
Impacts of HR 1 on Oregon's Energy and Climate Sectors

**OREGON STATE BAR
SUSTAINABLE FUTURE SECTION WEBINAR**

April 23, 2026

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Agenda

- Snapshot of HR 1
- Direct Impacts on:
 - Clean Energy/ Grid
 - Transportation
 - Home efficiency
- Federal Funding Cuts
- State Budget Impacts
- Looking Ahead



EPA Launches Biggest Deregulatory Action in U.S. History

E&E DAILY

Oregon Dems tell Trump to back off state climate efforts

The lawmakers want President Donald Trump to cancel an April executive order.

SPOTLIGHTS

Trump EPA rollbacks would weaken rules projected to save billions of dollars and thousands of lives



Gift article

Oregon to lose an additional \$400 million in federal climate grants



By **Monica Samayoa** (OPB)

Oct. 2, 2025 5:06 p.m.

EPA launches attack on 'holy grail' of climate science — and dozens of enviro rules

The move is the most aggressive attack yet by the Trump administration to undo previous efforts to limit the emissions that are warming the planet.

What H.R. 1 Does

- Ends or phases out clean energy tax credits
- Eliminates EV incentives
- Eliminates home efficiency upgrades
- Cancels grants and loan programs
- Reduces/removes federal funding for core services, stressing state and local budgets

Snapshot of Oregon Impacts

- **Rising Energy Costs:** Slower deployment of affordable renewables and EVs raises utility bills and transportation costs.
- **Job & Investment Losses:** Billions in clean energy investment and construction, manufacturing, and transportation jobs are at stake, especially in rural communities.
 - 60,000 Oregonians already working in clean energy
 - Before HR 1, Oregon had over 7,500 solar and wind generation jobs
- **Weakened Energy Security:** Increased reliance on fossil fuels threatens energy independence and resilience against price spikes, wildfires, and extreme weather.
- **Public Health Harms:** More pollution means higher asthma, heart disease, and premature death rates, hitting vulnerable communities hardest.

Attacks on Affordable Clean Energy

FEDERAL ROLLBACK

- H.R. 1 sharply cuts wind, solar, and storage tax credits, slashing eligibility windows and private investment.
- Executive actions to halt offshore wind, further limit tax credit eligibility.

OREGON IMPACTS

- Raises energy costs for families and businesses by increasing reliance on volatile imported fossil fuels
- Threatens family-wage jobs, risks billions in private investment
- Weakens energy resilience and independence, leaving communities vulnerable
- Undermines grid reliability, [reducing energy capacity](#) installed on the grid by 50+% over the next 10 years.

Press Release · October 6, 2025

Governor Kotek Directs State Agencies to Accelerate Renewable Energy Siting

Executive Order streamlines regulator processes, cuts red tape ahead of critical tax credit deadlines for wind and solar projects



Tax Incentives for Clean Energy Projects

- Clean energy is the fastest, cheapest resource to build now, making up **90%** of all new resources in the U.S. last year.
- H.R. 1 sharply cut wind, solar, storage, and efficiency tax credits, slashing eligibility windows and private investment
- **Two most impactful tax credits:**
 - Investment Tax Credit: 30% credit for cost of solar energy project
 - Production Tax Credit: 30% credit for cost of wind energy project
- Tax credits were scheduled to last until ~2033 or 2034 under IRA.
- **HR 1's new expedited timeframe:** Wind and solar facilities must begin construction by July 4, 2026 and be operational within 4 years, or must be placed in service by December 31, 2027 to be eligible for tax credits.
- Anticipated impacts:
 - **Fewer solar, wind, and storage projects** pencil out, spurring project delays/ cancellations in time of intense energy demand (and accompanying loss of jobs and economic activity)
 - **Higher costs for utilities/ratepayers:** 20-40% of federal tax credits go towards reducing the cost of energy projects. Without these federal credits, cost of infrastructure projects will increase significantly, thereby increasing costs to consumers.

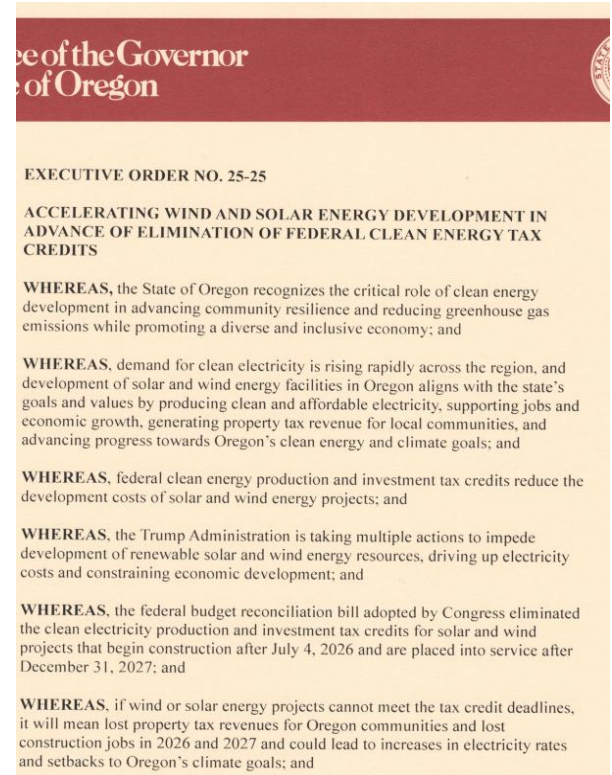
State Response: Fast-tracking Renewable Projects

Multiple efforts to attempt to fast-track clean energy projects that can capture cost savings while they are still available before the H.R.1 deadlines

- Governor issued two executive orders
- Legislature passed one law
- PUC and utilities like PGE identifying potential projects and accelerating regulatory approvals

EO 25-25: Streamlining Renewable Energy Projects

- Executive Order 25-25 (Gov. Kotek signed in October 2025):
 - Requires state agencies, boards and commissions, including EFSC and the PUC, to “any and all steps necessary and authorized by existing statutes” to expedite permitting for renewable projects
 - Specifically targets solar and wind developments that must start construction by July 4, 2026, to meet federal tax credit requirements post-HR 1



EO 25-29: Reducing GHGs and Advancing Clean Energy

- **Executive Order 25-29** (Gov. Kotek signed in November 2025):
 - Directs state agencies to identify barriers to clean energy projects & transmission, find solutions by 2027
 - ODOE shall inventory, assess, and analyze barriers preventing the construction and interconnection of permitted clean energy projects and associated infrastructure, and speed up process
 - Agencies must reform project siting and permitting for electrical grid upgrades and transmission corridors, making analysis, review and comment periods faster and opening up more state land for such projects
 - ODOE and PUC shall propose a framework for legislation in the 2027 session to strategically accelerate transmission corridors, streamline approvals, and target public-benefit funding
- Agencies must focus on cost-effective energy efficiency and strategic building and transportation electrification guided by the latest Oregon Energy Strategy, which prioritizes deployment of more solar, wind, geothermal and wave energy projects, energy storage projects, and energy efficiency policies
- Increases Clean Fuels Program target to 50% by 2040

2026 Legislation to Fast Track Renewables Projects

House Bill 4031 (2026):

- Goal: fast track renewable projects to meet the tight federal tax credit deadlines
- Policy details:
 - Temporarily give counties power to grant renewable energy permits that are currently issued by the state (EFSC)
 - Voluntary alternative pathway for developers to potentially cut siting and permitting times
- Scope: wind, solar, geothermal, and marine energy projects
- Passed Legislature, signed into law in March 2026



Other Electric Grid Impacts

- Oregon's economic growth depends on building and connecting affordable, reliable energy. Grid constraints limit development in some communities.
- With rising energy demand to serve growing data center, manufacturing, and electrification load, we need new transmission infrastructure and more rapid build out of energy resources.
- BPA owns three-quarters of transmission in the Pacific Northwest and acts as the state's de facto transmission authority.
- Federal agency downsized by Trump Administration. Huge backlog of interconnection requests for renewable energy projects waiting to connect to grid is among the biggest barriers to Oregon's clean energy transition

Attacks on Clean Air & Transportation

FEDERAL ROLLBACKS

- **H.R. 1 Funding Cuts:** Eliminates EV, truck, and charging incentives, undercutting business and household transitions to clean vehicles.
- **CAFE Standards Gutted:** Fuel economy (CAFE) standards all-but-eliminated via H.R. 1 and administrative actions.
- **Clean Air Act Waiver Repeal (CRA):** Threatens Oregon's authority to set stronger vehicle standards, an unprecedented attack on state rights.
- **Endangerment Finding Repeal:** Removes the legal foundation for federal climate rules, dismantling vehicle emissions standards.

OREGON IMPACTS

- **Higher costs & pollution:** Slower fleet electrification increases fuel use and emissions.
- **Equity & health harms:** Overburdened communities face more diesel pollution.
- **Jobs & energy security:** EV and charging investments at risk; greater reliance on imported fuels.

Oregon joins lawsuit challenging Trump administration's attack on strict emission standards

Updated: Jun. 23, 2025, 10:55 a.m. | Published: Jun. 12, 2025, 11:46 a.m.



Electrifying Transportation

- Loss of federal EV tax credits
 - Section 30D: New Clean Vehicle Credit worth \$7,500 terminated Sept 30, 2025
- Loss of medium- and heavy-duty EV tax credits
 - Section 45W: Credit for Qualified Commercial Clean Vehicles terminated September 30, 2025
- Paused/reduced charging infrastructure funding (~\$52M NEVI)

Results:

- Existing state EV rebates and infrastructure funding inadequate
- Slower EV adoption rate overall, equity concerns in who can afford a new or used EV

Home Energy Improvements Tax Incentives Phased Out

- Energy efficiency, home weatherization, HVAC and electrical upgrades no longer have tax incentive
- Key IRA Tax Incentives that were phased out in December 2025:
 - 25C provided a capped 30% tax credit for heat pumps (up to \$2000), heat pump water heaters (up to \$2000), electrical panel upgrades (up to \$600), weatherization measures, and energy audits.
 - 25D provided an uncapped 30% tax credit for rooftop solar, battery storage (for the first time), and geothermal heating.
 - Up to \$14,000 per household in Electrification Rebates for point-of-sale consumer discounts to enable low- or moderate-income households across America to electrify their homes (\$4.3 billion in total)

Oregon-based solar company blames One Big Beautiful Bill for closing



Bill Poehler

Salem Statesman Journal

Dec. 29, 2025, 3:22 p.m. PT

- Solar power company Purelight Power declared bankruptcy in Dec. 2025
- CEO attributed it to HR 1's federal solar energy tax credit phase out
- 84 of the 109 employees who lost their jobs were based in Medford

Historic Federal Funding Cuts

KEY FEDERAL ROLLBACKS:

- H.R. 1 eliminates incentives for home efficiency upgrades, rooftop solar, clean transportation, charging infrastructure, renewable energy, and energy assistance programs (July 4, 2025)
- U.S. DOE announces termination of \$8B in clean energy projects in Democratic states, including \$450M in grants to Oregon tribes, utilities, businesses, and local gov. (Oct. 2, 2025)

OREGON IMPACTS:

- **Higher energy costs:** Households and businesses face rising electricity, transportation, and home energy expenses.
- **Equity challenges:** Low-income and frontline communities lose bill assistance to pay energy bills, and clean + renewable energy investments
- **Community resilience at risk:** Lapse in funding for crucial programs leave communities vulnerable to price spikes and grid disruptions.
- **Missed local benefits:** Job creation, grid modernization, and local economic development are delayed.

Oregon to lose an additional \$400 million in federal climate grants



By [Monica Samayoa](#) (OPB)
Oct. 2, 2025 5:06 p.m.

Oregon is set to lose an additional \$400 million in federal grants awarded for climate action and is among more than a dozen Democratic states losing federal funding after the Trump administration terminated nearly \$8 billion for those states this week.

On Wednesday, the [U.S. Department of Energy announced it was terminating 321 grants](#), claiming the awards did not meet “economic, national security or energy security standards necessary to justify continued investment.” The awards were granted by multiple federal agencies, but all focused on climate action, increasing energy efficiency and renewable energy projects.

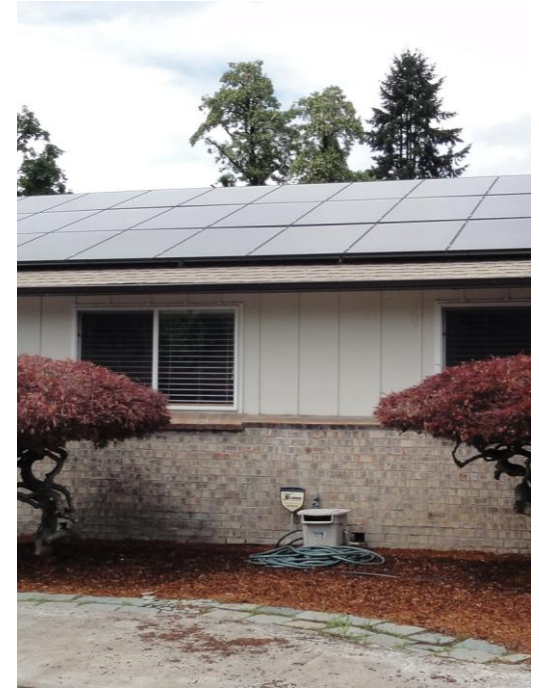


Uncertainty of Federal Funding

- Estimated \$5-8B expected in Oregon from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act related to transportation, grid, EVs, buildings, industry, and environmental justice programs
- \$2 billion was anticipated in federal funding for clean energy generation, storage, efficiency, and grid improvement programs (excluding loans and tax credits, and including multi-state awards), including:
 - \$1 billion for a PNW green hydrogen hub
 - \$250 million for grid improvements to strengthen reliability and resilience and mitigate outages and disruptions due to extreme weather, wildfire, and other natural disasters.
 - \$86.6 million for Solar for All program
- **Status:** majority of this funding and the related programs are delayed, reduced, or canceled

Uncertainty of Federal Funding – What is “Obligated”

- HR 1 clawed back significant grant funding that had not yet been obligated to states and other grantees
- Key legal question: Were federal funds already “obligated,” i.e., legally committed to be made to the state?
- Solar for All Grant example:
 - \$86.6M in rebates for solar on multi-family buildings and to develop more community solar projects that would benefit low-income households, expecting to serve 7,742 low-income households and save them over \$83 million in energy costs
 - 8/25: U.S. EPA moved to rescind already-obligated funds; sent ODOE notification of grant termination claiming no longer have the authority to administer it or appropriate the funds due to HR 1
 - 9/25: ODOE challenged administrative decision as wrongful grant termination because those funds were “obligated” to the state
 - 10/25: AG announced Oregon joined 23 other Solar for All awardees in a lawsuit against EPA for illegally ending the \$7 billion Solar for All program.



PNW Hydrogen Hub Setback

- \$1B for regional clean hydrogen hub focusing on research and development as well as fuel production.
- Green hydrogen projects located in Oregon, Washington, and Montana

Status:

- In Oct. 2025, DOE cancelled the \$1B grant to PNWH2 (part of broader \$7.56 billion cut to clean energy projects)
- PNWH2 is appealing the termination but fate of future funding uncertain/ projects stalled
- Latest: DOE restored funding to 5 other hydrogen hubs in April 2026 (all in “red” states); only continuing with cancellation of 2 hydrogen hubs located in “blue” states (PNW and CA)

Impacts of H.R. 1 on Frontline Communities

- **Worsens pollution and health disparities** in low-income and EJ communities as protections, reviews, and public input are thwarted.
- **Reduces federal support** for projects aimed at addressing pollution in disadvantaged communities, rescinding unobligated funding for Environmental and **Climate Justice Block Grants**.
- **Repeals unobligated funds** previously set aside for the EPA's clean vehicle program- increasing pollution in lower income and urban areas
- Cuts **Neighborhood Access and Equity Grant Program**, a vital tool for redressing infrastructure inequities in redlined and underserved areas.
- **Increases household energy costs** – H.R. 1 alone projected to raise average American's energy bill [\\$170/year](#), with some states seeing over \$600 annual increase.
- **Eliminate jobs & investment** – H.R. 1 expected to result in [loss of 900,000+ jobs](#) and put over [\\$520 billion in investment at risk](#)

State Budget Impacts

- HR 1 meant massive loss of federal funding; Oregon faced a budget deficit of \$888 million in the next biennium to key programs like Medicaid
 - H.R.1 cut \$1 billion from the state's Medicaid budget, jeopardizing health coverage for more than 500,000 Oregonians.
 - Nationally, H.R.1 cut \$18 billion from the Supplemental Nutrition Assistance Program (SNAP) over the next ten years, impacting 313,000 Oregonians
- Oregon's natural resource and energy agencies represent just 2% of the overall state budget but were facing potential cuts
- Climate programs compete with core services for precious general funds; critical state climate resilience, clean energy, and heat pump programs are now unfunded with no federal tax credit or funding to help
- Legislature partially disconnected from HR 1 tax breaks, clawing back an estimated \$311–\$342 million in state tax revenue to protect state services

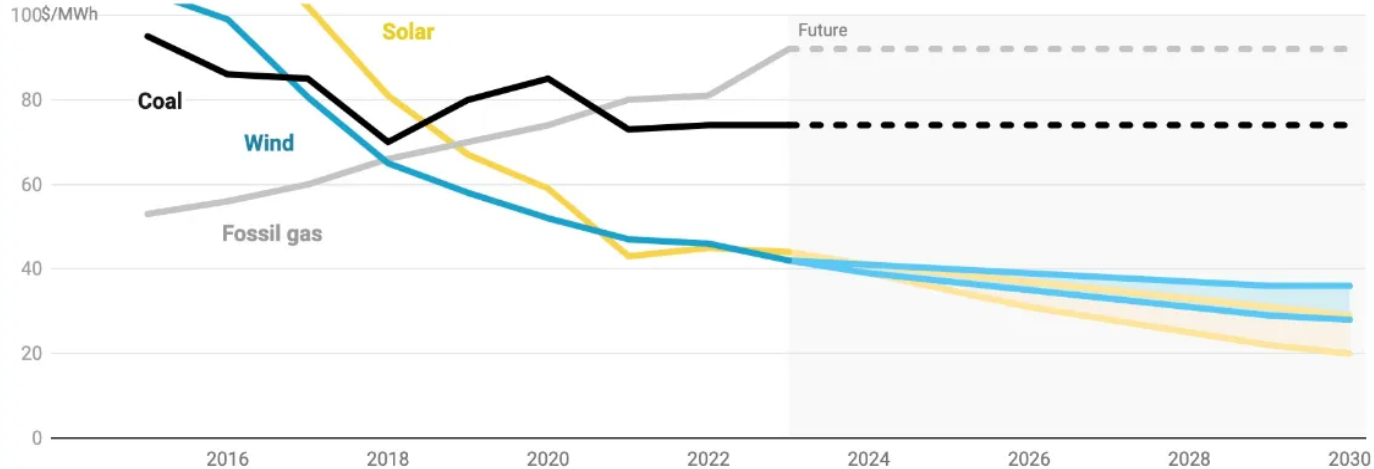
Why More Progress Is Still Possible

1. Clean Energy Economics

Wind and solar power have become the **cheapest and fastest** growing new electricity sources, transforming energy markets.

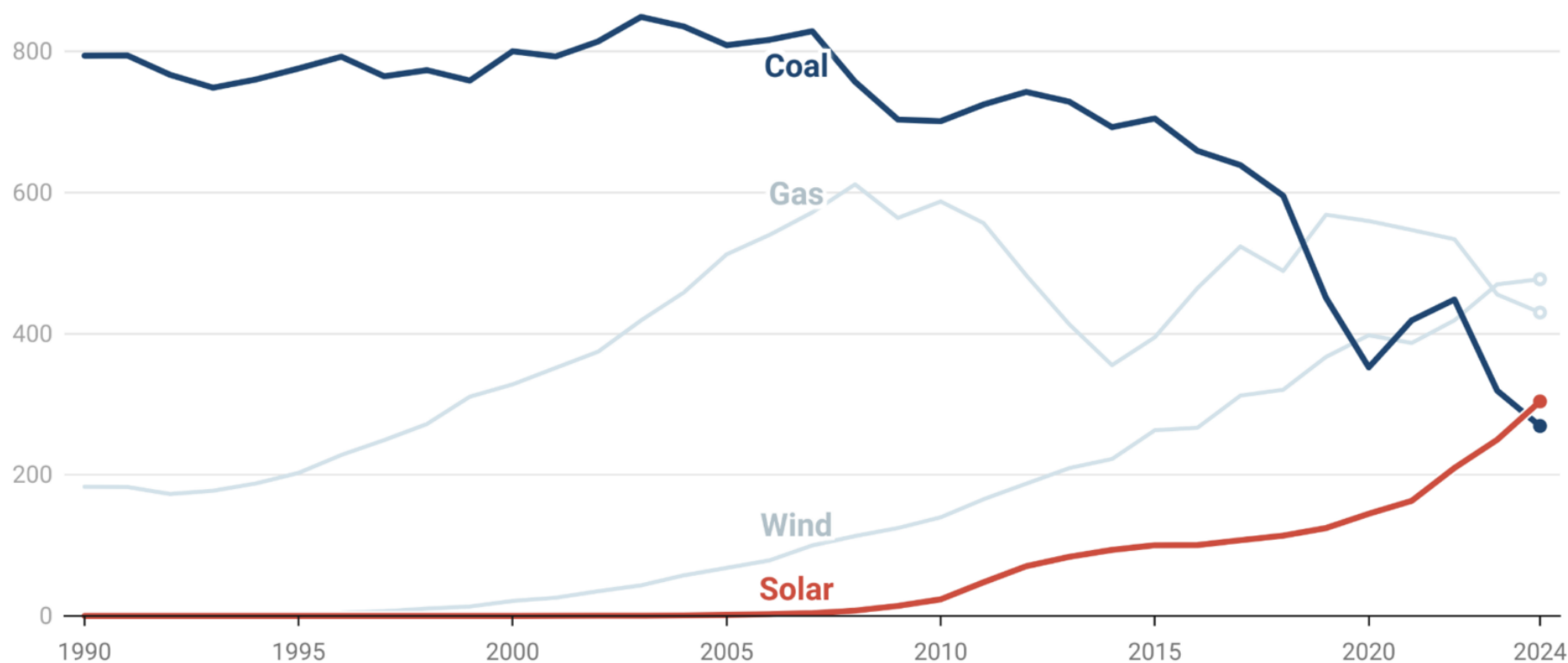
Renewables will keep beating fossil fuels on cost

Analysts project that wind and solar will continue to get cheaper, falling further below coal and gas costs globally this decade.



Coal power decreased by 61% over the past decade, while solar tripled

Electricity generation by source, TWh



Source: Ember

Why More Progress Is Still Possible

2. Technology and Market Advances

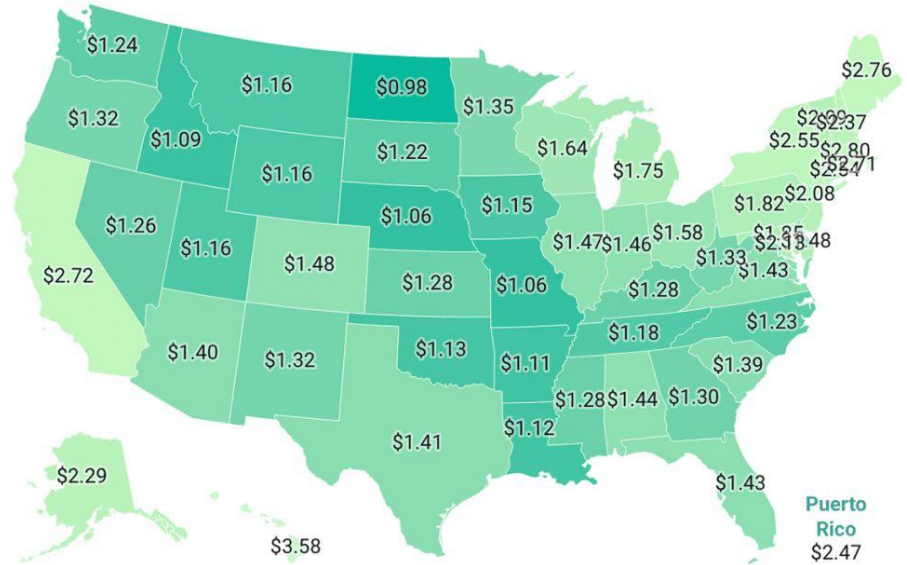
Electric vehicles and battery storage are improving, while building standards increase energy efficiency.

3. Oregon's Unique Strengths

Oregon's abundant renewable resources, early leadership, and engaged communities create a strong foundation for progress.

Price of gas got you down? Here's how cheap it is to charge an EV right now.

This map shows the cost of charging an EV by an amount equivalent to one gallon of gasoline. Figures reflect electricity prices as of January 2026.



Vehicles used for the comparison are the 2025 gasoline-powered Hyundai Kona and the 2025 Hyundai Kona Electric.

This analysis is based on home charging.

Map: Karin Kirk for Yale Climate Connections • Source: Energy Information Administration and FuelEconomy.gov • Created with Datawrapper

Key Takeaways

- This was more of a “Big Ugly Bill” for Oregon’s Energy and Climate Sectors
- The race is on for solar and wind energy projects; key dates to watch:
 - July 4, 2026
 - December 31, 2027
- State needs to do more to fill in gaps left by federal funding retreat
- The favorable economics and technological advances of clean energy, EVs, heat pumps, and storage will mean Oregon keeps making needed progress

Thank you!

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