

Oregon Heat Pump Purchase Program

Frequently Asked Questions

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General

How does this program work?

Oregonians looking to install a heat pump contact Oregon Department of Energy approved contractors and receive multiple bids. The cost of the heat pump purchase and installation will include the \$2,000 Oregon Heat Pump Purchase Program incentive as a discount on the bid. The owner should never have to pay for these incentives up-front. The selected contractor will install the heat pump and submit an incentive application to ODOE. Once ODOE staff verify that the application is eligible and complete, ODOE will send the \$2,000 incentive directly to the contractor.

How do I participate in this program?

The first step to participate in this program is to contact approved contractors in your area and request a quote (or bid) for the installation. If there is no contractor in your area or you know of one that is not on our list, please request the contractor register to become an approved contractor. ODOE advises that you receive multiple quotes from different approved contractors to ensure that you are getting a competitive price, though obtaining multiple quotes is not a requirement of the program. Quotes from approved contractors will include the ODOE incentive as a deduction from the total heat pump cost. You should never pay these incentives up-front. After installation is complete and the final permit has been received, the contractor will submit an incentive application to ODOE. If approved, the contractor will receive the incentive funds directly.

Does this replace the Oregon Rental Home Heat Pump program?

The two programs are separate. The Heat Pump Purchase Program will not replace Oregon Rental Home Heat Pump Program funded by the State of Oregon. The Heat Pump Purchase Program is a new incentive program using federal funding.

How do I know what incentive I will receive?

Approved contractors are required to list the expected ODOE incentive amount on your final invoice. These incentives are up to \$2,000 and will only be reduced if any other incentives combined would pay for more than 100 percent of the total purchase cost.

Why are so many incentives available for new homes?

Four thousand incentives are currently allocated for new construction, which includes new rentals and new homes. The funding allocated to new construction supports Governor Kotek's goal to build thousands of new homes every year.

Is this a tax credit?

No, the Heat Pump Purchase Program incentive is not a tax credit.

Are unoccupied dwellings eligible?

Yes, residences that are not currently occupied are eligible for the program.

My contractor is not on your approved contractor list. Will I still be eligible for the incentive if they install the heat pump?

No, contractors must be on the approved contractor list to apply for an incentive. Incentives are paid directly to contractors on our approved contractor list. If a contractor is not on our list, they will not have access to our online incentive application, and we would not have the information necessary to pay them. If you would like to work with a contractor not on our approved contractor list, encourage them to become an approved contractor. Once approved, they can apply for these incentives on your behalf.

Do I need to remove my current heating/cooling system to be eligible for this program?

No, eligibility for the program only requires that a new energy efficient heat pump is purchased and installed by an approved contractor. Removal of your old system is not a requirement of the program.

Can I still participate in the program if I want to also update my current heating/cooling system?

Yes, if while installing the new heat pump you are also upgrading your current heating and cooling system you are still able to participate in the program. For example, if you are installing a new furnace in addition to a new heat pump, the project would be eligible. The Heat Pump Purchase Program incentive would only be granted for the cost of the heat pump; no incentive funds would be allocated to offset the new furnace costs.

Eligibility

What are the minimum efficiency requirements for the program?

A heat pump must have a minimum HSPF2 rating of 8.1 and a minimum SEER2 rating of 16.

Is this for single zones only? Or are multi zones eligible?

Single or multi-zone heat pumps that meet our minimum efficiency requirements are eligible.

Are there any restrictions on the existing fuel type, utility, or equipment type?

There are no eligibility requirements regarding the current fuel type or utility. Eligible equipment types include energy efficient ducted or ductless heat pumps. The minimum efficiency requirements are an HSPF2 of 8.1 and SEER2 of 16 for all heat pump types.

Am I eligible for this program if I want to upgrade my old heat pump?

Yes. The eligibility requirement of the program is that a new energy efficient heat pump is installed in an eligible residence by an approved contractor after the program start date.

Are incentives available for commercial businesses?

No, these incentives are only available for residences. This includes owner occupied homes, residential tenancies, new construction homes, and new construction rental properties. Please check the [Database of State Incentives for Renewables & Efficiency](#) for incentives for other property types.

Does the incentive cover upgrade costs?

No, the Heat Pump Purchase Program does not offer incentives for upgrades.

ODOE categorizes the following as upgrades to facilitate the installation of a heat pump: electrical wiring, drywall repairs, paint, duct repair, insulation and sealing, dedicated circuits, outdoor unit coverings, and electrical panel updates. The incentive is for the purchase of an energy efficient heat pump only.

Are manufactured homes eligible for an incentive? If so, which category do they fall under?

Yes, manufactured homes in Oregon are eligible for an incentive.

Manufactured homes are potentially eligible for any of the three categories. For example:

- If a manufactured home is occupied by the owner, it is eligible for the owner-occupied category.
- If a manufactured home is occupied by the owner and located on a rented space on Tribal land or in a manufactured home park, it is eligible for either the owner-occupied or rental property category.
- If a manufactured home is rented out by the owner, it is eligible for the rental property category.
- If a manufactured home is newly constructed, and hasn't yet been lived in, it is eligible for the new construction category.

Are units in apartment complexes eligible for these incentives?

Yes, multifamily complexes are eligible for these incentives.

Does this program stack with Energy Trust of Oregon incentives?

Yes, the Heat Pump Purchase Program is stackable with Energy Trust of Oregon incentives except for Energy Trust's Energy Performance Score (EPS) New Construction Program which also receives funding from the Climate Equity and Resilience through Action (CERTA) program.

Does this program stack with other federally funded incentives?

This depends on the funding source and the reporting requirement of the other incentive program(s). ODOE is working on compiling a list of programs that **may not** be stacked with HP3.

If a project receives an incentive from another Climate Pollution Reduction Grant (CPRG)/Climate Equity and Resilience Through Action (CERTA) program that includes the heat pump in meeting the efficiency improvements, it may not receive an HP3 incentive..

If the project receives an incentive through a federally funded grant/program not mentioned above, but an incentive for the heat pump is not included (ex. the project receives an incentive to insulate a home but does not receive any funding for a heat pump), the project may be able to receive an HP3 incentive.

Are Bonneville Power customers eligible?

Yes, the residence is eligible if the home is located in Oregon and the equipment meets our efficiency requirements. There are no eligibility requirements related to the power provider of the residence or the type of fuel previously used in the residence.

Is a bedroom considered a living space?

Yes, a bedroom is considered a living space.

Does a rental property homeowner need to be an Oregon resident to be eligible, or can they live out of state?

No, a rental property owner does not need to live in Oregon, but the rental unit must be located in Oregon.

Low and Moderate Income

Is the program only for people who qualify as having a low or moderate income?

No, the Heat Pump Purchase program does not require participants to meet income qualifications.

Are there additional incentives for affordable housing providers?

No, there are no additional incentives for affordable housing providers. The available incentives are a maximum of \$2,000 per address.

Can I participate in this program if I do not qualify as low or moderate income?

Yes, participation in this program is not tied to your financial situation. ODOE simply requests this information for reporting purposes.

If I qualify as low or moderate income, will I receive a higher incentive?

No, the maximum incentive is \$2,000, regardless of income.

How will low- and moderate-income eligibility be verified?

ODOE will not verify income eligibility for Heat Pump Purchase Program projects. Contractors will not need to submit any proof of participation or eligibility. Instead, they will simply ask the homeowner, rental property owner, or developer if the project meets the criteria to be considered low and moderate income. More information on this process can be found in the [Low and Moderate Income \(LMI\) Eligibility Guide](#). This information will be submitted on the rebate application as a simple check box indicating if the project is low and moderate income.

Financial

How is this program funded?

Oregon's Heat Pump Purchase Program is made available through a U.S. Environmental Protection Agency's Climate Pollution Reduction Grant. This is a reimbursable grant, and Oregon only receives funds for rebates and administrative costs when these costs are incurred.

What is the current status of federal funding as it relates to this program?

ODOE is closely monitoring the status of federal funds and this information is posted on the ODOE's [program webpage](#).

What is the total amount of funds provided for this program?

In total the program has \$24 million allocated to incentives. Available funding for the program will be updated regularly on the [program webpage](#).

Can I stack this incentive with other incentives?

Yes, incentives from the Heat Pump Purchase Program may be stacked with other incentives. Other incentives include the Oregon Rental Home Heat Pump Program, the Community Heat Pump Deployment Program, and incentives outside of ODOE, such as those from Energy Trust of Oregon or your utility. Incentives received may not be stacked with other incentives from Federal funding sources and can't exceed 100 percent of the total heat pump purchase cost.

Why would I not receive the full \$2,000 incentive?

These incentives are eligible to stack with all other heat pump incentives. If the program \$2,000 incentive would pay over 100 percent of the total installation costs, then the incentive would be reduced so there would not be overpayment. ODOE believes that it is highly unlikely that incentives will be less than \$2,000.

For example, if the total cost for the installation was \$5,000, a person stacking a \$3,000 Oregon Rental Home Heat Pump Program incentive and a \$1,800 Energy Trust of Oregon incentive, would receive a Heat Pump Purchase Program incentive of \$200 because that is the remaining balance after all other incentives.

Does this program offer any additional incentives for upgrades?

No, the program only offers up to \$2,000 for the purchase of energy efficient heat pumps. There are not additional grants available for this program.

Is this program replacing federal tax credits or can they be stacked?

The Heat Pump Purchase Program is not replacing any program. ODOE cannot provide advice on federal tax credit programs.

Timeline

When will these incentives be available to me?

ODOE began accepting applications for the first round of funding in spring 2025 and anticipates additional funding available in November 2025 (subject to change).

If I installed a heat pump prior to the program opening, will I be able to retroactively claim this incentive?

No, eligibility for this incentive requires that a heat pump is installed by one of our approved contractors after the program start date on June 17, 2025.

What is the anticipated payment timeline?

The anticipated timeline for payment is four-to-six weeks.

What is the expected turnaround time from submitting a reservation to confirmed approval?

The estimated approval time for reservations is up to four weeks with a typical reservation approval time of one-to-two weeks. Reservation requests will be processed in the order they are received. Reservation approval is not required for the program. Contractors may submit applications post install without reservations.

Do the reservations have an expiration date?

Reservations do not have an expiration date. No more than 50 reservations can be submitted by any contractor organization in any quarter for a total of no more than 200 per year.

Questions from Contractors

What was the program start date?

The program opened for incentive reservations and incentive applications on June 17, 2025.

Do you have an estimated approval timeline?

The goal is to have the application review and approval process completed within two weeks of submission and incentives paid 30 days after that.

What do I need to register to become an approved contractor?

To register to become an approved contractor you need a CCB and BCD license, a W-9, and if applicable, documentation demonstrating having paid any fines and abated any OSHA violations. More details on registration requirements can be found on the [Contractor Registration Requirements document here.](#)

If I am an approved contractor for the Oregon Rental Home Heat Pump Program, do I need to register for this program?

Yes. Previous communications regarding this question stated that approved contractors from the Oregon Rental Home Heat Pump program would transfer over to the Heat Pump Purchase program. This is now incorrect. **All contractors** wishing to participate in the Heat Pump Purchase Program will need to register for the program separately from the Oregon Rental Home Heat Pump program.

How long will it take for my registration as an approved contractor to be approved?

Registration approval may vary. Typically, registrations are processed within one-to-two weeks of submission. If information requested during the registration process is missing, or an influx of registrations are submitted at once, this will increase processing time.

If the heat pump is installed but has not yet received a final inspection notice, will I be paid?

No. A project is not considered complete by the program until it has received a passed final inspection notice. Applications without a passed final inspection notice will be denied and will need to be resubmitted.

Participants in the BCD minor label program may submit the minor label number as well as a photo of the minor label in lieu of a passed final permit inspection notice.

Is there a way to apply for multiple incentives for larger multifamily projects?

No. We require one application per residence. If all costs are the same per installation (for multifamily installations), we will accept a single invoice included in the application with a range of addresses.

If an application is denied is there any way for me to receive payment for a project?

Yes. Unlike the Oregon Rental Home Heat Pump Program, incentives that still meet program eligibility requirements and were denied due to missing or incomplete information are eligible to reapply, as long as funding is still available.

How will I know if I can reapply for a denied application? Will there be specific reasons given for denials so that we know how to reapply?

Each denial email will indicate if you can reapply. Denials will include action items for the contractor to reapply for incentives, if the project still meets basic eligibility requirements. Contractors will also be required to participate in a training for these incentives.

How is the final incentive amount affected if the project is eligible for other incentives (Program Stacking)?

ODOE requests that contractors list all other incentives used for a project. This includes other incentives offered by ODOE and incentives offered by other entities. Program staff will calculate the sum of all incentives received to determine the remaining costs of the purchase and installation of the heat pump to ensure that the Heat Pump Purchase Program incentive will not result in an overpayment. Since these incentives are applied post-installation, contractors should have a better idea of the other incentives received prior to applying for the Heat Pump Purchase Program incentive.

Do you need a separate line item for the heat pump equipment cost or are you looking at the total project cost?

Yes, costs will need to be itemized in the submitted invoice.

What if an incentive application is denied? How can contractors guarantee that we will be paid?

Contractors must complete a mandatory training prior to submitting their first application. Please review all the information provided to ensure that the application meets all program requirements. It is the responsibility of the contractor to ensure that a project qualifies for an incentive and that the application includes all required information. Contractors may send specific eligibility questions to the program email at hp3@energy.oregon.gov prior to submitting incentive applications.

For multi-family, does the invoice need to be made for the end-user/tenant or can it be invoiced to the property owner?

Invoices should be addressed to the property owner.

Why does the program only require a 5-year warranty and not a 10- or 12-year warranty on parts?

The warranty requirements were set with optimal incentive stacking in mind. A 5-year warranty is required for the Oregon Rental Home Heat Pump Program as well as other incentive programs throughout the state. The department chose to set the minimum warranty at 5 years so that customers can use as many incentives as possible. The 5-year warranty is the minimum warranty requirement, however, longer warranties are eligible and welcome.

Does the incentive limit apply across all contractors or individually?

The incentive limit will apply per business by the registered CCB. If multiple contractors within the same company apply for incentives, all the applications submitted will count toward the incentive limit of the business. Businesses may request erroneously submitted applications be withdrawn by emailing the program at hp3@energy.oregon.gov and including the application number and reason for the withdraw.

How do we complete the mandatory training required for the program?

If you did not attend the training held April 14, 2025, you may complete the mandatory training required for the program by viewing the [recording of the training](#) posted to the program webpage.

Are load calculations required?

Load calculations are not a requirement of the program.

Does the equipment have to be a separate line item that's pulled out of the package pricing and listed separately?

Yes, the invoice must include a line item that includes the price of the heat pump.

Can we submit a multifamily project as one project or do you need full separate submission for each unit?

You can submit one reservation for multiple installs in a multi-family project. However, when you apply for the incentives, you will need to submit one application per unit installed. The invoice submitted will also need to be per unit. For multifamily applications where the same equipment is being installed in multiple units, you may include multiple addresses on the invoice and submit the same invoice for each project with the same costs.

Do electronic signatures meet the signature requirement of the program?

Yes, electronic signatures are accepted as long as the electronic signature verification code is legible on the invoice.

Will funding from the rental and/or new construction categories ever be moved to the existing owner-occupied category?

At this point in time, there are not any plans to do so. As we move further into the program, we will continue to monitor the uptake in those categories and will discuss with the EPA whether it is appropriate to move funding from one category to another.

Can multiple contractors submit a reservation for the same address, in order to include the incentive on a bid?

Yes, submitting a reservation and receiving approval for that reservation allows contractors to guarantee that an incentive will be available for the customer, when the contractor then submits the incentive application.

Are applications counted towards the 50 reservation/incentive limit in the quarter the application is submitted or the quarter the reservation is submitted?

Reservations and the associated incentive application are counted towards the quarter the reservation is submitted in, not the quarter the reservation is approved or the quarter the application is submitted. So, if a reservation is submitted in Q3, and approved in Q4, it counts towards the Q3 limit.

Incentive applications *without a reservation* are counted towards the quarter they are submitted, not the quarter they are processed.

When a project gets approval, does that mean the funds are then allocated to that project or are they allocated when all the paperwork and inspections are completed?

When a reservation is submitted, we take \$2000 out of the available funding for tracking purposes. Once the reservation is approved, \$2000 is reserved for that project. If a reservation is not approved, the \$2,000 goes back into the available funding.

Are we allowed to charge our customers for our administrative time to process this incentive for them? Would this need to appear as a separate line item?

The entire \$2000 incentive amount must be passed on to the customer.