

Heat Pump Demonstration Study Frequently Asked Questions

For Single Family Low- to Moderate-Income
Program Providers



NEW YORK
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NYSERDA

OVERVIEW

How many homes do you anticipate servicing with the incentive funding for the heat pump demonstration study?

We anticipate servicing up to 500 homes with this incentive. Funding will be available on a first-come-first-serve basis.

What are the learning objectives of the study?

- Test drive rules and mechanics for additional heat pump incentives for low- to moderate-income (LMI) customers.
- Test understanding of building profiles and characteristics that represent the largest near-term LMI electrification opportunities.
- Measure household specific energy affordability and burden reduction impacts.
- Spur market learning and contactor partnerships to install heat pumps in LMI households.
- Gather market data on need and cost for electric panel and service upgrades required.

What happens when the funding associated with the heat pump demonstration study runs out?

The funding for this study is intended to serve approximately 500 homes. The information gathered during the process will be used to inform future program design.

When are we allowed to publicize this program?

NYSERDA may issue a press release about the study. We will inform you when it is appropriate to publicize and share a copy of the release, if issued. Otherwise, contractors may only conduct their own customer marketing and may not otherwise promote the study without NYSERDA's approval.

INCENTIVES AND RELATED REQUIREMENTS

What incentives are available?

Description	Incentive Type	EmPower	AHP
Upstate ASHP	\$/10,000 btu	\$3,200	\$1,500
Downstate ASHP	\$/10,000 btu	\$2,200	\$1,500
Upstate GSHP	\$/10,000 btu	\$3,800	\$3,800
Downstate GSHP	\$/10,000 btu	\$3,800	\$3,800
Upstate HPWH	\$/unit	Normal EmPower	\$975
Downstate HPWH	\$/unit	Normal EmPower	\$975
Ancillary Services	\$/unit	Up to \$2,000	50% of cost, up to \$1,000

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

The contractor who is participating in the NYS Clean Heat program applies for the utility incentive.

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

There is a \$2,000 maximum incentive for EmPower New York (EmPower) and a \$1,000 maximum incentive for Assisted Home Performance (AHP) to cover ancillary needs to complete the heat pump install, such as ductwork, thermal distribution system modification, electric panel box, or other related accessory.

In the event that costs may exceed established caps, the contractor should consider the viability of the project as a demonstration, providing evidence for a home's ability to 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 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 approval through the standard EmPower or AHP process.

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 program and heat pump demonstration study incentive 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 heat pump demonstration study projects.

PARTICIPATING CONTRACTOR REQUIREMENTS

What contractors are eligible to participate in the study?

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

Does the contractor who partners with an EmPower or an AHP 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 and AHP programs 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?

Here is the [list](#) of NYS Clean Heat participating contractors.

We are a part of the NYS Clean Heat Program and have been told we cannot show incentives from anywhere else. Does the NYS Clean Heat Program know about this study and are they okay with these incentives?

Yes, we have reviewed this heat pump demonstration study with the joint utilities, incorporated their feedback and will coordinate with them on its execution. NYS Clean Heat incentives can be combined with the incentive associated with the study.

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 to show if our region is considered upstate or 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 EmPower and AHP heat pumps 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, would it be advisable for them to run projects through EmPower first so they can access the incentive associated with this study with a subcontractor if they cannot already to heat pumps ?

Coordinating the WAP and EmPower programs and the heat pump demonstration study services should be prioritized whenever possible so the customer can be served with a comprehensive package.

Given the short-term nature of this heat pump demonstration study, is there any advice on how or whether the HeatSmart campaigns should promote the study?

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

PARTICIPATING CUSTOMER REQUIREMENTS

How does an interested LMI household get involved/qualify for this study?

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

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

No.

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

Yes.

What if there is a multifamily rental with gas heat in one unit and non-natural gas sources in the other units?

The units not heating with natural gas may have their primary heating systems converted to heat pumps.

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

No. To be eligible to participate in the study the customer has to pay the System Benefits Charge (SBC).

How do existing and previously served customers participate in the heat pump demonstration study?

- Previously served customers may be screened for additional services through the heat pump demonstration study with additional 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 Heat Pump Portal.
- 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 Heat Pump Portal.
- Customers previously served a year or more must reapply to the program for services.
- Contractors may submit a change order for customers that are currently in progress using the existing project ID.
- The EmPower/AHP contractor returning to provide Heat Pump systems through a subcontractor is considered the primary contractor.

For those who qualify for AHP (now 120% of LMI) and would like to take advantage of these programs, the timing is tight. At what stage in the project do they need to be by December 31, 2020 to submit an application?

The AHP program application must be submitted to Energy Finance Solutions by close of business December 31, 2020.

So AHP residents may need to pay out of pocket?

Yes, AHP customers may need to pay some out of pocket costs.

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	5 ACH
Mobile Home Walls	R-6
Mobile Home Attic	R-24
Mobile Home Belly	R-21

How old does a heating system need to be to be replaced?

The heating system must be at least five years old to be replaced through the heat pump demonstration study.

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

Homes that do not meet the insulation requirement should use the EmPower or AHP program to reach the required levels of insulation.

Is there any prerequisite for a blower door test as part of the heat pump demonstration study?

Houses should be tightened to at least 5 ACH to ensure proper heating from heat pumps. If the contractors cannot perform a blower door test, they must use their experience and judgement 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 AHSP 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 as part of this study.