

Heat Pump Incentives

For Low-Income Single Family Homes

Frequently Asked Questions



NYSERDA

Funding Available for Home Energy Assistance Program (HEAP) Participants

OVERVIEW

Who can be served with funding from the Office of Temporary and Disability Assistance (OTDA)?

Low-income families with a HEAP award letter dated October 1, 2021, or later, and a valid Client Identification Number (CIN) or Case number are eligible, including customers with municipal electric and those living on Long Island. Referrals NYSERDA has received from OTDA are eligible as well.

Forms of acceptable proof of HEAP eligibility:

1. HEAP (Heating) award letter dated between October 1, 2021, and September 30, 2022, with CIN or Case Number.
2. HEAP (Cooling) award letter dated between October 1, 2021, and September 30, 2022, with CIN or Case Number.
3. SNAP award letter dated between October 1, 2021, and September 30, 2022, with a Case Number.

When does the customer need to apply?

When does the project have to be completed?

Customers must have an approved application by September 15, 2022.

Contractors have until September 15, 2023 to complete these projects.

How does a customer apply?

Customers apply by filling out the [Combined Residential Application](#) with a valid HEAP award letter and a valid CIN or Case number that meets the guidelines above.

Where can I find the CIN and Case number?

The CIN is located on certain HEAP award letters and on the HEAP benefits card. The CIN number is formatted alpha-numerically in the format xx00000x, where x is a letter and 0 is a number. On some HEAP award letters, the CIN is the ID number referenced in the "Your Case Information Online Section". If the CIN is not referenced on the HEAP award letter, the applicant can provide a copy of their HEAP benefits card. The ID number on the benefit card, to the left of the card number, is the CIN. The Case number is located on the upper right corner of the HEAP award letter. One of these documents must be provided by the applicant to be

considered for this funding.

How much funding is available?

OTDA has dedicated \$26 million of funding to NYSERDA for energy efficiency and heat pump installation with up to \$20,000 of incentives for each project.

How long is the funding available, is there a deadline?

The incentive is available for projects completed prior to September 15, 2023.

Is there additional program paperwork the customer must complete?

Yes, for heat pump projects, the household must complete a "Heat Pump Informational Form" which will be included as part of Section 5.6 of the updated Contractor Resource Manual. This form outlines some of the cost and operational differences between a heat pump and a fossil fuel heating system and must be signed by the customer and the participating contractor.

Can we publicize this program?

Yes, you may publicize this program. All contractors must submit any marketing materials containing information about this program to NYSERDA for approval before it can be used.

NYSERDA may issue a press release about the funding. We will inform you when it is appropriate to publicize and share a copy of the release, if issued.

What contractors can participate in this funding?

The primary contractor for these projects should be an EmPower New York contractor. These contractors will receive the funding through the normal EmPower project workflow.

Can a contractor have a HEAP client sign an Assisted Home Performance with ENERGY STAR® (AHP) waiver and receive this funding for an AHP project?

No, this funding can only be used for EmPower projects.

How can an EmPower customer who has already had an approved application access this funding?

The contractor or community group working with a customer who already has an approved application should write an email to support.residential@nyserda.ny.gov stating they wish to access the funding. This will create a case in the NYSERDA portal. If the contractor used a HEAP award letter to qualify the customer originally, Central Business Services will review the award letter and let the contractor know that it is approved. If the customer needs to provide an updated HEAP award letter, one can be uploaded in the NYSERDA portal to the case that was created via the email request to support.residential@nyserda.ny.gov. If you have any questions about this process, please contact NYSERDA support at 1-800-284-9069.

INCENTIVES AND RELATED REQUIREMENTS

What incentives are available?

Decription	Incentive Type	EmPower
Upstate ASHP	\$/10,000 btu	\$3,000
Downstate ASHP	\$/10,000 btu	\$3,000
Upstate GSHP	\$/10,000 btu	\$3,800
Downstate GSHP	\$/10,000 btu	\$3,800
Upstate HPWH	\$/unit	\$3,000
Downstate HPWH	\$/unit	\$3,000
Ancillary Services	\$/unit	Up to \$2,000

Who applies for utility incentives? The contractor or the sub-contractor?

If utility incentives are being utilized on the project, the contractor who is participating in the NYS Clean Heat program applies for the utility incentive.

Is there a maximum heat pump incentive level for a project?

The maximum incentive level for a dwelling unit would be for 60,000 Btu/hr of heating capacity. If a dwelling unit requires a heat pump larger than 60,000 Btu/hr of heating capacity, it can be installed; however, the incentive would only cover the first 60,000 Btu/hr of heating capacity.

- For example, a ground source heat pump system with a heating capacity of 80,000 Btu/hr would only be eligible for an incentive of \$3,800 per 10,000 Btu/hr up to 60,000 Btu/hr. Multiplied out, the 60,000 Btu/hr equates to an incentive of \$22,800 for the project. However, the maximum incentive level for a project is still \$20,000.

Are there going to be incentives for upgrading the ductwork or panel boxes?

There is a \$2,000 maximum incentive to cover ancillary needs to complete the heat pump installation, such as ductwork, thermal distribution system modification, electric panel amperage increase box, or other related accessories.

In the event that costs exceed established caps, the contractor should consider the viability of the project upgrade to heat pump technology.

- Costs associated with the balance of ductwork upgrades may be eligible for Green Jobs – Green New York (GJGNY) loans through [NYSERDA Residential Financing Options](#).
- The panel box work can cover risers and other measures associated with the main electrical supply.
- Individual supply lines and boxes for heat pumps should be included in the cost of the heat pump measure and are not eligible for reimbursement via the ancillary measure category.
- If permits are required for the panel box, those costs can be included in the cost of the panel box.

Is there a cap on pre-installation work for health and safety remediation?

All health and safety measures other than ancillary services described immediately above, should be presented for review and will be included toward the \$20,000 project cap.

Are the incentives for air source heat pumps rated at output capacity at 5 degrees like the NYS Clean Heat program?

Yes, this program follows NYS Clean Heat guidelines.

For an EmPower heat pump installation, is there an out-of-pocket cost for the client? If so, can you explain the cap on the cost? Can the EmPower and AHP incentives be combined into one project?

- The EmPower funding for HEAP recipients plus the utility incentive should cover the entire cost of the energy efficiency, air source heat pump equipment installation. If the entire project cost cannot be covered with these incentives, the contractor should consider the viability of the project as a pilot demonstration of a home's ability to upgrade to heat pump technology.
- For Ground Source Heat Pumps, an EmPower customer may take advantage of the Energy Smart loan for project costs over the incentive amounts.
- The EmPower and AHP incentives cannot be combined for projects receiving the OTDA funding for HEAP recipients.

Can EmPower customers finance an ASHP/GSHP?

Qualifying customers may take advantage of EmPower incentives and financing. When a customer uses financing on a heat pump project, the contractor must submit a copy of the loan proforma with other supporting documentation for project approval. NYSERDA will review the proposed loan payments for the project, reserving the right to request additional justification from contractors. NYSERDA may decide to reject the project if the magnitude of monthly payments raises affordability concerns. For example, EmPower projects that are proposing a switch from hydronic distribution to air distribution or involve substantially changing the distribution system, may result in customer costs that adversely affect affordability and could result in project denial.

PARICIPATING CONTRACTOR REQUIREMENTS

What contractors are eligible to access OTDA HEAP recipient incentives?

[EmPower contractors](#) are eligible to submit applications, conduct audits, and install insulation and other home performance measures.

An AHP-only contractor must apply to be an approved EmPower contractor prior to providing services through this program. A NYS Clean Heat contractor can apply for EmPower and once approved, partner with an existing EmPower contractor to subcontract any non-heat pump related work such as the audit and insulation measures. Contractors wishing to learn more about becoming an EmPower contractor can contact Erik Gilbert at erik.gilbert@nyserda.ny.gov.

The installer of the heat pump must be a [NYS Clean Heat participating contractor](#). A contractor that participates in both programs can apply for utility incentives, submit the project to NYSERDA, and install the heat pump.

Contractors wishing to learn more about becoming a NYS Clean Heat participating contractor should visit SaveEnergy.ny.gov/NYScleanheat.

Does the contractor who partners with an EmPower contractor to install heat pumps need to be NYSERDA certified?

The contractor or sub-contractor responsible for installing the heat pumps must meet the certification requirements of and be a participant in the NY Clean Heat Program. Primary contractors participating in the EmPower program that are not performing the heat pump installation are not required to hold a separate heat pump certification. Nonetheless, the primary contractor remains responsible for any work subcontracted for the project.

Where can I find a list of the NYS Clean Heat participating contractors?

The list of NYS Clean Heat participating contractors is available on [NYSERDA webpage](#).

We are a participating NYS Clean Heat Program and have been told we cannot use additional incentives on top of this program. Does the NYS Clean Heat Program know about this funding and are they okay with these incentives?

Yes, we are reviewing this funding with the joint utilities. We will incorporate their feedback and coordinate with them on its execution. NYS Clean Heat incentives can be combined with the OTDA HEAP recipient incentive.

Will the subcontractor fee be included in the cost of the measure?

No. The \$500 subcontractor fee is not considered part of the measure cost nor deducted from any customer incentive. This charge should be billed at 100% to NYSERDA as a separate line item.

I serve a few regions. Is there a map identifying the regions considered upstate and downstate?

Pricing and guidelines to be followed depend on the customer service address. The following counties are considered downstate: New York, Bronx, Kings, Queens, Richmond, Orange, Rockland, Westchester, Putnam, Sullivan, Dutchess, and Ulster.

Can a contractor that installs heat pumps through EmPower get approval for energy efficiency work and the additional heat pump rebate at the same time?

Yes, the projects should be submitted at the same time.

For Weatherization Assistance Program (WAP) contractors who also participate in EmPower, is it advisable to run projects through EmPower first, so they can access the incentive if a subcontractor is needed for the heat pump installation?

Coordinating the WAP and EmPower programs and the OTDA HEAP recipient incentive services should be prioritized whenever possible, so the customer can be served with a comprehensive package. With the scope of these projects it may fall on the WAP program to cover the insulation work and for the EmPower HEAP funds to cover the heat pump.

Given the short-term nature of this funding, is there any advice on how or whether the HeatSmart campaigns should promote this funding incentive?

That is a question each campaign will have to decide with input from their NYSERDA project manager. A funding tracker will be available that contractors can use to understand funding accessibility in real time.

PARTICIPATING CUSTOMER REQUIREMENTS

How does an interested low- to moderate-income (LMI) household get involved/ qualify for this incentive?

An LMI household with a HEAP letter/CIN can contact their local [Clean Heating and Cooling Campaign](#), contact a local contractor, or email NYSERDA at info.residential@nyserdera.ny.gov.

Are customers with existing natural gas heating systems eligible for the study?

Yes. The system to be replaced must be 80% or less measured or nameplate efficiency the total project must have positive projected bill savings, and the maximum incentive for a natural gas furnace or boiler is \$4,000.

Are homes with natural gas service but without an existing natural gas heating system eligible?

Yes.

Are customers of municipal electric utilities or customers on Long Island eligible to participate?

Yes, as long as the customer has a HEAP award letter dated October 1, 2021, or later, with a valid CIN.

How do existing and previously served customers participate in the ARPA incentive?

- Previously served customers may be screened for additional services with supplementary insulation, air sealing, and conversion of the heating system to heat pumps. If the customer was served in the past six months, the program will NOT pay for a second energy audit. A new project will be set up in the NY HP Portal (Uplight).
- Previously served customers receiving program services between six months and one year must have an energy audit completed prior to receiving additional program or pilot services. The cost of the energy audit includes any test-out procedures. A new project will be set up in the NY HP Portal (Uplight).
- Customers previously served a year or more must reapply to the program for services.
- Contractors may submit a change order for customers with projects currently in progress using the existing project ID.
- The EmPower contractor returning to provide heat pump systems through a subcontractor is considered the primary contractor.

BUILDING AND EQUIPMENT REQUIREMENTS

What building performance requirements do homes need to meet to participate in the heat pump demonstration study?

Area	Required Insulation Level
Walls	R-14
Attic	R-30 Average
Attic Hatches	R-20
Pull-Down stairs	R-13
Air tightness	7 ACH
Mobile Home Walls	R-6
Mobile Home Attic	R-24
Mobile Home Belly	R-21

What is the minimum age a heating system can be considered for replacement?

The heating system must be at least five years old to be replaced using the ARPA incentive.

Can a hybrid system with a fossil fuel furnace and a heat pump be installed?

No, the purpose of this funding is to move homes away from fossil fuels.

If the home is not heat pump appropriate, can these funds be used for fossil fuel HVAC?

If a heat pump system cannot be designed to meet the requirements, a natural gas furnace or boiler is 80% efficient or less, a natural gas HVAC system can be installed; however, the incentive cap for this measure is \$4,000.

Many homes already processed through EmPower will not be fully insulated. Will there be additional EmPower funds for insulation?

Yes. Please note that all measures including the heat pump, HPWH, insulation, and health and safety are subject to the \$20,000 incentive cap.

Is there any prerequisite for a blower door test?

Houses should be tightened to at least 7 ACH to ensure proper heating from heat pumps. If the contractors cannot perform a blower door test, they must use EmPCalc to estimate the air leakage.

What kind of supplemental heat is approved for an air source heat pump if the heat capacity is not sufficient?

The ASHP must supply 90–120% of the heat load. If needed, the preexisting HVAC system can remain in place to provide heat when desirable. The contractor must educate the customer on how to operate both the ASHP and the preexisting HVAC system to gain maximum efficiency/cost savings. Hybrid systems are not allowed for this incentive.