

# Oregon Rental Home Heat Pump Program

## Proposal for Draft Rule Amendments

The Oregon Department of Energy is proposing administrative rule amendments that reflect changes to the Oregon Rental Home Heat Pump Program made during the 2023 legislative session. The Department has also taken the opportunity to review the program and is considering additional amendments aimed at improving the program.

### 2023 Legislative Session

In 2023, Sections 75 and 76 of HB 3049 extended the Oregon Rental Home Heat Pump Program by one year, until January 2, 2026. At the same time, the language relating to the reserved program budget was also amended. This changed one of the budget carve outs from ‘owners of units occupied by households whose income is less than 80 percent of the area median income’ to ‘owners of units occupied by low- or moderate-income households’.

### Rule Amendment Proposals

Section 75 of HB 3049 amended the language of the household income criteria in Section 21, Chapter 86, of the 2022 Oregon Laws, which describes the program’s fund. ODOE will amend the administrative rule language to reflect the change.

- Draft language for 330-280-0110(2)(b) and (3)
  - 330-280-0110(2)(b) At least 25 percent of the funds must be reserved for rebates and grants for owners of dwellings occupied by **low- or moderate-income** households [*whose income is less than 80 percent of the area median income*].
  - 330-280-0110 (3) If total funds spent and allocated for installations for affordable housing providers and owners of dwellings occupied by **low- or moderate-income** households [*whose income is less than 80 percent of the area median income*] are less than those specified in OAR 330-280-0110(2) for that calendar year, then the unspent and unallocated funds may be made available to all applicants in the following year.

ODOE is considering several possible rule concepts aimed at reducing the administrative burden on contractors during the registration and reservation process.

- Currently ODOE must verify that a contractor has complied with the rules and requirements of the Construction Contractors Board, Workers’ Compensation Division, Occupational Safety and Health Division, and the Bureau of Labor and Industries in the past two years, as specified in OAR 330-280-0020. Verifying the information can take a significant amount of time, even when contractors are in compliance. This must be completed prior to a contractor applying for rebates and grants from the program. ODOE is proposing allowing contractors to submit an attestation to demonstrate that they have complied with those requirements to expedite the process. ODOE proposes to retain the right to verify compliance as part of the contractor registration process, but would not be required to verify the compliance of every contractor.

- Currently for a contractor to be eligible to apply for rebates and grants under the program, they must have no Occupational Safety and Health Division violations for the past two years. ODOE is proposing to permit the payment of any fines and the abatement of any violations found by the Occupational Safety and Health Division in the past two years to also satisfy the requirement that the contractor has complied with rules and requirements of the Occupational Safety and Health Division.
- Currently a contractor must submit their methods for appropriately sizing the heat pump in a reservation application to the space or structure, along with the calculated heating and cooling load. ODOE is proposing to allow a contractor to attest that a heat pump is appropriately sized to the space or structure, rather than requiring them to submit sizing calculation information.

In addition to the above proposals, other language changes will be proposed in the draft rule language that aim to improve the clarity of the rules.

### **Administrative Rule Process**

The Oregon Department of Energy is seeking feedback from the public on these potential administrative rule amendments. You can provide comments about the proposals and other rulemaking items by emailing James Cogle at [james.cogle@energy.oregon.gov](mailto:james.cogle@energy.oregon.gov) or by attending the virtual listening session at 9 a.m. on November 16, 2023. Please ensure all written comments are submitted by 5 p.m. on Wednesday November 22, 2023. ODOE will review and consider comments, then produce and file draft rules with the Secretary of State. The draft rule language may include one or more of these proposals following a review of any comments. The Department will then notify stakeholders and open a new comment period for the public to weigh in and comment on the draft rule language.