

**From:** Hannah Cruz  
**To:** [LRO](#); [Anderson Austin](#); [Rep Barnhart](#); [Sen Hass](#)  
**Cc:** [Jay Ward](#)  
**Subject:** Requested follow-up on HB 2681A and SB 177A: Payback for Energy Trust-incented ductless heat pumps  
**Date:** Wednesday, June 07, 2017 12:28:44 PM  
**Attachments:** [image002.png](#)  
[image003.png](#)

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Good afternoon Co-Chair Barnhart and Co-Chair Hass,

This email is follow-up in regards to Energy Trust's June 2, 2017, testimony concerning Energy Trust's assessment of the potential impacts from the Residential Energy Tax Credit (RETC) expiration. Energy Trust's testimony was to inform the deliberations of the Joint Committee on Tax Credits as it considered HB 2681A and SB 177A. During the testimony, Co-Chair Barnhart asked what the payback period is for a citizen installing a ductless heat pump.

The average payback period is 9.2 years for a customer installing a ductless heat pump and receiving a \$1,300 RETC and a \$800 Energy Trust incentive. The average payback period decreases to 8.5 years for a moderate-income customer receiving a \$1,300 RETC and a \$1,000 Energy Trust incentive. The payback period was calculated estimating 2,280 kilowatt hours of annual electricity savings.

These payback calculations used an average installation cost of \$4,610 and assumptions on the retail rate of electricity. Payback periods could be more or less depending on the individual circumstances related to a participant's project.

Please let Jay Ward or myself know if you have any further questions.

Thank you,

Hannah

**Hannah Cruz**

*Sr. Communications Manager*

Energy Trust of Oregon  
421 SW Oak St., Suite 300, Portland, Oregon 97204  
503.445.2447 DIRECT  
[energytrust.org](http://energytrust.org)



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