



November 11, 2025

## Fuel Assistance Timing and Allocations Remain Uncertain

We have been in regular communication with Denise Surber, Fuel Assistance Program manager for the Virginia Department of Social Services. Given the federal government shutdown (hopefully ending tomorrow) and continued disputes over funding the program, it remains uncertain when winter 2025-2026 fuel assistance allocations will be forthcoming. Here is more from Ms. Surber:

*We don't have any update on the funding for LIHEAP (Energy Assistance) yet. We know that both the Senate and the House had included FFY26 funding for LIHEAP in their Appropriations committees as of September. The amounts were very similar and both were a small increase over FFY25 funding. (\$4.035B House; \$4.045B Senate; last year - \$4.025B was awarded.) But, the funding wasn't awarded since there isn't a signed budget and the shutdown started.*

*Right now, we have been accepting and processing Fuel Assistance applications since we would not determine a benefit amount for that component until December. We will continue to do that so we are ready to complete the Fuel Benefit Determination once funding is (approved and) provided. Note: if we do not have funding by December, this will delay the benefit determination date and we will have to notify customers and vendors of this.*

*For Crisis Assistance, we are accepting applications but we cannot approve any of them until funding has been provided. Once funding is provided, we can begin to process (and approve) the Crisis Assistance applications in the order in which they were submitted.*

## **\$600 Federal Tax Credit for B20 Compatible Furnaces and Boilers Available to Homeowners Expires on December 31, 2025**

*From EMA*

The 2023 Inflation Reduction Act (IRA) included a provision to incentivize the efficiency of heating oil equipment while increasing the amount of biodiesel blended into the fuel. Under the IRA, homeowners are eligible for tax credits of \$600 for installation of new oil/biofuel blend-compatible heating appliances. The credit is available to homeowners on an annual basis and capped at \$600 per year. This year, the One Big Beautiful Bill included language to end the credit by December 31, 2025, so homeowners have only until the end of the year to claim the credit.

In order to qualify for the \$600 federal tax credit, the following conditions must be met:

Equipment Placed in Service After December 31, 2022

- Equipment must have 2021 Energy Star ratings (87 AFUE for oil boilers and 85 AFUE for furnaces) and be certified by the manufacturer to burn heating oil blended with a 20 percent biodiesel or renewable diesel fuel. This equipment is available now.

Many new heating oil boilers and furnaces currently available from manufacturers should be compatible with 20% biodiesel blends and qualify for the \$600 credit. Manufacturers are currently providing certification for B20 compatibility on new equipment.

Please check with your supplier to ensure their equipment is compliant and that certifications are available to the homeowner. Homeowners may apply for the credit on IRS Form 5695 and file it with their 1040, 1040-SR or 1040-NR return. The IRS published the updated Form 5695 to claim the credit. [Click here](#) to view it.

Sincerely,

**Mike O'Connor**  
President, VPCMA



VPCMA | 7275 Glen Forest Drive Suite 204 | Richmond, VA 23226 US

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