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NOTICE OF PROPOSED RULEMAKING INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 330
DEPARTMENT OF ENERGY

FILED

04/11/2023 2:19 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Energy Efficient Wildfire Rebuilding Incentive Program amendment.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 05/22/2023 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 05/18/2023

TIME: 4:00 PM

OFFICER: James Cogle

REMOTE MEETING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 1-408-418-9388

SPECIAL INSTRUCTIONS:

Event number (access code): 2344 797 8801

Event password: rule (7853 from phones and video systems)

Join by phone +1-408-418-9388 United States Toll

NEED FOR THE RULE(S)

The Oregon Department of Energy has a request to the Oregon legislature regarding the Energy Efficient Wildfire Rebuilding Incentive Program funds appropriated in HB 5006 in 2021. ODOE's request is to be able to continue to use those funds through the 2023-2025 biennium.

Should this be approved, the application deadline in the current rules will need to be extended. ODOE is providing notice of these proposed rule amendments now to avoid disruption in accepting applications. However, ODOE will adopt the rules only upon receipt of legislative authorization. Additionally, testing procedures for HVAC systems have been updated and new procedures for heating efficiency and cooling efficiency have been developed and are now in use. The change to the heat pump efficiency requirements include the new rating terms as newly manufactured heat pumps are issued with the new efficiency ratings.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

There is expected to be minimal or no impact to racial equity in this state from the extension of the application deadline and the adoption of updated efficiency ratings. The extension of the deadline does not change who is eligible, just how long people are able to apply to the program.

ODOE would need to know the demographic information for the people whose homes were damaged or destroyed by wildfire between August 1 and September 30, 2020, who have not already applied to the program, in order to accurately assess who could potentially make use of extending the application deadline or would be affected by any changes to the efficiency requirements of heat pumps.

FISCAL AND ECONOMIC IMPACT:

It is expected that extending the time that eligible applicants can apply to the program will have a positive fiscal impact on those applicants. The Department anticipates minimal fiscal impact to local governments, contractors, and property owners for providing documentation to the Department. The amendment to the eligibility requirements for the efficiency of heat pumps installed in manufactured homes is expected to have a minimal fiscal impact. The new heat pump efficiency requirement is either in line with the new federal minimum requirements or is equivalent to the current level of required efficiency detailed in the rules, the only variation is in relation to the cooling efficiency of split-system heat pumps. The difference between the proposed requirement and the federal minimum for the cooling efficiency of split-system heat pumps is minor.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) By extending the application deadline, the cost of compliance with the rules for the Oregon Department of Energy and local governments in areas where buildings were destroyed by the 2020 wildfires, is expected to remain the same and continue until the close of the program. The owners of structures that were destroyed or damaged are anticipated to be positively impacted by the rule should they choose to participate in this program as they will have a longer period to apply to the program. Contractors who carry out rebuilding or installation work may also be positively impacted by the extension of the application period. (2)(a) An unknown number of contractors may be affected. (b) The rule change is not anticipated to add to the cost of small businesses. (c) There are no, or minimal, change to the anticipated cost of professional services, equipment supplies, labor and increased administration.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in development of this amendment. The amendments are technical and relate to when applications can be submitted and to what heat pump efficiency ratings are acceptable.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The fixes relate to when applications can be submitted and update the acceptable heat pump efficiency ratings. The amendment to the heat pump efficiency rating are being made to comply with updated federal standards and any variation from them is minimal. It was therefore, not thought necessary to convene a rule advisory committee for these

amendments.

HOUSING IMPACT STATEMENT:

As required under ORS 183.530 and 183.534, the Department has considered the potential impact of these rules and believes these rules will cause no impact to the following costs for developing a typical 1,200 square foot detached single-family dwelling on a 6,000 square foot parcel of land:

- (1) materials and labor costs
- (2) administrative construction or other costs
- (3) land costs, or
- (4) other costs

RULES PROPOSED:

330-260-0050, 330-260-0080, 330-260-0090, 330-260-0100

AMEND: 330-260-0050

RULE SUMMARY: The amendment will adopt new terminology and efficiency requirements used to specify the heating and cooling efficiency of eligible heat pumps.

CHANGES TO RULE:

330-260-0050

Incentives for Manufactured Dwellings

(1) An owner replacing a destroyed or damaged manufactured dwelling or residential structure shall be eligible for an incentive of \$12,500 at the time of purchase of a new energy efficient manufactured dwelling if:

- (a) The new manufactured dwelling will be sited within Oregon; and
- (b) The new manufactured dwelling meets or exceeds the NEEM 1.1 code for energy efficiency, or the owner is participating in one of the following qualified energy efficient manufactured dwelling replacement programs:
 - (A) Oregon Housing and Community Services Manufactured Home Replacement Loan Program.
 - (B) Energy Trust of Oregon Manufactured Home Replacement Program.
 - (C) Bonneville Power Administration's Manufactured Home Replacement Program.
 - (D) Oregon Consumer Owned Utility new manufactured home program.

(2) A new or previously owned manufactured dwelling purchased to replace a manufactured dwelling or residential structure damaged or destroyed in the 2020 wildfires may qualify for an incentive of up to \$5,000 for the installation of a new heat pump system, or by supplementing or replacing an existing heating system with a heat pump system.

(a) The appropriate heat pump system type and sizing of the system must be determined by a qualified contractor.

(b) The heat pump system must be installed by a qualified contractor, as outlined in OAR 330-260-0070.

(c) ~~If manufactured before January 1, 2023, the heat pump system must have a baseline efficiency of 9.0 HSPF, SEER of 14, and be properly sized to the structure. If manufactured on or after January 1, 2023, the heat pump system must have a baseline efficiency of 7.6 HSPF2, SEER2 of 14.3, and be properly sized to the structure.~~

(d) Utility and Department incentives for installation of a new heat pump, supplementing or replacing an existing heating system may not exceed the installation cost of the system.

(e) The manufactured dwelling must be sited within Oregon.

(3) If a manufactured homeowner has replaced their manufactured home or upgraded the heating and cooling system with a heat pump system prior to applying for this incentive program, they shall be eligible to receive an incentive provided they meet all other applicable eligibility requirements.

Statutory/Other Authority: ORS 469.040, Oregon Laws 2021, chapter 669 (House Bill 5006)

Statutes/Other Implemented: Oregon Laws 2021, chapter 669 (House Bill 5006)

AMEND: 330-260-0080

RULE SUMMARY: The amendment would extend the time that applications can be submitted until 2025.

CHANGES TO RULE:

330-260-0080

Incentive Application

- (1) The Department may begin accepting wildfire rebuilding incentive applications March 28, 2022. The Department may continue to accept new incentive applications throughout the duration of the program until all funds allocated to the program have been committed or prior to June 1, 2023~~5~~, whichever comes first. ¶
- (2) An incentive application must be submitted using a form specified by the Department, be completed in full, and include the following at a minimum: ¶
- (a) Structure owner's name. ¶
 - (b) Site address. ¶
 - (c) Mailing address (if different from site address). ¶
 - (d) Telephone number and email address of owner when possible. ¶
 - (e) Type of structure being rebuilt. ¶
 - (f) The incentives being applied for. ¶
 - (g) Building permit number, project tracking, sales or identification number, if applicable. ¶
 - (h) If applicable, evidence the Department deems sufficient to demonstrate applicant meets requirements under OAR 330-260-0060 to be eligible for low-income incentives. ¶
 - (i) If applicable, evidence the Department deems sufficient to demonstrate compliance with above code energy standards or participation in a utility new homes energy efficiency program. ¶
 - (j) If applicable, evidence the Department deems sufficient to demonstrate eligibility for the incentive available under OAR 330-260-0050(1) for the purchase of a new energy efficient manufactured dwelling. ¶
 - (k) Other information and documentation requested by the Department that is necessary to process and verify the application. ¶
- (3) In addition to the information requested in OAR 330-260-0080(2), the following information is also required on an application for an incentive for heat pump system installation in a manufactured dwelling: ¶
- (a) Appropriate information regarding existing heating system. ¶
 - (b) Proposed heat pump system including its efficiency and configuration. ¶
 - (c) Total installed cost. ¶
 - (d) If applicable, participation in a utility heat pump program and utility incentives received. ¶
 - (e) Other information and documentation requested by the Department that is necessary to process and verify the application. ¶
- (4) The Department reserves the right to request additional information or documentation that the Department deems necessary to process and verify the application. ¶
- (5) The Department may require a response to any request for additional information or documentation within 30 days of the Department's correspondence. If the applicant does not respond within 30 days the applicant may lose their reserved funds. ¶
- (6) A structure must have a rebuilding permit and application submitted to the Oregon Department of Energy prior to June 1, 2023~~5~~, to receive an incentive. ¶
- (7) The Department reserves the right to verify all applicable licenses, bonds, insurance, permits, or certifications of a contractor or owner at any time.
- Statutory/Other Authority: ORS 469.040, Oregon Laws 2021, chapter 669 (House Bill 5006)
Statutes/Other Implemented: Oregon Laws 2021, chapter 669 (House Bill 5006)

AMEND: 330-260-0090

RULE SUMMARY: The amendment would extend the time that incentive amendment applications can be submitted until 2025.

CHANGES TO RULE:

330-260-0090

Incentive Reservation Process

- (1) If the necessary funds are available the Department shall reserve the requested incentive for the owner upon receipt of a complete application form.¶
- (2) An owner may amend the requested incentive.¶
- (3) An incentive amendment application must be received prior to the Department distributing funds to the owner or prior to June 1, 2023~~5~~, whichever is earliest.¶
- (4) The Department shall review applications to ensure all requested information is included before any incentive is released. The Department reserves the right to request additional information or documentation that the Department deems necessary to process and verify the application.¶
- (5) An amended incentive application must be submitted in the manner specified by the Department and include the following at a minimum:¶
 - (a) Structure owner's name.¶
 - (b) Site address.¶
 - (c) Mailing address (if different from site address).¶
 - (d) Telephone number and email address of owner when possible.¶
 - (e) Type of structure being rebuilt.¶
 - (f) The changes to the incentives being applied for.¶
 - (g) Building permit number, project tracking, sales or identification number, if applicable.¶
 - (h) Other information and documentation requested by the Department that is necessary to process and verify the change in the application.¶
- (6) Any increase in the level of incentive applied for is subject to the availability of funds at the date the amended application is received.

Statutory/Other Authority: ORS 469.040, Oregon Laws 2021, chapter 669 (House Bill 5006)

Statutes/Other Implemented: Oregon Laws 2021, chapter 669 (House Bill 5006)

AMEND: 330-260-0100

RULE SUMMARY: The amendment would extend the time that project completion notifications can be submitted until 2025.

CHANGES TO RULE:

330-260-0100

Completion and Verification

(1) To receive the incentive the owner must notify the Department that the eligible structure has been rebuilt to the specified building code and energy efficiency requirements, and received occupancy approval by local jurisdiction code officials.¶

(2) The rebuilding incentive will be available following Department receipt of proof of occupancy by local jurisdiction code officials and any required verification of completion by a utility company if the owner is participating in an above energy code utility program.¶

(3) After Department receipt of proof of the completion and verification, from the Department, electric utility, local jurisdiction code official, or state agency representative of installation of a qualifying manufactured home, or qualifying heat pump installation in a replacement manufactured home, the owner may receive their eligible incentive. ¶

(4) To receive an incentive, the project must be complete and the Department must receive notification prior to ~~December 1~~ June 30, 2024.

Statutory/Other Authority: ORS 469.040, Oregon Laws 2021, chapter 669 (House Bill 5006)

Statutes/Other Implemented: Oregon Laws 2021, chapter 669 (House Bill 5006)