

Heat Pump FAQs

Does ODOE have any incentives for heat pumps?

In response to the heat dome event of 2021, the legislature passed SB 1536 in 2022 to bring much-needed heat relief.

The Oregon Department of Energy is currently working on launching two heat pump incentive programs established in SB 1536. These programs aim to provide financial assistance to help homeowners, owners of residential rental units, and owners of manufactured dwellings or RVs who rent a space in a manufactured dwelling or RV park, purchase and install heat pumps. As part of the process, there will be a public rulemaking process for both programs.

When will the incentives become available?

The state funded incentive programs are expected to be launched in 2023. We do not yet know the timeline for the federal programs laid out in the Inflation Reduction Act, though there is an increased tax credit available for the 2023 tax year (see below).

If I purchase a heat pump now, can I claim an incentive when the program becomes available?

We are not able to say whether a heat pump purchased and installed now, by a homeowner, would be eligible for the Community Heat Pump Deployment program. The program to assist homeowners will be administered by regional entities that may have requirements regarding the application process and eligibility of a project; additionally, the administrative rules that provide more specifics for the program are not finalized.

SB 1536 requires that applications for a rebate by owners of residential rental units, manufactured dwellings, and RVs be submitted by contractors **prior** to the installation of the heat pump. Those rebates cannot be retroactive.

Are the heat pump incentives from ODOE able to be combined with other incentives/grants/rebates?

Yes, our current administrative rules allow for the combination of incentives from other entities. As long as the other incentives allow for them to be combined. The combination of incentives cannot exceed 100% of the purchase and installation cost of the heat pump.

Are there other incentives available?

In August 2022, Congress passed the Inflation Reduction Act. This bill contains two specific pieces regarding heat pumps: a tax credit and a point-of-sale rebate incentive.

- [Federal Tax Credit Under IRA](#) - We recommend you consult a licensed tax professional for information which pertains to your specific circumstances.
- **Incentive Programs Under Inflation Reduction Act:**
 - The Inflation Reduction Act introduced two new programs relevant to energy efficiency separate from the state heat pump program. The first is the High Efficiency Electric Home Rebate Program (HEEHR), which will provide point-of-sale rebates to low- and moderate-income customers (households with incomes up to 150% of Area Median Income) for home electrification measures, including heat pumps.

The second program is the Home Energy Performance Based, Whole House Rebates (HOMES) program which grants money to states to develop a rebate program for whole-house energy saving retrofits. HOMES and HEEHR cannot be combined with other federal grants or federal rebates for the same project.

ODOE is currently planning for these rebate programs to determine how these rebates will best work with other programs in Oregon. However, we do not anticipate detailed guidance from the U.S. DOE until Summer 2023. Until we

have more specific guidance from our federal partners, we will not have the ability to determine eligibility or potential rebate amounts for any individual or household.

Updates on Federal Incentives Programs can be found here on our website: <https://www.oregon.gov/energy/energy-oregon/Pages/IIJA.aspx>

What incentives are available to me now?

- **If you are served by PGE or Pacific Power, contact Energy Trust of Oregon:**

Energy Trust of Oregon offers rebates between \$200-\$1,650 on energy efficient heat pumps installed by an approved contractor for detached single-family or manufactured homes in Oregon that are serviced by PGE, Pacific Power, NW Natural, Cascade Natural Gas, or Avista. Energy Trust also offers incentives for gas fireplaces, gas furnaces, furnaces, water heaters, wall insulation, and attic insulation. For more information and specifics of their program, please visit their website at www.energytrust.org.

If you are in Energy Trust of Oregon's service area, you may contact ETO to identify what assistance is available to you. Call 1.866.368.7878 or email info@energytrust.org.

If you are outside the Energy Trust of Oregon service area, you can contact your utility provider to see what incentives it may have available. You can find your utility providers contact information using the [Find Your Utility](#) on the Oregon Department of Energy's website.

PGE also has a \$25 incentive to enroll in its Smart Thermostat Program. Each season you are eligible to participate you will also get an additional \$25.

- **If you are served by another utility, contact your local utility:** <https://www.oregon.gov/energy/energy-oregon/Pages/Find-Your-Utility.aspx>

Many utilities offer various incentives; this list is not all-inclusive. Please visit your utility's website to learn more about them.

- Central Electric Co-op: <https://www.cec.coop/customer-service/energy-efficiency/residential-programs/>
- Central Lincoln PUD: <https://clpud.org/energy-efficiency/residential-rebate-programs/>
- Columbia River PUD: <https://www.crpud.net/ways-to-save/at-home/heating-systems/>
- Consumer Powers, INC: <https://www.gpconservation.com/cpi/>
- Douglas Electric Co-op: <https://www.dec.coop/energy-efficiency/rebate-programs/>
- EWEB- <https://www.eweb.org/residential-customers/rebates-loans-and-conservation>, <https://www.eweb.org/residential-customers/rebates-loans-and-conservation/rental-property-resources>
- Forest Grove Light and Power: <https://www.forestgrove-or.gov/lp/page/residential-conservation-programs>
- Lane Electric: <https://laneelectric.com/programs-services/heat-pump-program/>
- McMinnville Water and Light: <https://www.mc-power.com/energy-conservation/>
- Springfield utility board <https://www.subutil.com/conservation/for-your-home/rebates-loans/>

More incentives, rebates, grants, and tax credit programs in Oregon can be found at [DSIRE \(dsireusa.org\)](https://dsireusa.org)

Click apply filter: Click technologies-> Energy Efficiency -> HVAC-> heat pumps then click the "apply filter" in red at the bottom so only heat pump related rebates, grants, or tax credits. You can also further filter your results to incentives and grants available in your county by adding another filter. Click add filter->coverage area->county.

Regional Solutions Map: <https://www.oregon.gov/gov/regional-solutions/Documents/RegSol%20Program%20Overview%20FINAL.pdf>

