

# Residential Clean Energy and Home Efficiency Upgrades Explainer:

This quick start-guide is an updated list of available residential clean energy and efficiency upgrades that are available to residents on the North Olympic Peninsula. An incentive can be a tax credit, rebate, or grant, to lower the cost of adoption of energy-efficient and renewable energy technologies.

- **Tax credits** are incentives that subtract a percentage of cost of the energy efficient or clean energy property installation directly from federal or state income taxes owed. They oftentimes only qualify for the year installed. To claim tax credits, you must fill out additional forms when filing taxes and most software-based tax filing systems will walk you through energy tax credits.
- **Rebates** are offered by utilities and local governments. They are a direct and upfront reduction of the purchase price of energy property. Oftentimes, utilities will work directly with contractors or installers for rebates, so the quote from a participating contractor is the amount with the rebate. Otherwise, the rebate is through reimbursement with documentation.
- A **grant program** is when a government agency provides a grant or loan guarantees for clean energy or energy efficient property. Oftentimes these grant programs are available to help low-income and vulnerable communities access energy property.
- A **low-interest loan** is when financial institutions are backed by government programs to offer low-interest financing to make programs more accessible

Below are incentives organized by improvement type. Federal incentives that are expiring are included in the list.

## FUNDING SOURCES AND PROGRAMS

### I. Federal Incentives Update (September 2025)

The inflation reduction act (IRA) that was passed in 2022 had federal tax credits for residential homeowners to help improve the safety and energy efficiency of their home. These credits were recently rolled back. Below is a list of expiration dates for EV and home energy efficiency tax credits. Note when the technology must be installed by December to claim for tax year 2025.

- a. Expiring Tax Credits:
  - i. September 30<sup>th</sup>, 2025: Electric Vehicle Tax Credit
    - 1. \$7500 off a new EV and \$4000 off a qualifying used EV
    - 2. Automatically deducted from vehicle price, not a tax break for the following year
  - ii. December 31<sup>st</sup>, 2025: [Residential Clean Energy Credit](#)
    - 1. Includes rooftop solar, battery panels, solar water heaters, geothermal heat pumps, small wind turbines, etc. System must be installed by the end of 2025 to qualify.
  - iii. December 31<sup>st</sup>, 2025: [Energy Efficient Home Improvement Credit](#)

1. Includes heat pumps, water heaters, biomass stoves, home insulation, window and door insulation. Covers up to a total of \$3200 each year, with lower individual tax credit caps, to cover appliance and insulation upgrades, credit could also be used for energy audit. Needs to be the year the property is installed, not just purchased.
- iv. June 30<sup>th</sup>, 2026: [Home EV Chargers](#)
  1. Consumers in census-designated low-income communities and 30% of a home EV charger (up to \$1000 dollars)

## **II. Income-Based Incentives:**

The Federal Weatherization Assistance Program (WAP) and Washington's State Home Energy Affordability Program (SHEAP) are available to households at or below 80% of the Area Median Income. Households can access these incentives and rebates through Olympic Community Action Partnership (OlyCAP) [here](#). The State also offers programs that are income-based, which can be found in Section IV.

In addition to the incentives listed below, Jefferson County PUD and the City of Port Angeles offer special low-income rebates and incentives. Jefferson County PUD's are accessible through [this application](#). City of Port Angeles' are accessible through [this weblink](#). They offer significant discounts on many of these upgrades and can help reduce bills for households that are struggling to pay.

## **III. Links to Local Utility Incentives:**

- a. [Clallam County PUD Incentive Details](#)
- b. [Jefferson County PUD Incentive Details](#)
- c. [Port Angeles City Light Incentive Details](#)

The utilities on the North Olympic Peninsula are serviced by the Bonneville Power Administration (BPA), which is an independent federal agency that markets and manages the transmission grid and markets the power generated by the Columbia River hydroelectric projects and other power generation that serves much of the Northwest. BPA sets conservation and energy efficiency program offering maximums at the utilities it serves, and alongside the state sets conservation and energy efficiency targets. So, while City of Port Angeles, Clallam County PUD, and Jefferson County PUD all have the ability to offer the same energy efficiency incentives, each utility manages their own fund and conservation priorities. Rebates follow BPA guidelines. Clallam County PUD's rebates are going up on October 1<sup>st</sup>, 2025 and the updated incentive amounts are reflected in this document. Other local incentives are always subject to change – check websites for the most up to date information.

## **IV. Washington State Incentives**

The State offers grant programs that are administered through third parties or are awarded to local governments or tribes. On top of IRA incentives available to homeowners through tax-credits from the federal government, the IRA and Climate Commitment Act have also allocated funding to State programs.

The Home Efficiency Rebate (HOMES) program helps fund whole-home energy efficient retrofits to low- and moderate-income households. The Home Appliance Rebate Program (HARP) is a rebate program for energy efficient appliances for low- and moderate-income households. Households must apply before

the installation of the technology, and applications for these programs will open in late 2025 pending approval from the U.S. Department of Energy. The program is managed through third party contractors. More information on these programs and accessing funds in the future can be found [here](#).

The Home Electrification and Appliance Rebate Program (HEAR) is funded through the Climate Commitment Act and is managed by third-party administrators. The type of rebates available depend on the grant received by the administrators and the program is for low-and moderate-income households. Access to these programs is through third-party grant recipients. For example, Clallam County PUD and Jefferson County PUD both received a HEAR grant in 2024 and used the funds for heat pump installations. Jefferson County PUD still has some funds available to redistribute, while Clallam County PUD has already disbursed all of their allocated funds.

## CURRENTLY AVAILABLE INCENTIVES

This is a list of incentives available to all households organized by institution, incentive type, general amount, and any other notes. Use the links in the section above to access more direct information about accessing each rebate or program. This list does not include low-moderate income specific programs through the state or utilities. The state program information is above. City of PA and Jefferson PUD offer higher upgrades to qualified households.

### I. Upgrades to Existing Homes

#### INSULATION AND AIR SEALING UPGRADES

<b>FEDERAL</b>	Tax Credit   Energy Efficient Tax Credit   10% off material cost   <b>Expiring</b>
<b>CLALLAM PUD</b>	Rebate   Instant incentive through participating installers   10c to 90c/ square foot depending on existing and new materials for windows, \$200 to \$250 for duct sealing
<b>JEFFERSON PUD</b>	Rebate   Incentives through participating installers   6c to \$2 / square foot depending, \$250 for duct sealing
<b>CITY OF PA</b>	Rebate   City must provide advance written approval before work performed   Rebate determined by R-value savings

#### HEAT PUMPS FOR SPACE HEATING AND COOLING

<b>FEDERAL</b>	Tax Credit   Energy Efficient Tax Credit   30% of installed cost (up to \$2000 / year)   <b>Expiring</b>
<b>CLALLAM PUD</b>	Rebate   Instant Incentive for Variable Speed (VSHP) and Ductless Heat Pumps (DHP)   \$600 to \$1560 (VSHPs), \$920 (DHPs) if replacing electric resistance heating
<b>JEFFERSON PUD</b>	Rebate   Instant through installer   \$1200 (VSHPs), \$800 (DHPs), \$200 - \$1000 (Air Source Heat Pumps)   Higher rebates for low-income customers with an application
<b>CITY OF PA</b>	Rebate   City must provide approval before work performed   \$200 or \$1000 (VSHP), \$800 (DHPs)   Higher rebates up to \$6000 for low-income households

## CENTRAL AIR CONDITIONERS

<b>FEDERAL</b>	Tax Credit   30% of installed cost (up to \$600)   <b>Expiring</b>
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## HEAT PUMP WATER HEATERS

<b>FEDERAL</b>	Tax Credit   30% of installed cost (up to \$2000)   <b>Expiring</b>
<b>CLALLAM PUD</b>	Rebate   Up to \$1800 Instant Rebate through participating installer, \$1000 mail in rebate for self-installs
<b>JEFFERSON PUD</b>	Rebate   \$700 - \$1100 depending on size
<b>CITY OF PA</b>	Rebate   \$700 - \$900

## WINDOWS

<b>FEDERAL</b>	Tax Credit   30% of installed cost (up to \$600) for replacement windows   <b>Expiring</b>
<b>CLALLAM PUD</b>	Rebate   \$8/square foot for replacing single paned or double paned windows with metal or vinyl frames
<b>JEFFERSON PUD</b>	Rebate   Site Built Homes, Manufactured Homes, Multifamily Buildings only   \$6 - \$16/square foot
<b>CITY OF PA</b>	Rebate   Upgrade must be approved before work performed or windows installed   \$6/ square foot for qualified window upgrades

## DOORS

<b>FEDERAL</b>	Tax Credit   30% of the installed cost (up to a maximum credit of \$250 for one door, or \$500 for all doors each year) for the installed cost of exterior door replacement   <b>Expiring</b>
<b>JEFFERSON PUD</b>	Rebate   \$40 for exterior doors, must be ENERGYSTAR® Rated

## OTHER HEATING UPGRADES

<b>FEDERAL</b>	Tax Credit   30% (up to \$600) of installed cost of natural gas, propane, or oil water heaters or furnaces   <b>Expiring</b>
<b>FEDERAL</b>	Tax Credit   30% of installed cost (up to \$2000) of biomass stoves or boilers   <b>Expiring</b>

## ELECTRICAL WIRING

<b>FEDERAL</b>	Tax Credit   30% of installed cost (up to \$600) for modified electrical panels   <b>Expiring</b>
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## HOME ENERGY AUDIT

<b>FEDERAL</b>	Tax Credit   30% of the cost (up to \$150 a year) for a home energy audit   <b>Expiring</b>
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## APPLIANCE UPGRADES

CLALLAM PUD	Rebate   \$30 to \$50 Bill Credit   ENERGYSTAR® certified electric clothes washers and dryers
JEFFERSON PUD	Rebate   Application with receipt   ENERGYSTAR® Washer and Dryers, \$20 - \$50, up to \$1000 for low-income households

## OTHER UPGRADES

JEFFERSON PUD	Rebate   <b>Smart Thermostats</b>   \$140 qualifying smart thermostat
JEFFERSON PUD	Rebate   <b>Electric Vehicle Charger</b>   \$20
CLALLAM PUD	Rebate   <b>Smart Thermostats</b>   \$140 qualifying Smart Thermostats for electric furnace and heat pump systems

## II. New Home Tax Credits

### NEW HOME TAX CREDITS

FEDERAL	Tax Credit   \$2500 new site-built single family homes meeting ENERGYSTAR®
CLALLAM PUD	Rebate   \$2200 for homeowners who purchase all ENERGYSTAR® or Northwest Energy Efficiency Manufactured Home (NEEM) certified manufactured homes

## III. Renewable Energy Tax Credits – **ALL EXPIRING**

The following are federal tax credits available to small scale and residential renewable energy projects. These incentives are available, geothermal heat pumps and residential wind turbines may not be the most suitable to local geography and topography.

### GEOHERMAL HEAT PUMPS

FEDERAL	Claimed for installed cost of new geothermal heat pump systems   30% through 2033, dropping to 26% in 2034 and 22% in 2035.   <b>Expiring December 2025</b>
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### RESIDENTIAL WIND TURBINES

FEDERAL	Claimed for installed cost of small wind turbines < 100 kW   30% through 2033, dropping to 26% in 2034 and 22% in 2035.   <b>Expiring December 2025</b>
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### SOLAR HOT WATER SYSTEMS

FEDERAL	Claimed for installed cost of solar-thermal water heater systems   30% through 2033, dropping to 26% in 2034 and 22% in 2035.   <b>Expiring December 2025</b>
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### PHOTOVOLTAIC SYSTEMS (SOLAR ELECTRIC SYSTEMS / RESIDENTIAL SOLAR

**FEDERAL**

Installed cost of PV systems, including inverters, wiring, fees, and labor.  
Batteries included with a capacity > 3kWh | 30% for systems installed between 1/1/23 and 12/31/32, dropping to 26% for systems installed in 2033 and 22% for systems installed in 2034.

**STATE**

WA does not charge sales tax on installed cost of PV systems and battery backup | **Expiring December 2025.**