

BPA's Energy Efficiency Income Qualified State Grant: FY 2026-2028 Updates

Rate Period Changes Summary

The new rate period is here! All four states and their networks worked hard to streamline their implementation, find additional opportunities for energy conservation, address increasing installation costs, and navigate changing funding sources. It has been a successful grant period!

During fiscal years 2024-2025, over 1,000 homes were fully weatherized, including 340 tribal homes.

A lot of new installations replaced outdated and inefficient equipment. These included 109 ductless and ducted heat pumps and central air conditioners, 24 heat pump water heaters, and replacing light-emitting diodes (LEDs). Every home type, from single-family homes to manufactured and multifamily homes was served.

Bonneville Power Administration (BPA) worked with each state to incorporate feedback about how these grants are structured and will continue to support this critical work throughout the Northwest. This document summarizes changes for the current rate period.

Name Change to "Income Qualified"

The program name changed from "BPA Low Income Energy Efficiency" to "BPA Energy Efficiency Income Qualified." Some references to "Low Income" remain when referring to other non-BPA funding sources and programs.

Updated Terms and Conditions

BPA added one new clause and updated five existing clauses. The full text of each clause may be accessed electronically in the [Bonneville Financial Assistance Instructions Manual \(BFAI 23-1\)](#).

- **Added** Clause 21 Property – Supplies and Equipment (July 2017)
- **Updated** Clause 29 Payment Requests (July 2025)
- **Updated** Clause 29 Payment Requests (July 2025)
- **Updated** Clause 30 Advance Payment and Financial Reporting Requirements (Oct. 2025)
- **Updated** Clause 31 Reimbursement Payment & Financial Reporting Requirements (Oct. 2025)
- **Updated** Clause 32 Budget Changes (July 2025)

It also highlighted that BPA does not require collection of Personal Identifiable Information (PII) to comply with this grant and that these grants are not assigned FAIN, CDFA, or ALN numbers or subject to the FFATA federal reporting requirements.

Performance Period Reflects Three Fiscal Years: 2026-2028

The performance period of this offering aligns with BPA's rate period, which is typically only two fiscal years. Due to the timing and awarding of BPA's power sales contracts, the next rate period is extended to three fiscal years. Future rate periods and grant performance periods are expected to return to the two fiscal years in the future. As such, BPA extended budgets that reflect the full three-year rate period to state grantees.

Language and Organization Improvements

BPA updated and reorganized language to improve understanding, clarify expectations, and streamline content.

Deemed Measure Updates

Measures that do not require an SIR calculation are now consistently referred to as Deemed Measures (previously Baseload Measures). BPA added clarification about the relationship between SIR projects and Deemed Measures. BPA outlined how it would relay changes to the Implementation Manual that could impact grant implementation.

Eligibility for Double-Pane Prime Windows

- Double-pane windows with any type of existing frame type, including vinyl, may now be replaced with new, qualifying windows. Previously, only existing double-pane windows with metal frames were eligible for replacement.

Added Split System Heat Pump Water Heaters

- Deemed payment cost cap is set up to \$3,000.

Existing Condition for Duct Insulation is Uninsulated

- For deemed duct insulation measures to qualify, the existing ducts may not be insulated.

Corrected Ducted Variable Speed Heat Pump Upgrade for Manufactured Homes

- For manufactured homes, the grant language was corrected to include an upgrade option for Variable Speed Heat Pumps.

Expired Microwaves

- BPA no longer supports this measure.

Updated Information on Eligible Dwelling Units and Participants

- Clarified that all eligible dwelling units must receive electric service from a BPA utility customer and otherwise be defined by the US Department of Energy Weatherization Assistance Program.
- Clarified that if installing deemed measures, there are additional requirements around primary heating sources.
- Clarified that existing homes can be any age and can be revisited as needed to complete projects.
- Clarified that individual multifamily units can income-qualify even if the whole complex isn't income qualified.

Added Guidance on Authorized Costs

- BPA updated Health and Safety Repairs and Weatherization Related Repairs to be a percentage of overall operations budget.
- Full roof tear-offs or replacements are not an authorized cost as a project or repair cost. However, when working with an ethylene propylene diene monomer (EPDM) roof, there is some flexibility if only replacing the rubber membrane but not the entire roof system.
- Extended manufacturer warranties are not an allowed expense as a project or repair cost.
- Vehicle purchases are not an authorized cost.
- Equipment-related purchases, such as blower doors, may be approved with prior written consent.
- Costs associated with the Department of Energy Weatherization Readiness Funds may only leverage BPA grant funds if they are related to eligible projects.
- BPA published a new [reference document](#) providing some guidance on eligible repair costs for utility partners. This document is for reference only. It is not comprehensive and will be updated as needed to address questions and provide clarity.
- BPA noted that BPA funds received through the Direct Funding Demonstration (DFD), cannot be combined with grant funds on the same individual measure, but may be co-mingled within the same dwelling unit.

Set Clearer Expectations on Grant Implementation and Budget Management

Both grant recipients and BPA staff needed more documentation on implementation requirements to streamline implementation and improve communication and continuity. To that end, BPA added new guidance for the following:

- Expectations for regular check-ins on budget spending throughout the performance period.
- Timing and process for reporting quarterly activity progress.
- Expectations on invoicing, including a suggested invoice template to submit.
- Added details outlining the timing and process when closing out the grant at the end of the performance period.

Updated Optional Income Qualified Forms

BPA's [optional template](#) to verify income includes an option for applicants to sign a self-attestation of income. Contact BPA to have this form customized to a program. This document is also located in the [IM Document Library](#).

EEIQ State Grant Budgets for FY 2026-2028

Budgets for this rate period match the previous rate period.

Washington Allocation	\$ 7,660,878.75
Oregon Allocation	\$ 5,120,223.30
Idaho Allocation	\$ 2,075,328.00
Montana Allocation	\$ 1,357,069.95

Questions? Concerns?

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