



COMMUNITY HEAT PUMP DEPLOYMENT PROGRAM

2025 Program Report

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OREGON LEGISLATURE

by the
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Executive Summary

The Community Heat Pump Deployment Program provides grants to eligible entities to offer financial assistance for the purchase and installation of heat pumps and related upgrades to Oregon homeowners. ODOE has awarded grants to eligible entities to be administrators for all 11 state economic development regions as well as two federally recognized Tribes. Funds for members of the seven Tribes that elected not to pursue a grant through the Community Heat Pump Deployment Program were transferred to the Oregon Rental Home Heat Pump Program and are available only for members of those Tribes.

Program funds can cover up to 100 percent of the cost of purchase and installation of heat pumps and related upgrades. Depending on the efficiency of a heat pump, administrators can offer up to \$7,000 in incentives per household for heat pump installation costs and up to \$4,000 for eligible upgrade costs. Eligible upgrades are those supporting and enabling the use of the heat pump, including weatherization and electrical upgrades. Incentives are available to all homeowners; however, administrators are required to prioritize households relying on bulk fuels (like wood or heating oil) and electric resistance heating, households without functioning heating or cooling systems, and environmental justice communities.

As of June 30, 2025, administrators have issued \$4,076,215 in heat pump incentives and \$644,899 in grants for eligible upgrades. Heat pumps have been installed in 696 owner-occupied homes in Oregon. Of these homes, 662 (over 95 percent) were prioritized households. 287 of the heat pump installations (41 percent of total projects) received an incentive for an upgrade. Program administrators can use up to 15 percent of their grant funds for administrative expenses and marketing costs. A combined \$843,003 has been spent on administrative expenses and marketing costs by program administrators. In total, \$5,564,117 (73 percent of funds awarded to administrators) has been spent on incentives, grants, and program administrator administrative expenses and marketing costs. At the time of finalizing the report, only the administrators for the North Coast Region and the Burns Paiute Tribe were accepting new applications. No additional funding was added to the program during the 2025 legislative session, and ODOE staffing for the program ended June 30, 2025. As program funds are used up, administrators have indicated that there remains a high level of need for assistance to support the installation of heat pumps.

Program Background

The Community Heat Pump Deployment Program is administered by the Oregon Department of Energy at the direction of SB 1536, passed by the Oregon State Legislature in 2022. The legislation directed ODOE to develop several programs to bring heat relief. The Community Heat Pump Deployment Program provides grants to eligible entities to offer financial assistance for the purchase and installation of heat pumps and related upgrades to Oregon homeowners. This incentive program supports ODOE's mission by advancing equitable energy solutions that protect public health.

Program Operations

Grants were made available to eligible entities to become fund administrators in the 11 state economic development regions, designated by the Economic Development Administration of the United States Department of Commerce, as well as to the nine federally recognized Tribes in Oregon. ODOE identified administrators for all 11 regions and two federally recognized Tribes. The entities that serve as Community Heat Pump Deployment Program administrators are an intergovernmental body, a Tribally

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Designated Housing Entity, and nonprofit organizations, all with deep-rooted connections to the communities they serve. In 2024, the Legislature passed [Senate Bill 1525](#), which allowed grant funds for which a Tribal administrator had not been identified to be transferred to the Oregon Rental Home Heat Pump Program. Funds were transferred and are available only for members of the seven Tribes that elected not to pursue a grant through the Community Heat Pump Deployment Program.

Community Heat Pump Deployment Program funds can cover up to 100 percent of the cost of purchase and installation of heat pumps and related upgrades. Depending on heat pump efficiency, administrators can offer up to \$7,000 in heat pump installation costs and up to \$4,000 in eligible upgrade costs per household. Eligible upgrades are those supporting and enabling the use of the heat pump, including weatherization and electrical upgrades. While incentives are available to all homeowners, statute requires administrators prioritize households relying on bulk fuels (like wood or heating oil) and electric resistance heating, households without functioning heating or cooling systems, and environmental justice communities.

Program Challenges

No additional funding was added to the program during the 2025 legislative session, and ODOE staffing for the program ended on June 30. The absence of additional funding breaks the continuity of regional administrators' program operations. The work they have done in establishing the program in their regions has resulted in homeowner awareness of the program. As program funds become exhausted in some regions, administrators have indicated that there remains a high level of need for assistance to support the installation of heat pumps. For ODOE, end of program staffing results in a challenge to support remaining regions where funds are still available.

Program Outcomes

As of June 30, 2025, administrators have issued \$4,076,215 in heat pump incentives and \$644,899 in grants for eligible upgrades. Heat pumps have been installed in 696 owner-occupied homes in Oregon. Of these homes, 662 (over 95 percent) were prioritized households, defined as individuals who identify as belonging to an environmental justice community, who rely on bulk fuels or electric resistance heating, or who live in a structure without a functioning heating or cooling system. The distribution of heat pumps by region and Tribe is detailed in Table 1. The average cost to install a heat pump was \$10,062, with homeowners provided on average \$5,857 from the Community Heat Pump Deployment Program. Homeowners often received other incentives in conjunction with the program incentive and the average remaining cost to a homeowner was \$1,646, though in many cases incentives were able to cover the full cost of the heat pump installation.

In addition to the heat pump incentive, program administrators may offer a grant of up to \$4,000 toward eligible upgrades that support or enable the use of a heat pump. These upgrades include a new electric panel or other upgrades to the electric system of a home or building, weatherization, or other structural repairs that reduce home heating and cooling loss, and upgrades to improve the airflow of a home or building. 287 heat pump installations (41 percent of total projects) received an incentive for an upgrade, of those the average upgrade cost was \$3,111 and the average incentive from the program was \$2,247.

Program administrators can use up to 15 percent of their grant funds for administrative expenses and marketing costs. A combined \$843,003 has been spent on administrative expenses and marketing costs by program administrators. This primarily covers personnel expenses but has also been used for supplies and advertising costs.

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As of June 30, 2025, a total of \$5,564,117 (73 percent of funds awarded to administrators) had been spent on incentives, grants, and program administrator administrative expenses and marketing costs. At the time of finalizing the report, only the administrators for the North Coast Region and the Burns Paiute Tribe were accepting new applications. Both the North Coast Region and Burns Paiute Tribe programs were established in 2025.

Table 1: Number of heat pumps installed through the Community Heat Pump Deployment Program and financial assistance provided

Tribe	# of heat pumps installed	\$ for heat pump incentives	\$ for upgrades	Total incentives
Burns Paiute Tribe	0	\$0	\$0	\$0
Coquille Indian Tribe	15	\$94,880	\$20,241	\$115,121
Region	# of heat pumps installed	\$ for heat pump incentives	\$ for upgrades	Total incentives
Central	62	\$429,940	\$0	\$429,940
Greater Eastern Oregon	45	\$276,499	\$137,002	\$413,501
Metro	194	\$1,146,724	\$241,131	\$1,387,854
Mid-Valley	33	\$215,444	\$52,045	\$267,489
North Central	11	\$58,000	\$2,000	\$65,000
North Coast	2	\$14,000	\$0	\$14,000
Northeast	29	\$189,828	\$28,631	\$218,460
South Central	31	\$193,192	\$86,215	\$279,407
South Coast	17	\$106,014	\$11,544	\$117,558
South Valley/Mid Coast	126	\$740,298	\$35,608	\$775,906
Southern	131	\$611,396	\$30,482	\$641,878
Total	696	\$4,076,215	\$644,899	\$4,721,114

This report is available online: <https://www.oregon.gov/energy/Data-and-Reports/Pages/Reports-to-the-Legislature.aspx>

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