

Oregon Department of **ENERGY**

HB 3166 Public Hearing

Janine Benner, Director
Will Mulhern, Energy Analyst

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BACKGROUND

New Federal Funding Coming to the Oregon Department of Energy

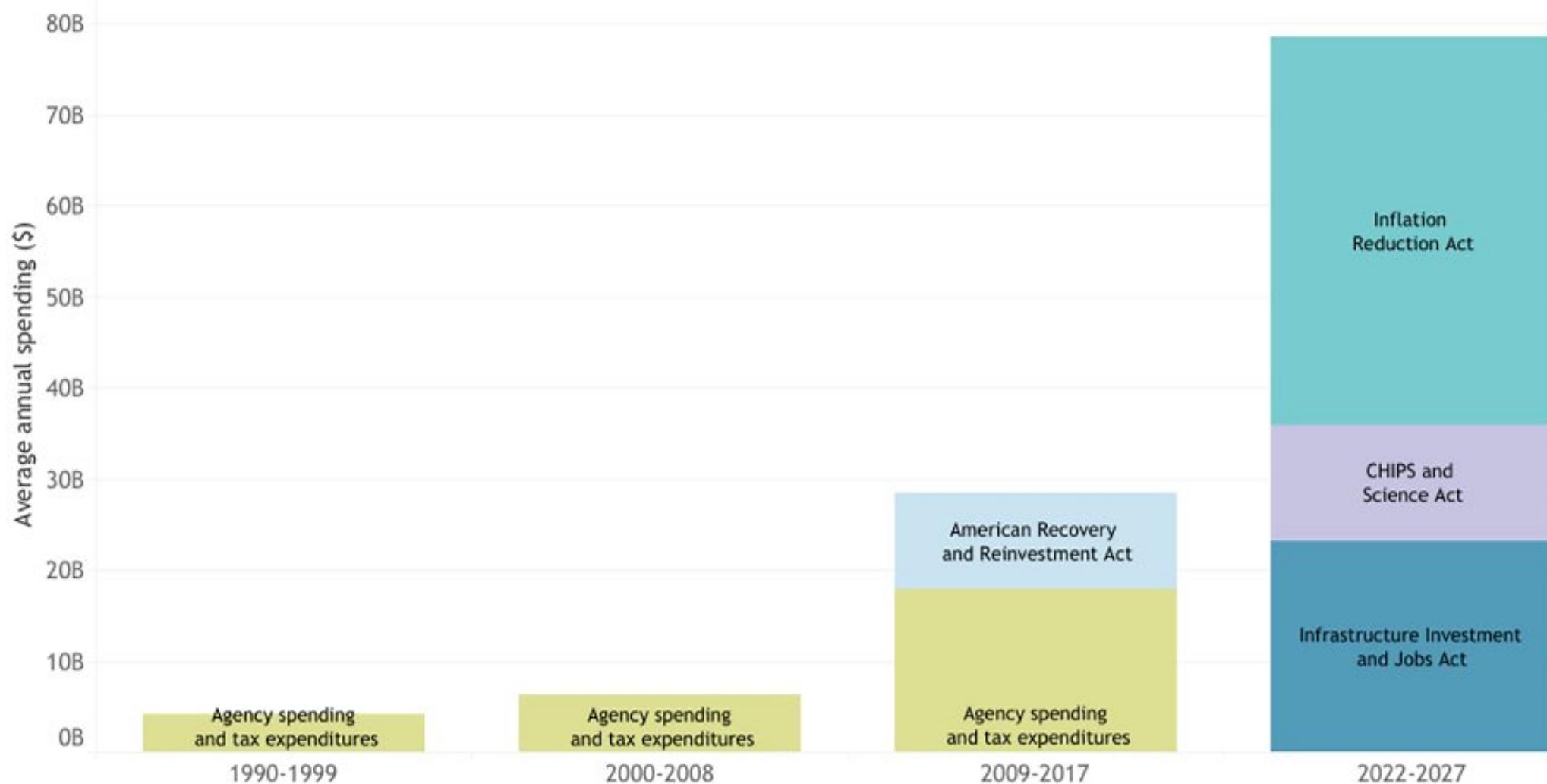
Infrastructure Investment and Jobs Act of 2021 (IIJA)

- Passed the House and Senate with bipartisan support
- Signed into law by President Biden on November 15, 2021
- Provides funding to support infrastructure across more than 380 distinct federal programs

Inflation Reduction Act of 2022 (IRA)

- Passed through the House and Senate through a partisan budget reconciliation process
- Signed into law by President Biden on August 16, 2022
- Funds programs related to health, energy, and climate change using various tax measures and grants

HISTORIC FEDERAL INVESTMENTS



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<https://public.tableau.com/app/profile/jun.shepard2722/viz/FederalSpending1990-2029/FederalSpending1990-2029>

IRA Rebate Programs

The Inflation Reduction Act created two separate home energy efficiency rebate programs:

Home Energy Performance-based, Whole House Rebate Allocations (HOMES)	High Efficiency Electric Home Rebate (HEEHR)
<ul style="list-style-type: none">• Projects with demonstrated energy savings of 20-35%.• Rebates up to \$4,000 for single-family homes, \$400,000 for multifamily buildings.• \$57,046,250 available to Oregon	<ul style="list-style-type: none">• Covers home electrification projects, including heat pumps.• Covers 100% of project costs for low-income households and 50% of costs for moderate income households up to \$12,000.• \$56,714,440 available to Oregon

IRA Funding in Context

\$97 Million Approximate total funds available
After 15% for program administration.

\$5,500 Average project cost
Estimated based on agency expertise

17,600 Approximate number of households reached
Roughly 1% of total households in Oregon.

Justice40 Requirements

- IRA programs fall within the federal Justice40 Initiative.
- *40% of benefits* must flow to disadvantaged communities.
- Required to engage in stakeholder consultation to ensure communities are meaningfully engaged.
- Approximately *25% of Oregonians* live in Justice40 communities. (Based on staff analysis of the Climate and Economic Justice Screening Tool)

Examples of Justice40 communities:

- Low-income areas with:
 - High unemployment.
 - High vulnerability to the impacts of climate change.
 - High energy burden.
 - High instances of chronic health conditions.



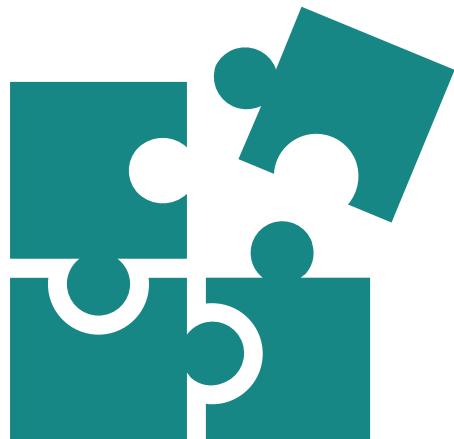
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This bill will encourage coordination among relevant agencies and organizations and allow better navigation of home efficiency and health programs for everyday Oregonians by creating a “one-stop shop.”

- Directs ODOE to establish HOMES and HEEHR
- Directs ODOE to work with other entities with related programs in standing up these new ones to encourage efficiency
- Directs the establishment of a “one-stop shop” where Oregonians can learn about different programs they may qualify for
- Ensures that relevant data is shared for the purposes of creating that single resource
- Leaves room for detailed federal guidelines expected to be released after session while allowing work to begin as soon as possible

ACCESSIBILITY AND ALIGNMENT

Draft Strategic Intentions



- Easy and accessible for consumers
- Reduce energy burden
- Leverage existing programs
- Improve quality of life
- Improve Racial Justice
- Whole of government approach
- Reduce greenhouse gas emissions
- Responsive system
- Efficiency and alignment
- Programs should be well-resourced
- Integrated eligibility



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Questions/Comments?

For further information, visit
www.oregon.gov/energy/energy-oregon/Pages/IIJA

Contact:
Christy Splitt, Government Relations Coordinator
christy.splitt@energy.oregon.gov