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Sent: Friday, April 18, 2025 3:29 PM
To: Reiley Beth <Beth.Reiley@oregonlegislature.gov>
Cc: LYNCH Kaitlin R * ODOE <kaitlin.r.lynch@energy.oregon.gov>
Subject: Following up on HB 2567A

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Hi Beth,

We appreciated the chance to share an update on our heat pump programs and introduce HB 2567A on Wednesday. As promised, we are following up on some questions that we were asked.

First, Senator Pham asked about rebate amounts and we shared some examples for the Oregon Rental Home Heat Pump Program. We thought it'd be helpful to share the Oregon Rental Home Heat Pump program flyer that lays out the rebate amounts in greater detail (attached). Incentives available for the Community Heat Pump Deployment Program are up to \$5,000 for the purchase and installation of a heat pump that meets minimum efficiency requirements and up to \$7,000 for the purchase and installation of a heat pump that meets higher efficiency requirements. There is also up to \$4,000 available for eligible upgrades such as a new electrical panel or weatherization or structural repairs that reduce heat and cooling loss.

Second, Senator Robinson asked for an analysis of how rebate amounts compare to total project costs. Here are those numbers:

Community Heat Pump Deployment Program

From 2023-2024 annual report (which was a relatively limited number of projects, as it was based on data from quite early in program implementation)

- Average total project cost: \$11,837.26
- Average amount of CHPDP incentive for heat pump purchase and installation: \$6,261.54
- Average amount of CHPDP eligible upgrades grant: \$2,152.90

From most recent quarterly update report (through December 2024):

- Average amount of CHPDP incentive for heat pump purchase and installation: \$6,120.86
- Average amount of CHPDP eligible upgrades grant: \$1,909.16
- We don't receive project cost numbers in the update reports, only in the annual reporting

Oregon Rental Home Heat Pump Program as of 4/17/25

- Average total project cost: \$7,187.35

- Average amount of ORHHP rebate for heat pump purchase and installation: \$3,489.22
- Average amount of ORHHP eligible upgrades grant: \$1,147.23

Finally, Senator Golden asked about market transformation and the price of heat pumps. We mentioned the forthcoming heat pump report, which will provide more information and insight into how incentives are affecting the market. As far as the incentive programs go, we have not been able to see an impact per se, because at the same the programs have been open, we are seeing evidence of rising prices related to workforce and supply chain issues. We did want to clarify that unlike the OHA's air conditioner program, which was in the same bill (SB 1536), the state is not doing bulk purchasing of heat pumps for these programs. However, many contractors complete bulk purchases to achieve savings. We also know that they plan advanced purchases to avoid known upcoming price increase events. That said, with so many different types of heat pump solutions needed to match each home's unique needs, it's not the same as the portable AC dynamic.

If anyone would like to discuss any of this further, please be in touch.

Warmly,
-Christy



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