

OFFICE OF THE SECRETARY OF STATE

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ARCHIVES DIVISION

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**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 330  
DEPARTMENT OF ENERGY

**FILED**

11/29/2022 8:40 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Rebate and grant program for the purchase and installation of heat pumps in rental homes.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 01/06/2023 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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First Floor  
Salem, OR 97301

Filed By:  
James Cogle  
Rules Coordinator

HEARING(S)

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

DATE: 01/05/2023

TIME: 3:00 PM - 4:00 PM

OFFICER: James Cogle

ADDRESS: Oregon Department of Energy  
550 Capitol Street NE

First Floor

Salem, OR 97301

SPECIAL INSTRUCTIONS:

This public hearing will be conducted remotely via teleconference. ODOE will provide information on its website on how to connect to the public hearing by internet and telephone: <https://www.oregon.gov/energy/Get-Involved/Pages/ORHHP.aspx>

NEED FOR THE RULE(S)

Sections 19-23 of Senate Bill 1536 (2022) created a rebate and grant program for the purchase and installation of heat pumps in a dwelling unit used as a residential tenancy, and manufactured dwellings or recreational vehicles that rent a space in a manufactured dwelling or recreational vehicle park. The rebates may only be claimed by an eligible contractor that installs a heat pump. The Bill directs the Oregon Department of Energy to implement the program and grants the Department authority to adopt rules to carry out the program.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Senate Bill 1536 (2022)

<https://olis.oregonlegislature.gov/liz/2022R1/Downloads/MeasureDocument/SB1536/Enrolled>

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

The impact of the rules on racial equity in this state are unknown, though there may be a small positive impact. The

program will provide rebates and grants for the purchase and installation of a heat pumps in rental units, and manufactured dwellings or recreational vehicles that rent a space in a manufactured dwelling or recreational vehicle park. Application to the program is voluntary. The department is unable to determine who will apply to the program, however, an important goal of the program is to provide cooling in the homes of low-income households. The program requires at least 25 percent of the funds go to affordable housing providers and at least 25 percent of the funds go to owners of units occupied by households whose income is less than 80 percent of the area median income. The financial benefit of purchasing the heat pump will go to the owner of the property, however, the benefit of added cooling in a home and the potential impacts to utility bills will be provided to the occupant of the dwelling.

While the highest percentage of all Oregonians in poverty, due to population demographics, self-identify as White (78%), the highest rates of poverty occur among Oregon's American Indian (29%), Black (36%), and Pacific Islander (36%) communities and communities of Hispanic origin (28%) (Oregon Housing and Community Services, 2016).

Homeownership rates vary by race. Less than 50 percent of householders in Oregon who self-identified as Black alone (32.2 percent), American Indian and Alaska Native (44.8 percent), Native Hawaiian and Pacific Islander (33.4 percent), and Hispanic (40.8 percent) owned their home, as compared to 65.1 percent home ownership for those who self-identified as White alone (Joint Task Force Addressing Racial Disparities in Home Ownership, 2019).

The Oregon Department of Energy does not have demographic data for the owners of manufactured dwellings or recreational vehicles that rent a space in a manufactured dwelling or recreational vehicle park. Without this data we are unable to estimate the racial equity impact of this portion of the program.

#### Data sources

Oregon Housing and Community Services, 2016, <https://www.oregon.gov/ohcs/data-research/Documents/rental-housing/oregon-poverty-population-characteristics.xls>

Joint Task Force Addressing Racial Disparities in Home Ownership. (2019) Report on Addressing Barriers to Home Ownership for People of Color in Oregon.

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#### FISCAL AND ECONOMIC IMPACT:

There is expected to be an overall positive impact to individuals and their contractors who apply for financial assistance from the program. While the contractor will not receive additional payment on an installation, they could potentially install more heat pumps as a result of the program. The program is voluntary so the level of interest in the program and potential uptake is not able to be calculated.

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#### 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) The proposed program rules create an incentive program granting rebates and grants for the purchase and installation of heat pumps and associated upgrades, and do not create any regulatory requirements for public bodies or members of the public. Under the program, a contractor will apply for a rebate on behalf of a customer and may apply for a grant. The contractor applying for the rebate will be required to submit information to the Department to prove that an eligible project has been completed and that the customer is eligible to participate in the program.

(2)(a) HVAC businesses that voluntarily choose to apply to the program are subject to the rules. It is not known how many of these businesses are currently operating and would qualify for the program. (b) The HVAC businesses will be required to input information into the Department's online application and submit documentation to the Department. Most, if not all, of the documentation will consist of information already obtained, generated, and stored in the normal course of business. (c) The Department does not anticipate that the proposed rules will require increased expenditures on supplies and services, but does anticipate that eligible contractors will spend a minimal number of labor hours

creating online documentation in order to apply for and receive rebates and grants on behalf of their customers.

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

Two public meetings were held and notification was sent out to interested parties, including some HVAC contractors. A number of HVAC contractors attended and provided feedback at and following the meetings.

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

The agency held numerous meetings with other agencies, eligible entities for the program, and industry stakeholders to gain input. Two public meetings were held to provide an overview of the program and gain feedback. Staff accepted written feedback following the public meetings.

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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
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RULES PROPOSED:

330-280-0000, 330-280-0010, 330-280-0020, 330-280-0030, 330-280-0040, 330-280-0050, 330-280-0060, 330-280-0070, 330-280-0080, 330-280-0090, 330-280-0100, 330-280-0110, 330-280-0120, 330-280-0130

ADOPT: 330-280-0000

RULE SUMMARY: This rule is a statement of the purpose for the new Division 280 rules which implement sections 19-23 Senate Bill 1536 (2022) to establish the Oregon rental home heat pump program.

CHANGES TO RULE:

330-280-0000

Purpose

The purpose of these rules is to implement a heat pump rebate program established by Sections 19-23 of Senate Bill 1536 (2022). The rules provide procedures for: submitting reservation, rebate and grant requests, project and contractor eligibility, agency review of reservation, rebate, and grant requests, and agency audits and inspections to ensure compliance.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0010

RULE SUMMARY: This rule provides definitions of terms used in the rules in the new Division 280.

CHANGES TO RULE:

330-280-0010

Definitions

(1) "Affordable housing provider" means an owner of a dwelling unit, who has agreed to an affordable housing covenant as defined in ORS 456.270, and whose dwelling unit may be purchased or rented, with or without government assistance, by persons of eligible income.¶

(2) "Department" means the Oregon Department of Energy.¶

(3) "Director" means the director of the Oregon Department of Energy.¶

(4) "Heat pump" means an air-source or ground-source heat pump with an energy efficiency rating established under OAR 330-280-0040(1) or a higher efficiency rating.¶

(5) "Purchase price" means the cost to purchase and install a heat pump, before considering incentives.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0020

RULE SUMMARY: This rule outlines the requirements a contractor must meet to be eligible to participate in the program.

CHANGES TO RULE:

330-280-0020

Contractor Eligibility

(1) In order to participate in the program, a contractor must meet the eligibility requirements provided in these rules. Once the Department has confirmed a contractor's eligibility, the contractor will receive login credentials to use the software system designated by the Department to receive and track reservation applications.¶

(2) The Department may begin accepting contractor registrations January 23, 2023. The Department may continue to accept new contractor registrations throughout the duration of the program until all funds allocated to the program have been spent or the sunset of the program, whichever comes first.¶

(3) A contractor must meet the eligibility requirements listed below and submit appropriate documentation to the Department. The Department will verify the completeness and accuracy of information submitted by a contractor as part of the contractor registration process.¶

(a) A contractor that installs a heat pump, or a subcontractor that installs a heat pump on behalf of a contractor that offers heat pumps for sale, must hold any license, bond, insurance, or permit required to sell and install the heat pump. The contractor or any subcontractor performing the installation must maintain all applicable licenses, bonds, insurance or permits required throughout the installation period until the installation of the heat pump is complete.¶

(b) The contractor must have an active license with the Construction Contractors Board and no Construction Contractors Board disciplinary actions for the two years prior to the rebate reservation request.¶

(c) If applicable, the contractor must have proof of Workers' Compensation Insurance Coverage and have not been issued a non-complying employer order in the two years prior to the rebate reservation request.¶

(d) The contractor must have no Occupational Safety and Health Division violations for the two years prior to the rebate reservation request.¶

(e) The contractor must demonstrate a history of compliance with the administrative rules and requirements of the Bureau of Labor and Industries by meeting the following requirements:¶

(A) Have no final order determinations from the Labor Commissioner for the two years prior to the rebate reservation request; and¶

(B) Be absent from the list of contractors maintained by the Bureau of Labor and Industries that are ineligible to receive public works contracts.¶

(4) The Department reserves the right to verify all applicable licenses, bonds, insurance, and permits of a contractor at any time.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0030

RULE SUMMARY: This rule outlines the requirements a heat pump installation and associated upgrade must meet to be eligible for the program.

CHANGES TO RULE:

330-280-0030

Project Eligibility

(1) To be eligible for a rebate for the sale or installation of a heat pump the project must meet the following requirements:

(a) The heat pump must be installed by an eligible contractor. The contractor may use subcontractors in the installation of a heat pump; however, all firms and individuals working on the installation of a heat pump, whether working on behalf of the contractor or a subcontractor, must hold any license, bond, insurance, or permit required for the work performed.

(b) A contractor must submit a reservation application before installing a heat pump.

(c) The heat pump must be installed at, and serve, one of the following:

(A) A dwelling unit used as a residential tenancy;

(B) A manufactured dwelling or recreational vehicle that is located in a rented space in a manufactured dwelling or recreational vehicle park.

(d) The heat pump must be installed and function to provide heating and cooling for the living area of a dwelling; a space such as a garage is not eligible.

(e) The heat pump must meet the technical specifications provided in these rules.

(f) All necessary permits must have been received from the local jurisdiction and any final inspections conducted by the authority having jurisdiction must be passed.

(g) The indoor and outdoor units must be designed to be compatible with one another according to the manufacturer's product specifications and the proposed system must match the efficiency rating test conditions. The heat pump must be Air-Conditioning, Heating, and Refrigeration Institute (AHRI) certified.

(h) The heat pump must be appropriately sized to the space or structure.

(i) The heat pump system must be installed in accordance with the manufacturer's specifications.

(j) The heat pump's auxiliary heat control must be set at or below a temperature of 35 degrees Fahrenheit, except in situations when supplemental heating is required during a defrost cycle or system failure.

(k) The heat pump system must include at least a five-year warranty against manufacturer defects.

(l) Installations of heat pump systems must include a one year labor warranty covering the system.

(m) Under no circumstances will more than one rebate be issued under the program for the purchase and installation of the same heat pump.

(n) The heat pump must be new, meaning that it has not previously been used to provide heating or cooling.

(2) To be eligible for a grant for upgrades to facilitate the installation of a heat pump, the project must meet the following requirements:

(a) A rebate for the sale or installation of a heat pump must have been reserved.

(b) Upgrades must be to facilitate the installation of a heat pump. These may include:

(A) A new electrical panel or other upgrades to the electrical system of the dwelling the department determines are eligible;

(B) Mechanical upgrades to facilitate the installation of a heat pump the department determines are eligible;

(C) Other upgrades the department determines are eligible.

(c) A grant request must be approved before the work to carry out the upgrades has begun.

(d) All necessary permits must have been received from the local jurisdiction and any final inspections conducted by the authority having jurisdiction must be passed.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0040

RULE SUMMARY: This rule outlines the minimum efficiency requirements for a heat pump and a higher efficiency heat pump.

CHANGES TO RULE:

330-280-0040

Heat Pump Technical Specification

(1) A heat pump eligible to receive the tier 1 incentive must meet the following requirements:¶¶

(a) A split-system heat pump that has a Heating Seasonal Performance Factor of HSPF2 of 7.5 or greater and a Seasonal Energy Efficiency Rating of SEER2 14.3 or greater.¶¶

(b) A single-package heat pump that has an HSPF2 of 6.7 or greater and a SEER 2 of 13.4 or greater.¶¶

(c) A closed loop water-to-air heat pump that has an EER of 17.1 or greater and a COP of 3.6 or greater.¶¶

(d) An open loop water-to-air heat pump that has an EER of 21.1 or greater and a COP of 4.1 or greater.¶¶

(e) A closed loop water-to-water heat pump that has an EER of 16.1 or greater and a COP of 3.1 or greater.¶¶

(f) An open loop water-to-water heat pump that has an EER of 20.1 or greater and a COP of 3.5 or greater.¶¶

(g) A direct geoexchange heat pump that has an EER of 16.0 or greater and a COP of 3.6 or greater.¶¶

(2) A heat pump eligible to receive the tier 2 incentive must meet the following requirements:¶¶

(a) A split-system heat pump that has a Heating Seasonal Performance Factor of HSPF2 of 9 or greater and a Seasonal Energy Efficiency Rating of SEER2 15 or greater.¶¶

(b) A single-package heat pump that has an HSPF2 of 8.2 or greater and a SEER 2 of 15 or greater.¶¶

(c) A closed loop water-to-air heat pump that has an EER of 18 or greater and a COP of 3.8 or greater.¶¶

(d) An open loop water-to-air heat pump that has an EER of 22 or greater and a COP of 4.3 or greater.¶¶

(e) A closed loop water-to-water heat pump that has an EER of 17 or greater and a COP of 3.3 or greater.¶¶

(f) An open loop water-to-water heat pump that has an EER of 21 or greater and a COP of 3.7 or greater.¶¶

(g) A direct geoexchange heat pump that has an EER of 17 or greater and a COP of 3.8 or greater.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

RULE SUMMARY: This rule details the maximum dollar and percentage amounts that are eligible to be claimed as a rebate.

CHANGES TO RULE:

330-280-0050

Rebate Amounts

(1) The following are the maximum amounts that may be claimed as a rebate per dwelling unit for the purchase and installation of a ductless heat pump in a dwelling unit used as a residential tenancy:¶

(a) Tier 1: \$1000, not to exceed 40 percent of the purchase price of the heat pump unit.¶

(b) Tier 1, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$3000, not to exceed 50 percent of the purchase price of the heat pump.¶

(c) Tier 2: \$2000, not to exceed 50 percent of the purchase price of the heat pump unit.¶

(d) Tier 2, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$4000, not to exceed 60 percent of the purchase price of the heat pump.¶

(2) The following are the maximum amounts that may be claimed as a rebate for the purchase and installation of a ducted heat pump in a dwelling unit used as a residential tenancy:¶

(a) Tier 1: \$2000, not to exceed 40 percent of the purchase price of the heat pump unit.¶

(b) Tier 1, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$4000, not to exceed 50 percent of the purchase price of the heat pump.¶

(c) Tier 2: \$3000, not to exceed 50 of the purchase price of the heat pump unit.¶

(d) Tier 2, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$5000, not to exceed 60 percent of the purchase price of the heat pump.¶

(3) The following are the maximum amounts that may be claimed as a rebate for the purchase and installation of a ground source heat pump in a dwelling unit used as a residential tenancy:¶

(a) Tier 1: \$3000, not to exceed 40 percent of the purchase price of the heat pump.¶

(b) Tier 1, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$4000, not to exceed 50 percent of the purchase price of the heat pump.¶

(c) Tier 2: \$4000, not to exceed 50 percent of the purchase price of the heat pump unit.¶

(d) Tier 2, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$5000, not to exceed 60 percent of the purchase price of the heat pump.¶

(4) The following are the maximum amounts that may be claimed as a rebate for the purchase and installation of a ductless heat pump in a manufactured dwelling or recreational vehicle that is located in a rented space in a manufactured dwelling or recreational vehicle park:¶

(a) Tier 1: \$1000, not to exceed 40 percent of the purchase price of the heat pump unit.¶

(b) Tier 1, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$4000, not to exceed 80 percent of the purchase price of the heat pump.¶

(c) Tier 2: \$3000, not to exceed 50 of the purchase price of the heat pump unit.¶

(d) Tier 2, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$5000, not to exceed 80 percent of the purchase price of the heat pump.¶

(5) The following are the maximum amounts that may be claimed as a rebate for the purchase and installation of a ducted heat pump in a manufactured dwelling or recreational vehicle that is located in a rented space in a manufactured dwelling or recreational vehicle park:¶

(a) Tier 1: \$2000, not to exceed 40 percent of the purchase price of the heat pump unit.¶

(b) Tier 1, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$5000, not to exceed 80 percent of the purchase price of the heat pump.¶

(c) Tier 2: \$4000, not to exceed 50 of the purchase price of the heat pump unit.¶

(d) Tier 2, where the tenant meets low- or moderate-income requirements in OAR 330-280-0070: \$6000, not to exceed 80 percent of the purchase price of the heat pump.¶

(6) The department shall reduce the rebate amount, if the rebate combined with other incentives received for the purchase or installation of a heat pump exceeds 100 percent of the purchase price. Financial assistance from the Oregon Rental Home Heat Pump Program may not be combined with other Department incentives for the purchase and installation of a heat pump.¶

(7) Tier 1 and Tier 2 rebates do not add on top of each other, the project may only receive a tier 1 rebate or a tier 2 rebate.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)





ADOPT: 330-280-0060

RULE SUMMARY: This rule details the maximum dollar and percentage amounts that are eligible to be claimed as a grant.

CHANGES TO RULE:

330-280-0060

Associated Upgrades

(1) The following are the maximum amounts that may be claimed as a grant for upgrades to facilitate the installation of a heat pump in a dwelling unit used as a residential tenancy or a manufactured dwelling or recreational vehicle that is located in a rented space in a manufactured dwelling or recreational vehicle park:¶

(a) For owners who do not meet the low- or moderate-income requirement: \$2000 up to 100% of the cost of eligible upgrades.¶

(b) For owners who meet the low- or moderate-income requirement: \$4000 up to 100% of the cost of eligible upgrades.¶

(2) The department shall reduce the grant amount, if the grant combined with other incentives received for the upgrades exceeds 100 percent of the costs of the upgrade.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0070

RULE SUMMARY: This rule details how an owner would qualify for a rebate for low- or moderate-income households.

CHANGES TO RULE:

330-280-0070

Low- or Moderate-Income Eligibility

(1) In order to qualify for a rebate offered under the program for low- or moderate-income tenants, the owner where the installation will be located must provide proof of eligibility. Proof of eligibility shall be provided in the following ways:¶

(a) If the owner provides the Department with a U.S. Internal Revenue Service or Oregon Department of Revenue tax transcript for each tax filer residing at the household for the most recent tax filing year immediately preceding the current year, or the transcript for the year prior if the tax return for the most recent tax filing year has not yet been filed, that demonstrates their household income is less than or equal to 100 percent of state median income adjusted for household size.¶

(b) If the owner provides the Department an eligibility notice for the household that has been received in the past seven months for one of the following Oregon Department of Human Services or Oregon Health Authority programs:¶

(A) Supplemental Nutrition Assistance Program (SNAP).¶

(B) Oregon Health Plan (OHP) (Medicaid).¶

(C) Children's Health Insurance Program (CHIP; this option is available only for households consisting of six or fewer people).¶

(c) The owner of rental housing will be considered eligible if the owner provides proof they are currently qualified under one or more of the following programs administered by Oregon Housing and Community Services:¶

(A) A housing capital funding offering issued through a Notice of Funding Availability.¶

(B) Low Income Housing Tax Credits.¶

(C) Oregon Multifamily Energy Program.¶

(D) Conduit/Pass-Through Revenue Bond Financing Program.¶

(E) Local Innovation and Fast Track Housing Program.¶

(F) Loan Guarantee Program and General Guarantee Program.¶

(G) Oregon Rural Rehabilitation Loan Program.¶

(H) Low Income Weatherization Assistance Program.¶

(2) The Department will provide low- or moderate-income eligibility certification forms to contractors. For each installation where the customer claims eligibility for the rebate rate for low- or moderate-income tenants, all legal owners of the property, or their representative, must sign the form, certifying that the information is accurate. The contractor must submit a scanned copy of the form and accompanying documentation to the Department as part of the reservation application.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0080

RULE SUMMARY: This rule details how applications for rebates and grants may be submitted.

CHANGES TO RULE:

330-280-0080

Reservation Process

(1) Contractors must submit an application to reserve a rebate for a heat pump using the Department's designated software system. The Department may begin accepting reservation applications on or after January 23, 2023, from contractors who have established eligibility under the program.

(2) A contractor must submit a reservation application before installing a heat pump.

(3) The following information about the purchase and installation of a heat pump must be provided to the Department on the rebate reservation application:

(a) Name of customer.

(b) Address of installation.

(c) Heat pump specifications, as listed in the Department's software system.

(d) Heat pump sizing calculation information for the home.

(e) Whether the customer claims to be qualified under the low- or moderate-income eligibility requirements.

(f) Eligible costs for the purchase and installation of the heat pump.

(g) Whether the project will receive any other incentives.

(h) Amount of other incentives, if applicable.

(i) Other information as requested by the Department.

(4) The Department's software system will confirm receipt. The Department will review reservation applications in the order that they are received. The Department will provide written notice to the contractor once a reservation application has been approved or denied. Subject to the availability of funds, program funds will be reserved for a project following departmental approval of a reservation request.

(5) A reservation for a rebate is valid for 180 days unless extended under OAR 330-280-0090. If a rebate is not claimed within 180 days and the reservation is not extended, the reservation will no longer be valid. A contractor may reapply if the reservation expires.

(6) At the time of submission of a rebate reservation application, a contractor may also submit an application for a grant for upgrades that facilitate the installation of the heat pump on behalf of the owner.

(7) The following information about the upgrades must be provided to the Department on the application for a grant:

(a) Name of owner.

(b) Address of upgrades.

(c) Description of the upgrades.

(d) Whether the owner claims to be qualified under the low- or moderate-income eligibility requirements.

(e) Eligible costs associated with the upgrade.

(f) Whether the project will receive any other incentives.

(g) Amount of other incentives, if applicable.

(h) Other information as requested by the Department.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0090

RULE SUMMARY: This rule details how rebate and grant applications can be amended.

CHANGES TO RULE:

330-280-0090

Amendments

(1) A contractor may make changes to the rebate reservation application after its submission and before claiming a rebate.¶

(2) If a contractor changes the application, such that the customer is eligible for a larger rebate amount than the initial reservation application, the increase in rebate amount is subject to the availability of funds as of the date the amended application is reviewed for approval or denial by the Department.¶

(3) At the end of the 180-day reservation period, the Department may grant one 180-day extension to each reservation upon request for any reason.¶

(4) A grant application may be amended by the contractor before the grant is approved for disbursement.¶

(5) If a grant application is changed such that the customer is eligible for a larger grant amount than the initial grant application, the increase in grant amount is subject to the availability of funds as of the date the amended application is reviewed for approval or denial by the Department.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0100

RULE SUMMARY: This rule how the rebate and grant amount can be requested.

CHANGES TO RULE:

330-280-0100

Rebate and Grant Request

(1) The eligible contractor seeking a rebate must supply the following information to the Department to convert a reservation into a rebate request:¶

(a) Name of customer.¶

(b) Address of installation of heat pump.¶

(c) Specifications of the heat pump installed, as listed in the Department's software system.¶

(d) Heat pump installation completion date. The installation completion date is the date that the heat pump installation has passed its final inspection by the authority having jurisdiction.¶

(e) The projected energy savings from the installation of the heat pump.¶

(f) Proof of completion, including permits received from the authority having jurisdiction over permitting for the heat pump.¶

(g) Documentation that the contractor, and any subcontractors who performed installation of the heat pump has any license, bond, insurance or permit required for the installation of the heat pump.¶

(h) A statement signed by both the contractor and the customer for whom the heat pump is installed that the customer has received the full value of the rebate as a reduction in the net cost of the purchase or installation of the system and that the rebate was clearly reflected on an invoice provided to the customer.¶

(i) Contractor's business mailing address.¶

(j) Contractor's tax identification number¶

(k) Other information requested by Department.¶

(2) The eligible contractor seeking a grant must supply the following information to the Department to claim a grant:¶

(a) Name of customer.¶

(b) Address of upgrades.¶

(c) Description of the upgrades.¶

(d) Upgrade completion date.¶

(e) Proof of completion, including permits received from the authority having jurisdiction over permitting for the upgrade.¶

(f) A statement signed by both the contractor and the customer for whom the upgrades were completed that the customer has received the full value of the grant as a reduction in the net cost of the upgrades and that the grant was clearly reflected on an invoice provided to the customer.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0110

RULE SUMMARY: This rule outlines how the funding will be allocated and includes budget allocations.

CHANGES TO RULE:

330-280-0110

Allocation of funds

(1) Subject to limits on the percentage of funding that may be spent under the program for specific categories of installations, the Department will allocate rebate and grant funding according to the order in which the applications are approved by the Department. The Department will review applications in the order in which they are submitted.¶

(2) In each calendar year:¶

(a) At least 25 percent of the funds must be reserved for rebates and grants for affordable housing providers;¶

(b) At least 25 percent of the funds must be reserved for rebates and grants for owners of units occupied by households whose income is less than 80 percent of the area median income.¶

(3) If total funds spent and allocated for installations for affordable housing providers and owners of units occupied by 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.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)

ADOPT: 330-280-0120

RULE SUMMARY: This rule outlines the inspection and audit process for projects and associated compliance notifications and procedures.

CHANGES TO RULE:

### 330-280-0120

#### Compliance

The following rule subsections relate to compliance with the rebate component of the program:¶

(1) The Department reserves the right to conduct a physical inspection of all installations and upgrades and to audit all documentation relating to an installation or upgrade for which a reservation is made under the program before or after a rebate or grant payment is made to the contractor.¶

(2) The Department must provide at least 15 days advance notice before performing a physical inspection of an installation or upgrade. If the owner, or their representative, requests an inspection before the 15-day notice period has expired, the Department may inspect the site earlier. The owner of the property, a representative of the owner, or the contractor must be present and must provide safe access to inspect the installation and any upgrade. Department inspectors will not inspect areas that they deem to present an unreasonable risk to personal safety.¶

(3) The Department will provide a written determination of whether the project was completed as described in the application and meets the project eligibility criteria within 30 days to the contractor based upon the inspection.¶

(4) If the Department determines that the installation or upgrade does not meet project eligibility criteria under the program or the completed project does not match the project description entered by the contractor when making a request for a rebate or grant, the contractor will have 30 days from the date they received written notice from the Department to correct and provide proof of correction for any discrepancies found by the Department or to provide written explanation or justification.¶

(5) The Department must provide a final determination in writing within 15 days regarding the contractor's written response to the Department's initial determination after an inspection.¶

(6) The Department may deny a rebate or grant if a contractor does not resolve issues found in an inspection or in an audit within the time limit established under program rules.¶

(7) Pursuant to the procedures for a contested case under ORS chapter 183, the Director may order the revocation of a rebate or portion of a rebate or grant under the program if the Director finds that the rebate or grant was obtained by fraud or misrepresentation, or by mistake or miscalculation. As soon as the order of revocation becomes final, the Department shall proceed to recover the rebate, grant, or portion of the rebate or grant that is subject to the order of revocation. All moneys provided to a contractor attributable to the fraudulently or mistakenly obtained rebate, grant, or portion of the rebate or grant shall be forfeited.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)



ADOPT: 330-280-0130

RULE SUMMARY: This rule outlines why the Director of the Oregon Department of Energy may deny or revoke a contractor's eligibility for the program.

CHANGES TO RULE:

330-280-0130

Revocation of Contractor Eligibility or Rebates

The Director may deny or revoke a contractor's eligibility to claim a rebate on behalf of a customer, pursuant to the procedures for a contested case under ORS chapter 183, if the director finds any of the following:¶

- (1) The contractor's eligibility under OAR 330-280-0020 was obtained by fraud or misrepresentation by the contractor.¶
- (2) The contractor's performance for installation of heat pumps does not meet industry standards¶
- (3) The contractor has misrepresented to customers either the program or the nature or quality of the heat pumps for which rebates are available.¶
- (4) The contractor attempts to obtain a rebate through fraud or misrepresentation.

Statutory/Other Authority: Senate Bill 1536 (2022)

Statutes/Other Implemented: Senate Bill 1536 (2022)