **chapter 655, Oregon Laws 2019** [of this 2019 Act]:

43 “(1) ‘Contractor’ means a person whose trade or business consists of offering for sale solar
44 electric systems or paired solar and storage systems or of providing construction, installation or
45 design services for solar electric systems or paired solar and storage systems.

1 “(2) ‘Electric utility’ has the meaning given that term in ORS 757.600.

2 “(3) ‘Energy storage system’ means commercially available technology that is capable of retain-
3 ing energy, storing the energy for a period of time and transmitting the energy after storage.

4 “(4) ‘Low-income service provider’ means a nonresidential customer that provides health, dental,
5 social, financial, energy conservation or other assistive services to low or moderate income persons
6 or low or moderate income households, as further defined by the State Department of Energy by
7 rule.

8 “(5) ‘Net cost’ means the actual cost of the purchase, construction and installation of a solar
9 electric system or a paired solar and storage system, minus any incentive received for the system
10 from the electric utility serving the customer for which the system is installed.

11 “(6) ‘Paired solar and storage system’ means a solar electric system and an energy storage sys-
12 tem purchased **together**, constructed and installed [*together*] by the same contractor and paired such
13 that the energy storage system provides storage capacity for electrical energy produced by the solar
14 electric system.

15 “(7) ‘Solar electric system’ means any system, mechanism or series of mechanisms, including
16 photovoltaic systems, that uses solar radiation to generate electrical energy.

17
18 **“RENEWABLE ENERGY PRODUCTION SYSTEM GRANT PROGRAM**

19
20 **“SECTION 70. Notwithstanding ORS 469B.256:**

21 **“(1) The State Department of Energy shall waive the requirement under ORS 469B.256**
22 **(2) that construction begin within 12 months of an award under ORS 469B.256 if the depart-**
23 **ment finds that:**

24 **“(a) Construction was delayed because of supply chain or workforce disruptions or**
25 **shortages related to the COVID-19 pandemic; and**

26 **“(b) Construction began between March 1, 2020, and March 31, 2022.**

27 **“(2) A performance agreement is not void and the department may not revoke a grant**
28 **if the department waives, pursuant to subsection (1) of this section, the requirement under**
29 **ORS 469B.256 (2) that construction begin within 12 months of an award under ORS 469B.256.**

30
31 **“RESIDENTIAL HEAT PUMP PROGRAM;**
32 **AIR CONDITIONER AND AIR FILTER DEPLOYMENT PROGRAM**

33
34 **“SECTION 71.** Section 2, chapter 86, Oregon Laws 2022, is amended to read:

35 **“Sec. 2.** (1) As used in this section:

36 **“(a) ‘Extreme heat event’ means a day on which [*National Weather Service of the National***
37 ***Oceanic and Atmospheric Administration has predicted or indicated that there exists a heat index of***
38 ***extreme caution for the county]* the Housing and Community Services Department determines**
39 **that a heat event has occurred based on a predicted or indicated excessive heat warning or**
40 **heat advisory by the National Weather Service of the National Oceanic and Atmospheric**
41 **Administration.**

42 **“(b) ‘Forecast zone’ means a region for which the National Weather Service of the Na-**
43 **tional Oceanic and Atmospheric Administration issues forecasts and some watches and**
44 **warnings based on differences in weather.**

45 **“[(b)] (c) ‘Portable cooling device’ includes air conditioners and evaporative coolers, including**

1 devices mounted in a window or that are designed to sit on the floor but not including devices
2 whose installation or use requires alteration to the dwelling unit.

3 “(2) A landlord may not prohibit or restrict a tenant from installing or using a portable cooling
4 device of the tenant’s choosing, unless:

5 “(a) The installation or use of the device would:

6 “(A) Violate building codes or state or federal law;

7 “(B) Violate the device manufacture’s written safety guidelines for the device;

8 “(C) Damage the premises or render the premises uninhabitable; or

9 “(D) Require amperage to power the device that cannot be accommodated by the power service
10 to the building, dwelling unit or circuit;

11 “(b) If the device would be installed in a window:

12 “(A) The window is a necessary egress from the dwelling unit;

13 “(B) The device would interfere with the tenant’s ability to lock a window that is accessible
14 from outside;

15 “(C) The device requires the use of brackets or other hardware that would damage or void the
16 warranty of the window or frame, puncture the envelope of the building or otherwise cause signif-
17 icant damages;

18 “(D) The restrictions require that the device be adequately drained to prevent damage to the
19 dwelling unit or building; or

20 “(E) The restrictions require that the device be installed in a manner that prevents risk of
21 falling; or

22 “(c) The restrictions require that the device be:

23 “(A) Installed or removed by the landlord or landlord’s agent;

24 “(B) Subject to inspection or servicing by the landlord or landlord’s agent; or

25 “(C) Removed from October 1 through April 30.

26 “(3) A landlord may not enforce a restriction on portable cooling devices against a tenant al-
27 lowed under subsection (2) of this section unless the restrictions are in writing and delivered to the
28 tenant. The written restrictions must include whether the landlord intends to operate, whenever
29 there is an extreme heat event for the [county] **forecast zone** of the premises, one or more com-
30 munity cooling spaces available to the tenant that are located on or near the premises and that
31 maintain a temperature of not higher than 80 degrees Fahrenheit.

32 “(4) A landlord is immune from liability for any claim for damages, injury or death caused by
33 a portable cooling device installed by the tenant.

34 “(5) A landlord who must limit portable cooling devices for a building under subsection (2)(a)(D)
35 of this section shall prioritize allowing the use of devices for individuals who require a device to
36 accommodate a disability. A landlord is not responsible for any interruption in electrical service
37 that is not caused by the landlord, including interruptions caused by an electrical supply’s inability
38 to accommodate use of a portable cooling device.

39 “(6) If a landlord issues a termination notice under ORS 90.392 or 90.630 based on a violation
40 of a restriction regulating a portable cooling device allowed under subsection (2) of this section:

41 “(a) On each day that there is an extreme heat event for the [county] **forecast zone** of the
42 premises, the notice period described in ORS 90.392 (3), (4), (5) or (6) or 90.630 (1), (3) or (6) does
43 not run.

44 “(b) The termination notice must state:

45 “(A) The deadline of a cure period designated in the notice, if any;

1 “(B) That the date of termination specified in the notice will be extended by one day for each
2 day that there is an extreme heat event for the [county] **forecast zone** of the premises; and

3 “(C) That information regarding days with an extreme heat event **for the forecast zone** can
4 be found on the website for the Housing and Community Services Department.

5 “**SECTION 72.** Section 10, chapter 86, Oregon Laws 2022, is amended to read:

6 “**Sec. 10.** The Housing and Community Services Department shall make available on the
7 department’s website:

8 “(1) A list of dates and counties in which there exists an extreme heat event **for a forecast**
9 **zone in this state** as defined in section 2, **chapter 86, Oregon Laws 2022** [of this 2022 Act]. Dates
10 published on the website must remain on the website for at least one year.

11 “(2) Information regarding relevant programs and services available to landlords to provide ad-
12 equate cooling under ORS 90.320 (1)(m) or 90.730 (3)(d), including:

13 “(a) Programs administered by the department;

14 “(b) Information provided by the Oregon Health Authority regarding programs administered by
15 the authority, including the list of eligible distribution entities compiled under section 7 (5), **chapter**
16 **86, Oregon Laws 2022** [of this 2022 Act];

17 “(c) Information provided by the State Department of Energy regarding programs administered
18 by the department;

19 “(d) Programs administered by the nongovernmental entity that administers public purpose
20 charge moneys under ORS 757.612 (3)(d); and

21 “(e) Federal programs, rebates or incentives, including those administered by the Bonneville
22 Power Administration.

23 “**SECTION 73.** Section 14, chapter 86, Oregon Laws 2022, is amended to read:

24 “**Sec. 14.** (1) As used in this section:

25 “(a) ‘Bulk fuel’ means liquid petroleum, propane, coal, wood, wood-based products or other fuel
26 delivered and stored until used on-site by the final consumer to produce energy.

27 “(b) ‘Climate zone’ means a heating or cooling climate zone assigned to a county by the
28 Bonneville Power Administration.

29 “(c) ‘Electric resistance heat’ means heat produced by passing an electric current through a
30 material that has high resistance, such as used in an electric baseboard, wall or space heater.

31 “(d) ‘Electric utility’ has the meaning given that term in ORS 757.600.

32 “(e) ‘Eligible entity’ means a:

33 “(A) Local government as defined in ORS 174.116;

34 “(B) Local housing authority;

35 “(C) Nonprofit organization;

36 “(D) Federally recognized Indian tribe in Oregon;

37 “(E) Coordinated care organization as defined in ORS 414.025;

38 “(F) Community action agency as described in ORS 458.505;

39 “(G) Manufactured dwelling park nonprofit cooperative as defined in ORS 62.803; or

40 “(H) An electric utility.

41 “(f) ‘Energy burden’ means the percentage of gross household income spent on energy costs.

42 “(g) ‘Environmental justice communities’ has the meaning given that term in ORS 469A.400.

43 “(h) ‘Heat pump’ means an air-source or ground-source heat pump with an energy efficiency
44 rating set by the State Department of Energy under subsection (5) of this section or a higher effi-
45 ciency rating.

1 “(i) ‘Region’ means an economic development district in Oregon, designated by the Economic
2 Development Administration of the United States Department of Commerce, for which a regional
3 solutions center has been established under ORS 284.754.

4 “(2) The Heat Pump Deployment Program is established within the State Department of Energy.
5 The purpose of the program is to award grants to one eligible entity for each region and federally
6 recognized Indian tribe in Oregon to provide financial assistance, including loans, grants, rebates
7 or incentives, for the purchase and installation of heat pumps and related upgrades to individuals
8 who reside within that region or who are members of that tribe.

9 “(3)(a) To be eligible to receive a grant from the Heat Pump Deployment Program, an eligible
10 entity must establish that it:

11 “(A) Serves or represents:

12 “(i) An environmental justice community or communities within a region; or

13 “(ii) Members of a federally recognized Indian tribe in Oregon; and

14 “(B) Has the capacity to administer grant funds received under this section.

15 “(b) An eligible entity applying for a grant may partner with other eligible entities, but the en-
16 tity that is awarded the grant shall take a lead role in administering grant funds and providing fi-
17 nancial assistance.

18 “(c) An eligible entity that serves or represents a community that is located within more than
19 one region may apply for a grant only for the region within which the greatest percentage of the
20 individuals of that community reside.

21 “(d) An eligible entity that serves a specific geographical area may propose, in consultation with
22 any electric utility that serves the area, that the department use alternative boundaries to define
23 a region. The department may approve the use of alternative boundaries to define a region provided
24 that a minimum percentage, as determined by the department, of the eligible entity’s specific ge-
25 ographical area is within the alternative boundaries of the region.

26 “(e) If an electric utility is awarded a grant from the Heat Pump Deployment Program:

27 “(A) The electric utility may provide financial assistance from grant funds only to individuals
28 who reside within the electric utility’s service area and within the region for which the electric
29 utility is awarded a grant.

30 “(B) The electric utility shall partner with one or more other eligible entities to provide finan-
31 cial assistance from grant funds to individuals who reside outside the electric utility’s service area
32 and within the region for which the electric utility is awarded a grant.

33 “(4) An eligible entity that is awarded a grant from the Heat Pump Deployment Program shall:

34 “(a) Use the grant funds to cover up to:

35 “(A) One hundred percent of the purchase and installation costs of a heat pump.

36 “(B) A percentage, as determined by the department, of the costs for related upgrades that
37 support or enable the use of a heat pump, including:

38 “(i) A new electrical panel or other upgrades to the electrical system of a home or building.

39 “(ii) Weatherization or other structural repairs to reduce home or building heat and cooling loss.

40 “(iii) Upgrades to improve the airflow of a home or building.

41 “(b) Prioritize the provision of financial assistance to:

42 “(A) Environmental justice communities.

43 “(B) Individuals who rely on bulk fuels or electric resistance heating.

44 “(C) Individuals who reside in a home or structure that does not have a functioning heating or
45 cooling system.

1 “(c) Enter into a performance agreement with the department as described in subsection (8) of
2 this section.

3 “(5) The department shall:

4 “(a) Award grants using available funds in the Heat Pump Deployment Fund established under
5 section 16, **chapter 86, Oregon Laws 2022** [of this 2022 Act].

6 “(b) In awarding grants, give preference to eligible entities with:

7 “(A) Experience in administering state grant programs or programs similar to the Heat Pump
8 Deployment Program.

9 “(B) Experience with community program development within a region or with members of a
10 tribe.

11 “(C) Connections to communities within a region or with members of a tribe.

12 “(c) Develop criteria for allocating the amount of each grant based on the energy burden of
13 residences within the region or of members of the tribe and the climate zones that make up the
14 counties of that region or of tribal lands.

15 “(d) Permit a review of awarded grant funds by members of communities who may benefit from
16 the Heat Pump Deployment Program.

17 “(e) In consultation with electric utilities, the Bonneville Power Administration and the non-
18 governmental entity that administers public purpose charge moneys collected under ORS 757.612
19 (3)(d), set the minimum energy efficiency rating that a heat pump must have to be eligible for grant
20 funds. The minimum energy efficiency rating for a heat pump set by the department must be equal
21 to or greater than federal energy efficiency rating standards for heat pumps.

22 “(6) The department may not use moneys collected through the energy resource supplier as-
23 sessment required under ORS 469.421 (8) to fund grants awarded under the Heat Pump Deployment
24 Program.

25 “(7) The department may:

26 “(a) Establish a maximum amount of grant funds payable toward the purchase and installation
27 of a heat pump and related upgrades.

28 “(b) Permit the use of loans, grants, rebates or incentives offered by an electric utility or other
29 programs toward any costs of the purchase and installation of a heat pump and related upgrades
30 not covered by the Heat Pump Deployment Program.

31 “(c) Provide information to individuals receiving financial assistance from the Heat Pump De-
32 ployment Program about other loans, grants, rebates or incentives that may be offered by an electric
33 utility or other programs.

34 “(d) Develop criteria for how specific loans, grants, rebates or incentives offered by an electric
35 utility or other programs may be used toward the costs of the purchase or installation of a heat
36 pump and related upgrades.

37 “(e) Establish incentives to encourage the purchase and installation of heat pumps and related
38 upgrades that have higher efficiency ratings.

39 “(f) Establish incentives for the purchase and installation of a heating or cooling device that
40 has an efficiency rating similar to or higher than that of a heat pump and that provides additional
41 benefits such as improving indoor air quality or lowering an individual’s energy burden.

42 “(g) Develop program procedures and practices that align with the reporting and other re-
43 quirements of loans, grants, rebates or incentives offered by an electric utility or other programs.

44 “(h) Require, by rule, that eligible entities notify electric utilities of a heat pump installation
45 and whether grant funds may be used for necessary electric distribution system upgrades associated

1 with the installation of the heat pump.

2 “(8) Before receiving a grant under this section, an eligible entity shall enter into a performance
3 agreement with the department that:

4 “(a) Indicates the purposes for which the grant funds may be used;

5 “(b) Prohibits the eligible entity from using more than 15 percent of awarded grant funds for
6 administrative expenses and marketing costs;

7 “(c) Includes the repayment provisions set forth in subsection (9) of this section;

8 “(d) Permits the department to conduct audits and investigations of the eligible entity regarding
9 the use of grant funds; and

10 “(e) Requires the eligible entity to provide reports as required by subsection (10) of this section.

11 “(9) An eligible entity must repay to the department, in whole or in part, grant funds received
12 under this section to the extent that:

13 “(a) The eligible entity does not use the grant funds in accordance with the provisions of the
14 performance agreement executed between the department and the eligible entity under subsection
15 (8) of this section; or

16 “(b) The Director of the State Department of Energy determines that the eligible entity must
17 repay all or part of the grant funds on grounds of misappropriation, fraud or similar reasons after
18 auditing or investigating the eligible entity’s operations and conducting a contested case hearing
19 under ORS 183.413 to 183.470.

20 “(10) Each eligible entity that receives a grant under this section shall report to the department
21 [by June 30 of] each year concerning the status and use of grant funds **for the period of July 1 to**
22 **June 30. The report must be submitted on a schedule determined by the department.** The re-
23 port may not disclose the personal information of the recipients of financial assistance under the
24 program. The report must include:

25 “(a) A detailed description of the eligible entity’s use of grant funds;

26 “(b) A list of each loan, grant or other financial assistance that the eligible entity has provided
27 and, where applicable, a full accounting of the repayment status of the loans;

28 “(c) The nature and amounts of the administrative expenses and marketing costs the eligible
29 entity has incurred in providing loans, grants and other financial assistance under the program; and

30 “(d) Any other information required by the department.

31 “(11) The department shall adopt rules to carry out the provisions of this section. The rules shall
32 be developed in consultation with:

33 “(a) The Bureau of Labor and Industries on issues related to the workforce.

34 “(b) The Building Codes Division of the Department of Consumer and Business Services on is-
35 sues related to building codes and commissioning.

36 “(c) The Housing and Community Services Department to ensure the Heat Pump Deployment
37 Program complements any existing programs or services.

38 “(d) The Department of Environmental Quality on issues of air quality related to bulk fuels and
39 to ensure the Heat Pump Deployment Program complements any existing programs or services.

40 “(e) The Oregon Health Authority on any health impacts and health impact data related to the
41 Heat Pump Deployment Program and to ensure the program complements any existing programs or
42 services.

43 “(f) Electric utilities and utility program administrators on any impacts the Heat Pump Deploy-
44 ment Program may have on utility systems or services and to ensure the program complements any
45 existing programs, incentives or services.

1 “(g) Nonprofit organizations, housing providers, heat pump technicians and other stakeholders
2 as appropriate.

3 “**SECTION 74.** Section 17, chapter 86, Oregon Laws 2022, is amended to read:

4 “**Sec. 17.** The Director of the State Department of Energy shall submit the first biennial report
5 required under section 16, **chapter 86, Oregon Laws 2022**, [of this 2022 Act] to the Legislative
6 Assembly no later than [December 31,] **October 15, 2023**.

7 “**SECTION 75.** Section 21, chapter 86, Oregon Laws 2022, is amended to read:

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

10 “(a) Amounts donated to the fund;

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

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

13 “(2) Moneys in the fund are continuously appropriated to the State Department of Energy to be
14 used to provide grants and rebates under sections 19 and 20, **chapter 86, Oregon Laws 2022**, [of
15 this 2022 Act] and to pay the costs and expenses of the department related to the administration and
16 implementation of sections 19 and 20, **chapter 86, Oregon Laws 2022** [of this 2022 Act].

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

18 “(a) 25 percent must be reserved for affordable housing providers; and

19 “(b) 25 percent must be reserved [for loans] for owners of units occupied by [households whose
20 income is less than 80 percent of the area median income] **low or moderate income households**.

21 “**SECTION 76.** Section 23, chapter 86, Oregon Laws 2022, is amended to read:

22 “**Sec. 23.** (1) Sections 19 to 21, **chapter 86, Oregon Laws 2022**, [of this 2022 Act] are repealed
23 on January 2, [2025] **2026**.

24 “(2) On the date of the repeal of sections 19 to 21, **chapter 86, Oregon Laws 2022**, [of this 2022
25 Act] under subsection (1) of this section, any moneys in the Residential Heat Pump Fund that are
26 unexpended, unobligated and not subject to any conditions or reservations under section 19 (3)(a),
27 **chapter 86, Oregon Laws 2022**, [of this 2022 Act] are transferred to the General Fund.

28 “**SECTION 77.** Section 24, chapter 86, Oregon Laws 2022, is amended to read:

29 “**Sec. 24.** (1) The State Department of Energy shall provide a grant to the nongovernmental
30 entity that administers public purpose charge moneys under ORS 757.612 (3)(d) to enable the non-
31 governmental entity to assist landlords in creating or operating, whenever there is an extreme heat
32 event [as defined in section 2 of this 2022 Act for the county of the premises] **for the forecast zone**
33 **of the premises as described in section 2, chapter 86, Oregon Laws 2022**, one or more private
34 community cooling spaces available to the landlord’s tenants during the extreme heat event that are
35 on or near the premises and that maintain a temperature of not higher than 80 degrees Fahrenheit.

36 “(2) Assistance provided under this section may include:

37 “(a) Grants to landlords to create or operate community cooling spaces that will accommodate
38 at least five individuals.

39 “(b) Information to landlords regarding:

40 “(A) Lists of providers and installers of suitable cooling devices;

41 “(B) Private and government programs that may be used to create or operate community cooling
42 spaces; and

43 “(C) Best practices and model technical specifications for installing and operating various tem-
44 porary and permanent community cooling spaces.

45 “(c) Promoting the services relating to community cooling spaces under this section that are

1 provided by the nongovernmental entity.

2 “(3) The nongovernmental entity receiving a grant under this section shall maintain separate
3 accounting of the expenditures of the grant funds and shall report the accounting to the Public
4 Utility Commission and the independent auditor described in ORS 757.746 (1)(d). The nongovern-
5 mental entity may not utilize moneys received under ORS 757.054 (4) or 757.612 (3)(d) for grant
6 purposes under this section.

7 “**SECTION 78.** Section 29, chapter 86, Oregon Laws 2022, is amended to read:

8 “**Sec. 29.** No later than [*September 15,*] **December 31**, 2023, the State Department of Energy
9 shall provide a report to an appropriate interim committee of the Legislative Assembly in the man-
10 ner provided in ORS 192.245 on:

11 “(1) The heat pump grants and rebates under sections 19 and 20, **chapter 86, Oregon Laws 2022**
12 [*of this 2022 Act*];

13 “(2) The community cooling spaces under section 24, **chapter 86, Oregon Laws 2022** [*of this*
14 *2022 Act*]; and

15 “(3) The results of the cooling needs study under section 26, **chapter 86, Oregon Laws 2022**
16 [*of this 2022 Act*].

17
18 **“COMMUNITY CLIMATE INVESTMENT ENTITIES**

19
20 “**SECTION 79.** Sections 80 and 81 of this 2023 Act are added to and made a part of ORS
21 **chapter 468A.**

22 “**SECTION 80.** (1) As used in this section and section 81 of this 2023 Act:

23 “(a) ‘Climate protection program’ means the program to reduce greenhouse gas emis-
24 sions from certain air contamination sources in Oregon, first adopted by the Environmental
25 Quality Commission by rule on December 16, 2021.

26 “(b) ‘Community climate investment entity’ means a nonprofit organization that has been
27 approved by the Department of Environmental Quality and has entered into a written
28 agreement with the department to implement projects supported by community climate in-
29 vestment funds.

30 “(c) ‘Community climate investment funds’ means moneys paid by a covered fuel supplier
31 to a community climate investment entity to support implementation of community climate
32 investment projects.

33 “(d) ‘Covered fuel supplier’ means a fuel supplier, in-state producer or local distribution
34 company subject to the requirements of the climate protection program.

35 “(2) The commission may establish by rule a fee to be paid by community climate in-
36 vestment entities. The fee established under this section:

37 “(a) Must be reasonably calculated to cover the costs to the department of administering
38 and overseeing those portions of the climate protection program related to community cli-
39 mate investments; and

40 “(b) May not exceed five percent of the total community climate investment funds re-
41 ceived by a community climate investment entity during the period for which the fee applies.

42 “(3) Fees collected under this section shall be deposited into the Community Climate In-
43 vestment Oversight Account established under section 81 of this 2023 Act.

44 “**SECTION 81.** The Community Climate Investment Oversight Account is established,
45 separate and distinct from the General Fund. The account consists of moneys deposited into

1 the account under section 80 of this 2023 Act and moneys transferred or appropriated to the
2 account by the Legislative Assembly. Interest earned by the account shall be credited to the
3 account. All moneys in the account are continuously appropriated to the Department of
4 Environmental Quality and may be used only to pay the costs of administering and oversee-
5 ing those portions of the climate protection program related to community climate invest-
6 ments.

7
8 **“HARMFUL ALGAL BLOOMS**

9
10 **“SECTION 82.** Section 83 of this 2023 Act is added to and made a part of ORS 448.119 to
11 **448.285.**

12 **“SECTION 83.** (1) The Legislative Assembly finds and declares harmful algal blooms to
13 be a threat to safe drinking water supplies and a menace to public health and welfare.

14 **“(2) The Oregon Health Authority, in coordination with the Department of Environ-**
15 **mental Quality as further provided for in section 85 of this 2023 Act, shall:**

16 **“(a) Determine and identify drinking water sources that are susceptible to harmful algal**
17 **blooms or that are downstream of or influenced by water bodies that are susceptible to**
18 **harmful algal blooms.**

19 **“(b) Develop a system for the regular monitoring and testing of drinking water sources**
20 **determined to be susceptible to harmful algal blooms or that are downstream of or influ-**
21 **enced by water bodies that are susceptible to harmful algal blooms.**

22 **“(c) Prioritize monitoring of water bodies that are susceptible to harmful algal blooms**
23 **and that are:**

24 **“(A) Sources of domestic or municipal drinking water; or**

25 **“(B) Bodies of water accessed by the public for recreational use.**

26 **“(d) Develop a protocol for issuing hazard advisory alerts to the public in the occurrence**
27 **of a harmful algal bloom.**

28 **“SECTION 84.** Section 85 of this 2023 Act is added to and made a part of ORS chapter
29 **468B.**

30 **“SECTION 85.** (1) The Department of Environmental Quality, in coordination with the
31 **Oregon Health Authority, shall:**

32 **“(a) Develop and maintain a coordinated state agency harmful algal bloom monitoring**
33 **and response strategy.**

34 **“(b) Develop a system for the regular monitoring and testing of water bodies determined**
35 **to be susceptible to harmful algal blooms or that are downstream of or influenced by water**
36 **bodies that are susceptible to harmful algal blooms.**

37 **“(c) Produce timely and high-quality data that allow the authority to determine the level**
38 **of risk of harm or injury to public health by the occurrence of harmful algal blooms.**

39 **“(d) Maintain a publicly accessible clearinghouse or database of water quality samples**
40 **collected to characterize freshwater harmful algal blooms.**

41 **“(e) Identify sources of pollutants that contribute to the occurrences of harmful algal**
42 **blooms.**

43 **“(f) Develop and implement strategies for reducing pollutants that contribute to the oc-**
44 **currences of harmful algal blooms and the frequency and severity of harmful algal blooms.**

45 **“(g) Monitor and evaluate the effectiveness of strategies implemented for reducing**

1 pollutants that contribute to the occurrences of harmful algal blooms.

2 “(2)(a) As part of the state agency harmful algal bloom monitoring and response strategy
3 developed by the department under subsection (1) of this section, the department shall make
4 efforts to determine the causes of harmful algal blooms and to identify any point sources or
5 nonpoint sources that contribute to the susceptibility of specific bodies of water to harmful
6 algal blooms.

7 “(b) The department shall work with persons to develop pollution reduction plans for
8 point sources and nonpoint sources identified under paragraph (a) of this subsection.

9
10 **“RESILIENCE HUBS AND NETWORKS**

11
12 **“SECTION 86. (1) As used in this section:**

13 **“(a) ‘Resilience Hub’ means a physical facility that is operated, managed or supported by**
14 **one or more local residents, local governments, tribal governments, public schools,**
15 **community-based organizations, faith-based organizations, nonprofit organizations or non-**
16 **governmental organizations and that:**

17 **“(A) Supports the needs of community members or tribal communities, facilitates gath-**
18 **ering and communication, distributes resources and otherwise enhances quality of life within**
19 **a community;**

20 **“(B) Serves as a central point for gathering, information sharing, and coordination in**
21 **response to a disruption in the community;**

22 **“(C) Enhances the ability of a community to respond to and recover from a disruption**
23 **in a community;**

24 **“(D) Is positioned, operated and resourced on a day-to-day basis to provide community**
25 **resources, including but not limited to food, water, information exchange, electronic charg-**
26 **ing stations, basic medical supplies and equipment proportionate to the size of the**
27 **community’s population and needs;**

28 **“(E) Supports community cache sites and other support for community members who**
29 **shelter in place;**

30 **“(F) Can provide child care, training, food distribution and other services that can help**
31 **a community respond to unmet social needs to prepare for, respond to and recover from**
32 **disasters;**

33 **“(G) Can provide, or can be retrofitted to provide, heating, cooling, air filtration and**
34 **weather protection; and**

35 **“(H) Accommodates individuals with accessibility needs.**

36 **“(b) ‘Resilience Network’ means an association of facilities, organizations, resource pro-**
37 **viders or service providers outside of a physical Resilience Hub facility that collectively serve**
38 **the purposes of a Resilience Hub.**

39 **“(2) The Department of Human Services shall, in consultation with the State Department**
40 **of Energy and the Oregon Health Authority, provide grants, support and technical assistance**
41 **for Resilience Hubs and Networks in Oregon. The Department of Human Services shall**
42 **award:**

43 **“(a) Grants for expenses related to planning and organizing Resilience Hubs and Net-**
44 **works;**

45 **“(b) Grants to support and expand development and operation of Resilience Hubs and**

1 Networks to ensure that physical facilities can provide protection from extreme weather, can
2 maintain power and climate during power outages, have auxiliary communications capabili-
3 ties and are resilient following earthquakes, fires, tornadoes, floods, other extreme weather
4 events and other potential disasters, emergencies or incidents; and

5 “(c) Grants for resources and services needed by communities to otherwise prepare for
6 and respond to disasters.

7 “(3) Individuals or organizations may apply for grants by submitting an application that
8 must include:

9 “(a) A description of the purposes for which grant moneys will be expended;

10 “(b) A plan for implementing specific strategies to build resilience in a community;

11 “(c) A description of additional resources available for purposes of the Resilience Hub or
12 Network;

13 “(d) A description of the project’s ability to serve vulnerable populations and communi-
14 ties traditionally underrepresented in the public process, including communities of color,
15 communities experiencing lower incomes, tribal communities, rural communities, coastal
16 communities, communities with limited infrastructure, seniors, youth and persons with dis-
17 abilities; and

18 “(e) Any other information required by the department.

19 “(4) The department shall execute grant agreements with grant recipients obligating re-
20 cipients to use grant moneys for purposes specified in the grant agreements. The depart-
21 ment, in consultation with the State Department of Energy and the Oregon Health
22 Authority, shall determine the permissible purposes for a grant under this section based on
23 the needs of the Resilience Hub or Network. The department shall determine the needs of
24 the Resilience Hub or Network in consultation with the community, including populations
25 described in subsection (3)(d) of this section, within the locality in which the Resilience Hub
26 or Network operates.

27 “(5) The Department of Human Services shall adopt rules necessary for the adminis-
28 tration of this section, including specifying the form and contents of an application for a
29 grant under this section.

30
31 “APPROPRIATIONS
32

33 “SECTION 87. In addition to and not in lieu of any other appropriation, there is appro-
34 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
35 the General Fund, the amount of \$525,467 for the purpose of carrying out the provisions of
36 sections 1 to 5 of this 2023 Act.

37 “SECTION 88. In addition to and not in lieu of any other appropriation, there is appro-
38 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
39 the General Fund, the amount of \$2,000,000, for deposit into the Energy Efficient Technolo-
40 gies Information and Training Fund established by section 5 of this 2023 Act.

41 “SECTION 89. Notwithstanding any other law limiting expenditures, the amount of
42 \$2,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
43 payment of expenses from the Energy Efficient Technologies Information and Training Fund,
44 established by section 5 of this 2023 Act, by the State Department of Energy for carrying out
45 the provisions of sections 1 to 5 of this 2023 Act.

1 “**SECTION 90.** In addition to and not in lieu of any other appropriation, there is appro-
2 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
3 the General Fund, the amount of \$775,835, for the purpose of carrying out the provisions of
4 sections 41 to 50 of this 2023 Act.

5 “**SECTION 91.** In addition to and not in lieu of any other appropriation, there is appro-
6 priated to the State Department of Energy, for the biennium beginning July 1, 2023, out of
7 the General Fund, the amount of \$1,526,146 for the purpose of carrying out the provisions
8 of sections 56 to 60 of this 2023 Act.

9 “**SECTION 92.** Notwithstanding any other provision of law, the General Fund appropri-
10 ation made to the State Department of Energy by section 1 (1), chapter __, Oregon Laws
11 2023 (Enrolled House Bill 5016), for the biennium beginning July 1, 2023, for energy develop-
12 ment services, is increased by \$4,982,860 for the purpose of carrying out the provisions of
13 sections 8 to 17 of this 2023 Act.

14 “**SECTION 93.** Notwithstanding any other law limiting expenditures, the limitation on
15 expenditures established by section 1 (6), chapter __, Oregon Laws 2023 (Enrolled House Bill
16 5010), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
17 from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery
18 funds and federal funds, collected or received by the Department of Consumer and Business
19 Services, for the Building Codes Division, is increased by \$756,051 for the purpose of carrying
20 out the provisions of section 7 of this 2023 Act.

21 “**SECTION 94.** Notwithstanding any other law limiting expenditures, the limitation on
22 expenditures established by section 2 (6), chapter __, Oregon Laws 2023 (Enrolled Senate
23 Bill 5502), for the biennium beginning July 1, 2023, as the maximum limit for payment of ex-
24 penses from fees, moneys or other revenues, including Miscellaneous Receipts and federal
25 funds received from charges, but excluding lottery funds and federal funds not described in
26 section 2, chapter __, Oregon Laws 2023 (Enrolled Senate Bill 5502), collected or received by
27 the Oregon Department of Administrative Services, for Enterprise Asset Management, is
28 increased by \$669,112 for the purpose of carrying out the provisions of section 18 of this 2023
29 Act.

30 “**SECTION 95.** Notwithstanding any other provision of law, the General Fund appropri-
31 ation made to the Department of Land Conservation and Development by section 1 (1),
32 chapter __, Oregon Laws 2023 (Enrolled House Bill 5027), for the biennium beginning July
33 1, 2023, for the planning program, is increased by \$1,240,433 for the purpose of carrying out
34 the provisions of sections 24, 25, 26, 35 and 36 of this 2023 Act.

35 “**SECTION 96.** In addition to and not in lieu of any other appropriation, there is appro-
36 priated to the Department of Land Conservation and Development, for the biennium begin-
37 ning July 1, 2023, out of the General Fund, the amount of \$6,500,000, to provide grants for
38 green infrastructure projects under section 24 of this 2023 Act.

39 “**SECTION 97.** Notwithstanding any other provision of law, the General Fund appropri-
40 ation made to the State Forestry Department by section 1 (2), chapter __, Oregon Laws 2023
41 (Enrolled House Bill 5020), for the biennium beginning July 1, 2023, for forest resources, is
42 increased by \$516,248 for the purpose of carrying out the provisions of section 24 of this 2023
43 Act.

44 “**SECTION 98.** Notwithstanding any other law limiting expenditures, the limitation on
45 expenditures established by section 2 (4), chapter __, Oregon Laws 2023 (Enrolled House Bill

1 5020), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
2 from fees, moneys or other revenues, including Miscellaneous Receipts and including federal
3 funds from the United States Forest Service for fire protection and for research projects,
4 but excluding lottery funds and federal funds not described in section 2, chapter __, Oregon
5 Laws 2023 (Enrolled House Bill 5020), collected or received by the State Forestry Department,
6 for forest resources, is increased by \$90,000 for the purpose of carrying out the provisions
7 of section 24 of this 2023 Act.

8 “SECTION 99. In addition to and not in lieu of any other appropriation, there is appro-
9 priated to the Department of Environmental Quality, for the biennium beginning July 1, 2023,
10 out of the General Fund, the amount of \$3,000,000, for deposit into the Zero-Emission Me-
11 dium and Heavy Duty Vehicle Incentive Fund established under section 34 of this 2023 Act.

12 “SECTION 100. Notwithstanding any other law limiting expenditures, the amount of
13 \$3,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
14 payment of expenses from the Zero-Emission Medium and Heavy Duty Vehicle Incentive
15 Fund, established by section 34 of this 2023 Act, by the Department of Environment Quality
16 for carrying out the provisions of sections 33 and 34 of this 2023 Act.

17 “SECTION 101. Notwithstanding any other provision of law, the General Fund appropri-
18 ation made to the Department of Environmental Quality by section 1 (2), chapter __, Oregon
19 Laws 2023 (Enrolled House Bill 5018), for the biennium beginning July 1, 2023, for water
20 quality, is increased by \$376,770 for the purpose of carrying out the provisions of sections 83
21 and 85 of this 2023 Act.

22 “SECTION 102. In addition to and not in lieu of any other appropriation, there is appro-
23 priated to the Oregon Watershed Enhancement Board, for the biennium beginning July 1,
24 2023, out of the General Fund, the amount of \$10,000,000, for deposit into the Natural and
25 Working Lands Fund established by section 55 of this 2023 Act.

26 “SECTION 103. Notwithstanding any other law limiting expenditures, the amount of
27 \$10,000,000 is established for the biennium beginning July 1, 2023, as the maximum limit for
28 payment of expenses from the Natural and Working Lands Fund, established by section 55
29 of this 2023 Act, by the Oregon Watershed Enhancement Board.

30 “SECTION 104. In addition to and not in lieu of any other appropriation, there is appro-
31 priated to the Oregon Health Authority, for the biennium beginning July 1, 2023, out of the
32 General Fund, the amount of \$188,664, for the purpose of carrying out sections 83 and 85 of
33 this 2023 Act.

34 “SECTION 105. In addition to and not in lieu of any other appropriation, there is appro-
35 priated to the Higher Education Coordinating Commission, for the biennium beginning July
36 1, 2023, out of the General Fund, the amount of \$3,000,000, for distribution to the College of
37 Forestry at Oregon State University to carry out section 30 of this 2023 Act.

38 “SECTION 106. In addition to and not in lieu of any other appropriation, there is appro-
39 priated to the Oregon Health Authority, for the biennium beginning July 1, 2023, out of the
40 General Fund, the amount of \$199,007, for the program created under section 7, chapter 86,
41 Oregon Laws 2022.

42 “SECTION 107. In addition to and not in lieu of any other appropriation, there is appro-
43 priated to the Department of Human Services, for the biennium beginning July 1, 2023, out
44 of the General Fund, the amount of \$10,187,615, to provide grants under section 86 of this
45 2023 Act.

1 “**SECTION 108.** Notwithstanding any other law limiting expenditures, the limitation on
2 expenditures established by section 3 (1), chapter __, Oregon Laws 2023 (Enrolled House Bill
3 5026), for the biennium beginning July 1, 2023, as the maximum limit for payment of expenses
4 from federal funds, excluding federal funds described in section 2, chapter __, Oregon Laws
5 2023 (Enrolled House Bill 5026), collected or received by the Department of Human Services,
6 for central services, is increased by \$125,081 for the purpose of carrying out the provisions
7 of section 86 of this 2023 Act.

8
9 “**OPERATIVE DATES**

10
11 “**SECTION 109.** Sections 1 to 5, 7, 18, 21, 30 and 53 to 67 of this 2023 Act and the amend-
12 ments to ORS 469.754, 469.756 and 530.050 by sections 19, 20 and 31 of this 2023 Act become
13 operative on the 91st day after the date on which the 2023 regular session of the Eighty-
14 second Legislative Assembly adjourns sine die.

15 “**SECTION 110.** Sections 32 to 34, 51, 52, 70 and 79 to 86 of this 2023 Act and the amend-
16 ments to ORS 352.823, 468A.205, 468A.210, 468A.215, 468A.220, 468A.225, 468A.230, 468A.235,
17 468A.240, 468A.245, 468A.250, 468A.255 and 468A.260 and sections 1 and 5, chapter 655, Oregon
18 Laws 2019, by sections 38 to 50, 68 and 69 of this 2023 Act become operative on January 1,
19 2024.

20 “**SECTION 111.** (1) Section 6 of this 2023 Act becomes operative on January 1, 2024.

21 “(2) The Director of the Department of Consumer and Business Services may adopt rules
22 and take any other action before the operative date specified in subsection (1) of this section
23 that is necessary to enable the director, on and after the operative date specified in sub-
24 section (1) of this section, to undertake and exercise all of the duties, functions and powers
25 conferred on the director by section 6 of this 2023 Act.

26
27 “**UNIT CAPTIONS**

28
29 “**SECTION 112.** The unit captions used in this 2023 Act are provided only for the con-
30 venience of the reader and do not become part of the statutory law of this state or express
31 any legislative intent in the enactment of this 2023 Act.

32
33 “**DECLARING EMERGENCY**

34
35 “**SECTION 113.** This 2023 Act being necessary for the immediate preservation of the
36 public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes
37 effect on its passage.”.
38
