Oregon Heat Pump Programs

Pre-Rulemaking Public Meeting
Oregon Department of Energy
September 26, 2022
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- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities
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Reactions
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SB 1536 HEAT PUMP PROGRAMS

• Senate Bill 1536 (2022)
  • Various measures to address heat relief

• Two heat pump incentive programs:
  • Community Heat Pump Deployment Program
  • Oregon Rental Home Heat Pump Program

... a quick note on the Inflation Reduction Act
COMMUNITY HEAT PUMP DEPLOYMENT PROGRAM

• Grants to regional entities
• Regional entities administer the program
• Provide financial assistance: loans, grants, rebates, incentives
• Purchase and install heat pumps and related upgrades
• $10 million
COMMUNITY HEAT PUMP DEPLOYMENT PROGRAM

- Grants for each region and federally recognized Indian tribe in Oregon
- Region: an economic development district in Oregon
Eligible entities to apply to be regional administrators:
- Local government
- Local housing authority
- Nonprofit organization
- Federally recognized Indian tribe in Oregon
- Coordinated care organization
- Community action agency
- Manufactured dwelling park nonprofit cooperative
- Electric utility
COMMUNITY HEAT PUMP DEPLOYMENT PROGRAM

• Prioritize financial assistance for:
  • Environmental justice communities.
  • Individuals who rely on bulk fuels or electric resistance heating.
  • Individuals who reside in a home or structure that does not have a functioning heating or cooling system.
• Rebate Amounts
  • ODOE will establish a maximum dollar amount for financial assistance, at a similar level to the Oregon Rental Home Development Program.
  • Regional entities may establish different financial assistance offerings (within the bounds set by ODOE) to customize the program for their region.
OREGON RENTAL HOME HEAT PUMP PROGRAM

- ODOE administers
- Provide financial assistance: rebates and grants
- Purchase and install heat pumps and related upgrades
- Financial assistance for:
  - Owners of rental units
  - Manufactured dwelling or RV who rent a space in a manufactured dwelling or RV park
- Rebates to contractors
- $15 million
OREGON RENTAL HOME HEAT PUMP PROGRAM

• Rebate level:
  • Owners of rental units: up to 60 percent of the purchase price of a heat pump
  • Owners of manufacture dwelling/RV: to be established in rule

• Bill provides ability to give preference for providing rebates:
  • That benefit low- and moderate-income residential tenants;
  • To support heat pumps with superior energy efficiency.
Tentative Proposal for Rebate Amounts:

- Ductless heat pump (rental units): $1000-$4000/40%-60% total cost
- Ductless heat pump (manufactured/RV): $1000-$5000/40%-80% total cost
- Ducted heat pump: $2000-$5000/40%-60% total cost
- Ground source heat pump: $3000-$5000/40%-60% total cost

Higher incentives for higher efficiency heat pumps and/or qualifying as benefiting low- or moderate-income.

Related upgrades: $2000-$4000/100% total cost
SB 1536 HEAT PUMP PROGRAMS

Heat Pump Efficiency Standards:

• The Federal minimum standards are changing as of January 1, 2023, for air source heat pumps, including a new test standard.

• Both SB 1536 programs will begin after January 1 and will follow the new federal standards for heat pumps.

• For the Oregon Rental Home Heat Pump Program, second tier incentives will require 10-15% efficiency increase over the federal minimums, depending on type.
QUESTIONS FOR YOU

• What technical requirements should the agency and/or regional administrators have for installers and for installations?
• What works well about existing heat pump incentive programs that you want to see us do also?
• What challenges have you seen with existing heat pump incentive programs?
• How do you see these new programs fitting in within existing programs?
• What other issues or factors should we consider when drafting the rules?
WHAT’S NEXT?

• Official rulemaking process will kick off around November 1st for both programs
  • Formal rulemaking hearing
  • Public comment on draft rules
• Goal: each program to open in early 2023

For questions and to share additional comments, please email Rulemaking Coordinator James Cogle
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