



Federal Home Energy Rebate Programs FAQ

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What federal programs are available to help with home energy efficiency in Oregon?

The U.S. Congress has passed a couple of large federal packages in recent years — the 2021 Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law) and the 2022 Inflation Reduction Act — that included grants, tax incentives, and rebates to help consumers lower their energy usage and save on energy bills. The Home Energy Rebates are a pair of programs that came from the Inflation Reduction Act and will help Oregonians make their homes more energy efficient, including installing appliances and performing upgrades that will generally save them money. These are known as the Home Efficiency Rebates (HOMES) and Home Electrification and Appliance Rebates (HEAR or HEEHR) programs.

Additionally, Oregon currently operates a low-income weatherization program through Oregon Housing and Community Services. It provides low-income households with home weatherization services that can increase energy savings and improve comfort. You can find information about this program [here](#).

There are many other federal opportunities available to businesses, non-profits, Tribes, and residents in Oregon. While this list is not exhaustive, a list of the ones ODOE is tracking can be found [here](#).

What is the Home Efficiency Rebate (HOMES) program?

Generally referred to as HOMES, the Home Efficiency Rebate program provides performance-based rebates for energy efficiency retrofits for individual households and multifamily buildings. These rebates are available for efficiency upgrades (or combinations of upgrades) with demonstrated energy savings of at least 20%, with higher incentives for projects with savings of 35%.

What is the Home Electrification and Appliance Rebate (HEAR) program?

Also known as HEEHR, the Home Electrification and Appliance Rebate program will provide point-of-sale rebates to low- (80% of Area Median Income and below) and moderate-income (between 80% and 150% of Area Median Income) households for the installation of high-efficiency electric appliances and associated electric upgrades, along with insulation and air sealing measures.

What is an energy retrofit or upgrade?

Energy efficiency retrofits or upgrades are projects home or building owners undertake to reduce their energy use. This includes, but is not limited to, installing more efficient equipment such as a heat pump or on-demand water heater, weatherization measures like insulation and air sealing, energy management practices or devices such as temperature setbacks, occupancy sensors and smart thermostats, and many other upgrades.

When will the rebate programs be available in Oregon?

The U.S. Department of Energy released full program guidance for the HOMES and HEAR rebate programs on July 27, 2023, and set an application deadline of July 31, 2025. The Oregon Department of Energy is actively working to understand this guidance, engage stakeholders, and design a program that fits the needs of the state while aligning with federal requirements. We understand the excitement and anticipation around these programs in Oregon and are working hard to develop programs that are accessible to consumers and support a safe, equitable, clean, and sustainable future for Oregon.

At this time, we anticipate rebates will be available to Oregon consumers no earlier than mid-2024. We will continue to provide updates on this timeline through the [federal funding page of ODOE's website](#). You can also [sign up for email updates](#).

Are there income restrictions for these federal rebates?

Both Home Energy Rebate programs have minimum guidelines for a specific percentage of rebates that must go to low-income households (defined as 80% of Area Median Income or below). While there are minimum guidelines, as part of its application the state must determine the actual percentage of rebates it intends to make available to low-income households.

The HOMES program must make at least 40% of rebates available to low-income households, and 10% additionally available to low-income multifamily households. Beyond this minimum requirement, there is no statutory cap on income limit. However, ODOE will need to further clarify the state's goals for this program.

The HEAR program must make the same percentage of rebates available to low-income households and low-income multifamily households. ODOE is also required to further clarify the state's goals for this

program. Additionally, the HEAR program limits rebates to households whose income is 150% AMI and lower. Therefore, households above 150% AMI are ineligible for a HEAR rebate.

Who will be eligible for the rebates?

The Inflation Reduction Act sets minimum household eligibility guidelines for both rebate programs with varying levels of incentives based on household income and technology being installed. States are responsible for establishing their own requirements, which may include additional criteria to best meet individual state needs. While the Oregon Department of Energy will develop these requirements as part of its program design process, we do know that homes above 150% Area Median Income (AMI) will be ineligible for any rebates through the HEAR program. Household income limits are defined by the U.S. Department of Housing and Urban Development and can be found [here](#). Information regarding specific program eligibility will be forthcoming, but overall, these programs will prioritize low-income households and Justice40 communities.

What is Justice40?

On January 27, 2021, President Biden signed [Executive Order 14008](#), which set forth prioritizing actions to tackle the climate crisis. Included was the Justice40 Initiative, which directs that 40% of the benefits of certain federal investments flow to communities that are marginalized, underserved, and overburdened in the following categories – fossil dependence, energy burden, environmental and climate hazards, and socio-economic vulnerabilities. The Home Energy Rebates are programs covered under the Justice40 Initiative and it is ODOE's intent to achieve those goals with these rebates in Oregon. Disadvantaged communities have been defined by the Council on Environmental Quality using a number of datasets to show the communities that are most overburdened and underserved. These communities are identified in a map called the Climate and Economic Justice Screening Tool, which you can explore [here](#).

Community engagement is a critical component of the Justice40 Initiative. Formal Administration guidance directs the HOMES and HEAR programs to conduct meaningful engagement with stakeholders to ensure community members have an opportunity to provide input on program decisions, including in the identification of the benefits of Justice40 covered programs.

Will rebates be retroactively available?

For the HEAR program, rebates will *not* be retroactively available per federal guidelines. Oregon does not have flexibility to change this.

For the HOMES program, Oregon will make a decision regarding retroactivity as part of its program design process. Due to recent changes in the federal guidance for this program, it is likely that rebates will be allowable retroactively to the date of the passage of the Inflation Reduction Act (August 16, 2022). However, ODOE must still develop policies around eligibility, which must subsequently be approved the U.S. DOE. Projects would have to comply with the approved policies, so it is unclear if retrofit projects currently underway or recently completed would qualify.

We do not recommend households wait to accomplish needed home energy upgrades and we encourage you to pursue other incentive options that are available to you now.

What incentives are available to me now?

We always recommend starting by contacting your local utility, which can be found [using this map](#). Many utilities offer rebate and incentive programs to customers for the installation of energy efficient technologies. If you are a customer of one of Oregon's investor-owned utilities (Portland General Electric, Pacific Power, NW Natural, Cascade Natural Gas, or Avista), these utility programs are collectively administered by [Energy Trust of Oregon](#).

The State of Oregon also offers two heat pump programs. The [Oregon Rental Home Heat Pump program](#) is currently open to install heat pumps in residential tenancies (rental homes) and in recreational vehicles or manufactured homes in a rented space. Contractors apply on behalf of property owners. A list of approved contractors [can be found here](#). The [Community Heat Pump Deployment Program](#) distributes grant funds to regional administrators, who in turn provide financial assistance to homeowners. This program is in the process of opening to homeowners. There are regional administrators identified in some areas of the state now and homeowners can contact them about their programs. ODOE is still working to identify regional administrators in some regions of the state. [More information on regional administrators can be found here](#).

In addition to utility incentives, federal tax credits are available through the Inflation Reduction Act to support installation of energy efficient technologies. You can find more information about these tax credits on the [Energy Star website](#) and the IRS provides details on [how to qualify for these credits](#). **We recommend contacting a qualified tax professional to help you navigate any potential tax credits.**

What energy retrofits or upgrades will be eligible?

The EPA has [published a fact sheet](#) on Energy Star certifications that are relevant to the HEAR program. Final program guidelines will specify which technologies are eligible for rebates.

There is not a nationally applicable list of technologies for the HOMES program. As part of the program design process, the Oregon Department of Energy will identify eligible technologies for program.

How much money will be available to individual households?

While individual rebate amounts will vary based on household income and the technologies installed, these are some preliminary amounts:

Home Efficiency Rebates: Income-qualifying households could see a minimum of \$2,000 if their home energy upgrades show a minimum of 20% energy savings. The lowest-income residents and homes that realize greater energy savings could see a higher rebate. Exact amounts will be determined in the program design.

Home Electrification and Appliance Rebates: Rebates vary depending on exact technology installed. However, the rebates may vary between 50%-100% of the project cost (to a specified limit per technology) up to a maximum of \$14,000 total for the lowest-income residents.

How can I be involved?

In designing these rebate programs, the Oregon Department of Energy will be conducting a public engagement process to allow Oregonians opportunities to provide input on the program requirements. To stay informed of future opportunities to provide input, please [sign up for email updates](#).

Community engagement is a critical component of the Justice40 Initiative. Formal Administration guidance directs the HOMES and HEAR programs to conduct meaningful engagement with stakeholders to ensure community members have an opportunity to provide input on program decisions, including in the identification of the benefits of Justice40 covered programs.

Are tax credits and/or rebates available for rental properties through the IRA?

Yes, rental properties are included as part of the IRA rebate programs. Both the HOMES and HEAR programs are required to spend a portion of funds on multifamily buildings and Oregon is in the process of determining the appropriate procedure for including rental properties in these rebate programs.

Federal tax credits made available through the IRA are *not* available for rentals or new construction. While we cannot offer tax advice, you may learn about the tax credits [here](#).

If you plan to install energy efficiency measures before the launch of HOMES and HEAR, we recommend seeing if Oregon's recently launched Rental Home Heat Pump Program may be a fit for your property. You can find more information about this program on [ODOE's website](#). You can also contact your local utility to inquire about incentives they may offer for rental properties.

Why don't contractors know about these rebates?

Since the guidance was released from the federal government in July 2023, ODOE's program is now in the program development phase. There are currently no program guidelines available to be shared with contractors. However, as part of its public engagement process, the Oregon Department of Energy will solicit input from contractors and their trade groups to help inform the design of these rebate programs and ensure they integrate within existing retrofit workflows. Additionally, once ODOE's program has been developed, there will be an outreach plan to ensure Oregon's workforce is familiar with and ready to implement the energy-efficient technologies.

The IRA passed in August 2022, why are rebates not yet available?

Large federal investments, like the Inflation Reduction Act, take time to be designed and implemented before ultimately being delivered to consumers. As outlined above, full guidance for the Home Energy Rebates was not released by the U.S. Department of Energy until July 27, 2023. And while guidance for states to apply for this program is now available, funding for the program is not available until a federal grant application has been submitted and awarded to the state. Prior to the release of this guidance, ODOE was limited in the activities it could engage in to prepare for this work.

ODOE is well-positioned to design and implement these programs in an efficient manner, however, and the agency is working diligently to ensure the impact of the programs is maximized and stakeholders have the opportunity to provide input on program design.

How many households will these programs serve?

This depends on the average rebate amount a household receives, which can be difficult to estimate due to the range of rebate levels available for each program. Using a middle-of-the-road average household rebate amount, ODOE estimates approximately 13,000 households in Oregon could benefit from these programs, which is less than 1% of Oregon's total housing stock.

That doesn't seem like many households. Why is the number so low?

Because these programs primarily target low-income households, it is important that rebates cover a large portion of the up-front cost to ensure customers with limited resources can take advantage of these rebates with minimal out-of-pocket costs. Larger incentives mean fewer households will receive funding under these programs, but it will ensure that those who receive rebates will have lower out-of-pocket costs.

How is ODOE prioritizing who receives these rebates?

ODOE is engaging with external partners to understand the specific needs of households across the state and will use these conversations to make an appropriate determination about what communities might benefit most from these types of programs. We encourage you to participate in our public process. You can [sign up for our email list](#) to be notified when public meetings are scheduled.

Because these programs are subject to the federal Justice40 requirement, we are required to ensure 40% of benefits flow to disadvantaged communities. Accordingly, ODOE is working with our community partners to identify how best to deliver these rebates to disadvantaged communities, along with low-income households across the state.

What if I do not live in a disadvantaged community and I am not low-income?

Given the limited reach of these programs, we encourage households who are not low-income and who are not part of a disadvantaged community to speak with a qualified tax professional to understand if the federal [Home Energy Tax Credits](#) may be a good fit. ODOE anticipates that many more Oregonians can benefit from these federal tax credits than from the upcoming Home Energy Rebate programs.

ODOE encourages the following groups to consider leveraging the federal tax credit instead of waiting for a Home Energy Rebate:

- Households above 150% Area Median Income (AMI). AMI is defined at the county level, and can be found [here](#).
- Households with a tax burden (i.e. households expecting to owe federal income taxes when they file their 2023 tax return).
- Households that need to replace old or broken equipment urgently.

Additionally, please see the above question “[What Incentives Are Available to Me Now?](#)” for more information on the current incentives available in Oregon.

What happens when the rebates run out?

Recognizing the relatively limited reach of these programs, ODOE is focusing on creating systems and program delivery infrastructure that can stay in place long after the federal funding has been spent. Our goal is to use these programs as a springboard to increase collaboration in delivery of energy efficiency programs across Oregon, bringing together our utility partners, Energy Trust of Oregon, sister agencies, non-profit organizations, and a range of other key stakeholders. We will continue to update the public as we develop these processes.