2026 Building Electrification Rebate Catalog

Small-to-Medium Business, C&I and Multifamily Incentives

NYSEG · RG&E
Part of the Avangrid family

GHPC003 01/26

NYSEG · RG&E
Part of the Avangrid family

Contents

Program eligibility and requirements

General requirements (all building segments)

- The customer must be an **active NYSEG/RG&E electric account holder**.
- **New construction eligibility:**
  - **All building sectors are eligible for ground-source heat pump (GSHP) and heat pump water heater (HPWH) incentives. For space heating projects, air-source heat pump (ASHP) new construction projects are not eligible for electrification incentives.**
- Incentives apply only to **full design day heating load projects** for the entire building (refer to **Appendix 3: Guidance for acceptable load calculations for additional details**):
  - Only heat pump systems that are sized to meet the full load of the project scope at the end of the project are eligible for incentives. Full load heating systems are defined as a system installed that satisfies at least 100% of the building heating load (BHL) of the project scope at design conditions, with adequate distribution to heat and cool the entire space. Systems with capacities above 120% of BHL may be subject to additional programmatic review.
  - **New** fossil fuel space or water heating equipment cannot be installed with incentivized heat pumps.[1] Customers who receive utility gas space heating equipment incentives on the same project as the heat pump installation will not be eligible for Market Rate Multifamily and Non-Residential Building Electrification Program incentives.
  - **Phased electrification projects** that do not meet the full load heating system definition may be eligible for C&I and Multifamily electrification projects (**see Appendix 1**).
  - **Hybrid electrification projects are not eligible for incentives. Full definition of hybrid electrification is located in Appendix 1**.
- Customers participating in a non-residential or market rate multifamily **Utility Weatherization program** may qualify for **additional incentives**.
- Incentives are capped at **50% of project costs** (material and labor only; excludes taxes, shipping, admin, internal labor).
- Incentives are to be passed along, in their entirety, to the customer, unless otherwise noted on the customer acknowledgment form or Market Rate Multifamily and Non-Residential Building Electrification Application.
- Utility Market Rate Multifamily and Non-Residential Building Electrification Program and NYSERDA incentives cannot be combined toward the cost of the same installed measure. However, in limited circumstances, projects are eligible for both utility Market Rate Multifamily and Non-Residential Building Electrification Program incentives, as well as complementary NYSERDA program funding sources, such as those that support project design and technical assistance.
- Like-for-like equipment replacements are not eligible for incentives. Contact a program representative for clarification on eligibility.
- Early replacement or extended life projects may qualify for incentives summarized in the NYS Technical Reference Manual ("TRM"), Appendix M, subject to program approval.
- Incentives are available on a first-come, first-served basis. Rejection or modification of an incentive application is at each utility's sole discretion.

[1] Exemptions may apply to customers who install fossil fuel water heating equipment with a separate qualifying space heating technology.

Small-to-medium business eligibility

- Average monthly demand: **≤ 110 kW** over the past 12 months. Please confirm with a program representative for full eligibility details before promise of rebate to the customer.
- Customers who qualify under the small business program kW usage criteria but install a system with total heat pump heating capacity >300,000 Btu/h may be eligible for C&I incentive levels. Contact a program representative for eligibility questions.
- Prescriptive incentive applications must be submitted to the **Online Intake Tool** **within 60 days** of system installation and operation.

Commercial and Industrial (C&I) eligibility

- Average monthly demand: **> 110 kW** over the past 12 months. Please confirm with a program representative for full eligibility details.
- Contractors must complete the **Market Rate Multifamily and Non-Residential Building Electrification Application**.

Multifamily eligibility

- Buildings must have **≥ 5 dwelling units**.
- Incentive structure:
  - **5–100 units:** Incentive amounts are per dwelling unit for space and water heating (see Table 3).
  - **101+ units or mixed-use:** Based on calculated energy savings.
- Only market rate multifamily buildings are eligible for program incentives. For market rate eligibility requirements, refer to **Appendix 2: Market rate vs. LMI definitions**.
- Higher incentive tiers may apply for customer participation in market rate multifamily or non-residential **utility envelope improvement programs**. Documentation showing participation in any of the following utility envelope improvement programs must be provided at the time of application. Eligible utility envelope improvement programs can be found here:
  - NYSEG Small Business Program
  - **NYSEG Commercial and Industrial Rebates**
  - **NYSEG Multifamily Energy Efficiency Program**
  - **RG&E Small Business Program**
  - **RG&E Commercial and Industrial Rebates**
  - **RG&E Multifamily Energy Efficiency Program**

Table 1. Small-to-medium business incentives

Project Type	Incentive
Full Load NEEP-listed ASHP	$6,000
ASHP + Fossil Fuel Decommissioning	$10,000
Full Load GSHP	$18,000
Full Load GSHP New Construction	$10,000
HPWH[2]	$1,250 per project
Desuperheaters with GSHP[3]	$100 per unit
Weatherization Bonus	+$1,000 per project

[2] Ground-source water-to-water heat pumps ("WWHP") for domestic hot water are eligible for the HPWH incentive rate.

[3] Limit one per project

Table 2. C&I incentives

Project Type	Incentive
Full Load Space Heating	$70/annual MMBtu saved
Space Heating + Weatherization Bonus	$80/annual MMBtu saved
Full Load Water Heating	$70/annual MMBtu saved

Table 3. Multifamily incentives

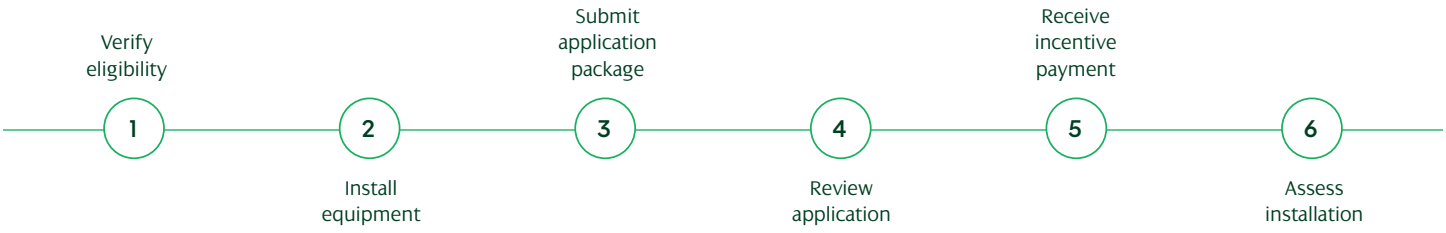
Project Type	Incentive
5–100 Units: Space Heating	$1,700 per dwelling unit
5–100 Units: Space Heating + Envelope	$1,800 per dwelling unit
101+ Units: Custom Space Heating	$70/MMBtu
101+ Units: Custom Space Heating + Envelope	$80/MMBtu
5–100 Units: Centralized Hot Water	$400 per dwelling unit
5–100 Units: Prescriptive Water Heating	$900 per equipment
101+ Units: Centralized Hot Water	$70/MMBtu
101+ Units: Prescriptive Hot Water Heating	$450 per dwelling unit

Small business contractor rewards. Contractor rewards are paid out separate from the total incentive amount and can be retained by the contractor or passed along to the customer. For example, a full load ASHP project qualifies for a $6,000 incentive that must be passed on to the customer. The contractor reward for a project that meets that criteria would be an additional $300, totaling an incentive of $6,300. The contractor may retain the additional $300 or pass that on to the customer.

Table 4. Contractor reward summary

Installation Type	Reward Amount
Full Load Project	$300
Full Load ASHP + Decommissioning	$500
GSHP Project	$500

Application process for small-to-medium business customers



Step 1. Verify eligibility

Prior to submission of an incentive application, the participating contractor or applicant shall confirm that the customer, site, proposed measures and contractors qualify for the program as specified in the equipment Eligibility Requirements. If interested in energy recovery ventilator (ERV) or heat recovery ventilator (HRV) incentives, contractors will be required to follow the custom application process.

Step 2. Install equipment

The participating contractor must install qualifying equipment that adheres to the eligibility requirements below. If the participating contractor is unsure whether the equipment selected qualifies, they should contact their account manager for guidance.

Step 3. Submit application package

To apply for an incentive, the participating contractor must submit the incentive application and associated documents to their respective Designated Utility via **nyscleanheatrebates.com**.

The incentive application deadline for projects seeking qualifying prescriptive category incentives shall be submitted no later than 60 days after the eligible heat pump system is installed and operational.

Documentation requirements

All projects are required to submit the following documents, **at minimum**, as part of the application package:

- **Completed program application** – Participating contractors shall receive login credentials for online incentive applications from NYSEG, RG&E or both within whose service territory they work.
- **Completed Customer Acknowledgment Form** – Includes customer information, incentive amount and customer signature, indicating customer is aware of incentive amount.
- **System design heating capacity documentation –** A copy of the NEEP performance data, a manufacturer's extended performance data sheet, the AHRI certificate or the output from a manufacture's software platform that provides equipment performance and capacity at the design temperature, or with data points both above and below the design temperature, for the model numbers installed. See **Appendix 3** for additional information.
- **Invoice for installed** – Installation cost for measures. Labor and material costs shall be presented separately, and costs shall be limited to the equipment cost and labor cost. Other costs such as taxes, internal labor costs, shipping, administrative costs or similar costs will not be included with the total project cost when calculating incentive caps.
- **Load calculations** – Latest Heating and Cooling Load Calculations showing that the heat pump system design and appliance selection has been performed in accordance with ACCA Manual J, ANSI/ASHRAE/ACCA Standard 183-2007 (RA2017), using ACCA approved software. Load calculations should be submitted in PDF format, unless otherwise requested.
- **Photo submission** – For prescriptive incentive category projects, two types of photos must be submitted to verify the equipment's proper installation: a longshot of the compressor and nameplate photos. The longshot photo must be taken at such range as to show the installed compressor and another identifying element (e.g., the siding) of the building. Serial numbers must be legible in nameplate photos to avoid a project moving into a flawed status.
- **Prescriptive calculator** – Installing contractors must provide a complete and accurate Prescriptive Calculator,[4] indicating various project attributes.
- **Decommissioning checklist (when applicable)** – Provide a completed Decommissioning Checklist indicating the correct decommissioning scenario that applies to the specific project. The Decommissioning Checklist must include customer and contractor signatures.
- **Decommissioning photos (when applicable)** – Provide before and after photos showing the legacy space heating system and demonstrating that decommissioning steps in the checklist were completed.
- **Like-for-like equipment replacements** – Note that these are not eligible for incentives. Contact a program representative for clarification on eligibility.
- **Early replacement or extended life projects** – These projects may qualify for incentives summarized in the NYS Technical Reference Manual ("TRM"), Appendix M, subject to program approval.
- **First Come, First Served** – Incentives are available on a first-come, first-served basis. Rejection or modification of an incentive application is at each utility's sole discretion.

[4] The NYS Clean Heat Prescriptive Categories Incentive Calculator can be found on the Resources for Applications page (https://cleanheat.ny.gov/resources-for-applications/) under the Prescriptive (Small Projects) drop-down section.

Step 4. Review application

NYSEG or RG&E will review the submitted project application documents to confirm completeness and accuracy of the required documents in Step 3 above, equipment eligibility and proper sizing.

NYSEG/RG&E will not approve final incentive payments for projects with missing or inaccurate information. NYSEG/RG&E will consider the application incomplete and contact the applicant to request the missing and/or correct information. Participating contractors will be given 45 days from the date that the Designated Utilities contact the applicant with the missing information request to complete their application. If the missing and/or correct information is not provided within the 45 days, the incomplete application will be moved to Inactive status. Participating contractors may still reopen an inactive application after the 45 days by submitting the missing and/or corrected information without needing to resubmit the application entirely. NYSEG and RG&E reserve the right to inspect the new condition of any site to confirm that all work was installed in accordance with the scope of work provided with the initial project application. Once the project review is complete, if the project meets all program requirements and funding remains available, the incentive application will be approved.

Rejection or modification of an incentive application is at the sole discretion of NYSEG or RG&E.

Step 5. Receive incentive payment

NYSEG or RG&E will pay incentives to the applicant (participating contractor and/or customer) or to a third party, as designated in the customer acknowledgment form. Each participating contractor may retain up to the Participating Contractor Reward amount shown in Table 4.

High volume contractors may apply to receive incentive payments via ACH so that eligible participating contractors can receive incentive payments directly into their bank accounts without the need for paper checks. The minimum threshold to be eligible for ACH are deposits totaling $100,000 annually.

Step 6. Assess installation

Through participation in the program, participating contractors will be required to comply with a Field Assessment process for the purpose of ensuring quality installations. Additionally, participating contractors may be subject to utility-specific reviews and/or assessments for the purposes of verifying program measure implementation and acquisition. Participating contractors will receive a copy of the Field Assessment. All concerns found and noted in the Field Assessment are expected to be addressed with proof of corrections made and submitted to the program within 30 days of the participating contractor receiving the report.

Eligible Technologies

Eligible measures are grouped into several major categories:

1. Air-source heat pumps for space heating applications, including:
    a. Cold climate air-to-air mini-split heat pumps
    b. Cold climate air-to-air central ducted heat pumps
    c. Air-to-water heat pumps
    d. Air-to-air large commercial unitary heat pumps (central ducted or split system)
    e. Air-source variable refrigerant flow heat pumps
    f. Single-package vertical heat pumps
2. Ground-source heat pumps for space and water heating applications
3. Ground-source variable refrigerant flow heat pump

4. Heat pump water heaters for domestic and service water heating applications, including:
    a. Residential rated HPWHs with a UEF rating
    b. Ground-source heat pump desuperheaters
    c. Water-to-water heat pump added to ground loop
5. Energy recovery ventilators (ERVs) and heat recovery ventilators (HRVs) paired with eligible heat pumps
6. Heat recovery and heat pump chillers
7. Heat pump dedicated outdoor air systems (HP-DOAS)

7.1 Equipment installation

To be eligible for program incentives, participating contractors and their agents must install systems and system components in accordance with manufacturer specifications and installation requirements, and in compliance with all applicable laws, regulations, codes, licensing and permit requirements.

7.2 Air-source heat pumps

Under the Market Rate Multifamily and Non-Residential Building Electrification Program, to be eligible for a program incentive, ASHP systems in the Small Business Program must either be listed on the NEEP Product List[5] or meet the criteria established in this program Manual for equipment that is not covered by the NEEP Product List.

There are several categories of ASHPs eligible for the Market Rate Multifamily and Non-Residential Building Electrification Program, including:

1. Central ccASHPs that are identified on the NEEP Product List
2. Ductless or partially ducted mini-split heat pumps that are identified on the NEEP Product List and qualify as ccASHP, including "single-head" (one indoor air handler per outdoor compressor) and "multi-head" or "multi-split" (more than one indoor air handler per outdoor compressor) units
3. Commercial unitary (i.e., large commercial) ASHPs (split or single-package)
4. Air-source variable refrigerant flow (ASVRF)
5. Cold climate single-package vertical heat pumps (ccSPVHP)

The customer may either decide to keep their existing heating system in service to provide back-up or emergency heat, or to decommission it. The heat pump system that is installed must be capable of operating year-round. Decommissioning must be done legally, safely, and in compliance with applicable jurisdictional programs, codes and requirements (e.g., federal, state, municipal, etc.). Decommissioning guidance and checklist may be found at **cleanheat.ny.gov/resources-for-applications**.

7.2.1 Cold climate ASHPs

Definition:

Air-source heat pumps listed by NEEP as ccASHPs have cooling capacities less than 65,000 Btu/h and are not contained within the same cabinet as a furnace with rated capacity greater than 225,000 Btu/h. This includes systems classified as central, mini-splits and multi-splits.

Individual heat pumps in the installed system must be listed by NEEP as ccASHPs, tested under AHRI test standard 210/240 and powered by single-phase electricity. They must also have cooling capacities <65,000 Btu/h and may not be installed in the same cabinet as a furnace with heating capacity ≥225,000 Btu/h.

The participating contractor shall verify and document the system's operation with the equipment manufacturer's specifications.

[5] The current specification and listed eligible units are available at **neep.org/ASHP-Specification**.

Eligible incentive categories:

- **Prescriptive ccASHP: full load heating**
- **Prescriptive ccASHP: full load heating with decommissioning**
- **Custom full load space heating applications**
- **Custom full load multifamily space heating applications**

Prescriptive full load heating eligibility:

- Customers who qualify as a **small-to-medium business**
- All installed heat pumps must:
  - Be **NEEP-listed ccASHPs**
  - Be powered by **single-phase electricity**
  - Not be installed with a furnace rated **≥ 225,000 Btu/h**

7.2.2 Commercial unitary systems/large commercial ASHPs

Large commercial ASHPs are a retrofit solution for businesses and multifamily buildings that currently have rooftop or central air conditioners, which were often installed in conjunction with a separate heating system.

Large commercial ASHPs may be eligible for Custom Full Load Space Heating Applications or Full Load Market Rate Multifamily Space Heating Applications.

Eligible Commercial Unitary Systems must have the following characteristics:

- Systems other than single phase with rated cooling capacity <65,000 Btu/h must consist of multi-stage (including dual-stage) or variable speed compressors.
- Systems must meet the criteria in the applicable table below.

Single-phase variable speed units with rated cooling capacity <65,000 Btu/h must be listed in the NEEP cold climate heat pump directory (the NEEP specification requirements of which are shown in Table 5), and they must be variable speed or have three or more stages. Units of this size are rated using AHRI 210/240.

Table 5. Commercial unitary systems criteria – single-phase variable speed units with rated cooling capacity <65,000 Btu/h

Rated cooling capacity (Btu/h) <65,000	SEER2	HSPF2	HSPF2
Single-phase variable speed	≥14.3	≥7.7	≥1.75

Three phase (either multi-stage or variable speed) equipment with rated cooling capacity <65,000 Btu/h must meet the specifications described in Table 6. For three phase equipment, SEER and HSPF may be used for compliance instead of SEER2 and HSPF2 only for models that have not been rated with SEER2 and HSPF2. These requirements only need to exceed the stated values for ONE parameter in the applicable row; the others can be equal to or greater than the values shown. Units of this size are rated using AHRI 210/240.

Table 6. Commercial unitary systems criteria – three phase multi-stage or variable speed equipment with rated cooling capacity < 65,000 Btu/h

Rated cooling capacity (Btu/h) <65,000	SEER	HSPF	SEER2	HSPF2
Single package	>14	>8.0	>13.4	>6.7
Split	>14	>8.2	>14.3	>7.5

Systems with rated cooling capacity (Btu/h) ≥ 65,000 must be variable speed or have two or more stages. Additional requirements are shown in Table 7. Systems with rated cooling capacity (Btu/h) ≥ 65,000 and <240,000 must meet or exceed both of the values in the applicable row. Systems ≥240,000 Btu/h must exceed one of the values in the applicable row and must meet or exceed the other value. Units of this size are rated using AHRI 340/360 (2023).

Table 7. Commercial unitary systems criteria – multi-stage or variable speed equipment with rated cooling capacity ≥ 65,000 Btu/h

Rated cooling capacity (Btu/h) *	Supplemental heat type	IEER	COP @ 47 °F
≥65,000 and <135,000	Electric resistance or none	≥14.1	≥3.5*
≥135,000 and <240,000		≥13.5	≥3.4*
≥240,000		>12.5	>3.2
≥65,000 and <135,000	All other types of heating	≥13.9	≥3.5*
≥135,000 and <240,000		≥13.3	≥3.4*
≥240,000		>12.3	>3.2

* ENERGY STAR® requirement for COP at 47 °F. All other values are federal minimum requirements.

7.2.3 Air-source variable refrigerant flow heat pump systems

Definition:

Engineered direct exchange multi-split systems that circulate refrigerant between a variable-capacity compressor and multiple indoor units for **individual zone control**.

Eligible incentive categories:

- **Custom Full Load Space Heating Applications**
- **Full Load Market Rate Multifamily Space Heating Applications**

Eligibility requirements:

- Rated under **AHRI Standard 1230**
- Cooling capacity **65,000–240,000 Btu/h** must meet **ENERGY STAR cold climate light commercial heat pump criteria**
- Systems above ENERGY STAR range must exceed **local energy code efficiencies**
- Contractor must provide **design condition capacities** (not AHRI ratings) using outdoor design temperatures used for building load calculations

7.2.4 Single-package vertical heat pumps

Definition:

Factory-assembled, air-cooled commercial heat pump in a **single vertical package**, designed for exterior or through-wall installation.

Uses **reverse-cycle refrigeration** as the primary heat source; may include supplemental heating (hot water, steam, gas or electric resistance).

Eligible incentives:

- **Custom Full Load Space Heating Applications**
- **Full Load Market Rate Multifamily Space Heating Applications**

Requirements:

- Tested under **AHRI Standard 390**
- Must meet or exceed **NEEP Cold Climate SPVHP Specification**

7.3 Ground-source heat pumps

Ground-source heat pumps (GSHPs), also known as geothermal heat pumps, achieve high efficiency by exchanging thermal energy with the ground or with groundwater instead of outside air.

There are several categories of GSHPs eligible for the program , including:

1. Open loop GSHPs
2. Closed loop GSHPs
3. Direct exchange GSHPs
4. Console type GSHP systems
5. Non-console GSHPs less than 24,000 Btu/h (2 tons)
6. Ground-source variable refrigerant flow systems (GSVRFs)

GSHPs may be eligible for prescriptive GSHP: Full Load Heating, Custom Full Load Space Heating Applications and Full Load Market Rate Multifamily Space Heating Applications.

Ground loops must comply with applicable state and local laws and with International Ground-Source Heat Pump Association (IGSHPA) standards.

To be eligible for program incentives, single-phase GSHPs must meet or exceed Geothermal ENERGY STAR specifications. These systems must have a closed loop ground heat exchanger circulating a water/antifreeze solution or a direct expansion ground heat exchanger. Closed loop GSHP, including water-to-air and water-to-water systems, are tested under ISO 13256-1 and 13256-2, respectively. Direct geoexchange systems are tested under AHRI 870/871. COP and EER values may be obtained from an AHRI rating certificate to determine eligibility.

All projects must comply with New York State Department of Environmental Conservation (DEC) regulations for geothermal well drilling.

For projects where more than one building shares a common borefield, or for customers or projects participating in Utility Thermal Energy Network (UTEN), consult with your utility program representative to determine eligibility.[6]

Small-to-medium business prescriptive full load GSHP incentive: To be eligible for the prescriptive GSHP: Full Load Heating incentive, the GSHP system:

- Must meet or exceed Geothermal ENERGY STAR specifications, which covers equipment powered by single-phase electricity[7]
- Must be sized to meet at least 100% of the load of the project scope at design conditions and serve at least 80% of the building's total square footage
- Must have a closed loop ground heat exchanger circulating a water/antifreeze solution, an open loop heat exchanger or a direct expansion ground heat exchanger
- Projects may include electric resistance heating not to exceed 10% of BHL

C&I and Market Rate Multifamily Incentive: GSHP systems may qualify for incentives provided they meet or exceed the ENERGY STAR Geothermal heat pump specification for single-phase units and NYECC code minimums for three-phase units and exhibit one or more of the following characteristics:

- Systems with individual heat pump appliances powered by three-phase electricity.

[6] UTEN projects are defined by the New York Department of Public Service in Case 22-M-0429, filing dated December 1, 2023.

[7] ENERGY STAR references: **energystar.gov/products/geothermal_heat_pumps/key_product_criteria**
energystar.gov/sites/default/files/specs//private/Geothermal_Heat_Pumps_Program_Requirements%20v3.1.pdf
energystar.gov/productfinder/product/certified-geothermal-heat-pumps/results

The following are exceptions to the above GSHP eligibility criteria:

- Console type GSHP systems, regardless of total heating system size or individual appliance cooling capacity, are eligible if they meet or exceed the minimum efficiencies listed in the table below. These systems do not need to meet or exceed the ENERGY STAR Geothermal heat pump specification efficiency requirements.
- Non-console GSHP systems that have rated cooling capacities less than 24,000 Btu/h, regardless of total heating system size, are eligible if they meet or exceed the minimum efficiencies listed in Table 9. These systems do not need to meet or exceed the ENERGY STAR Geothermal heat pump specification efficiency requirements.
- GSVRF systems are eligible for prescriptive or custom incentives, as described in Table 2. These systems do not need to meet or exceed the ENERGY STAR Geothermal heat pump specification efficiency requirements.

Program applications for any Custom Full Load Space Heating Applications incentive for GSHPs with less than 10 tons of cooling capacity must include an AHRI rating certificate for each heat pump model to be installed. For units larger than 10 tons of cooling capacity, which are not rated by AHRI, manufacturer specification sheets must be submitted instead, provided the units have been tested in accordance with AHRI/ISO 13256-1, 13256-2, 550/590 or 870/871, as applicable.

GSHP console units, which are only eligible for the program if they are required due to sizing and/or space constraints, must have an AHRI-rated EER and an AHRI-rated COP of no less than the following.

Table 8. Efficiency requirements for console units

System Type	EER	COP
Water-to-air		
Closed loop water-to-air	14.0	3.0
Open loop water-to-air	14.0	3.0
Water-to-water		
Closed loop water-to-water	N/A	N/A
Open loop water-to-water	N/A	N/A
Direct exchange		
Direct exchange	N/A	N/A

The EER and COP must be calculated using the following equation:

- EER = (full load EER + part load EER)/2 lCOP = (full load COP + part load COP)/2 l

GSHP systems that are not console units and have AHRI-rated cooling capacities less than 24,000 Btu/h (2 tons) must have AHRI-rated EER and AHRI-rated COP of no less than the following.

Table 9. Efficiency requirements for non-console units with AHRI-rated cooling capacities < 24,000 Btu/h

System Type	EER	COP
Water-to-air		
Closed loop water-to-air	15.0	3.2
Open loop water-to-air	20.0	4.1
Water-to-water		
Closed loop water-to-water	16.6	3.1
Open loop water-to-water	20.1	3.5
Direct exchange		
Direct exchange	N/A	N/A

Table 10. Efficiency requirements applicable to water-source variable refrigerant flow (VRF) heat pumps tested under AHRI 1230 water-source configuration, however, intended to be used in a ground-source configuration

Equipment Type	Cooling Capacity (Btu/h)	Min. EER at 86 °F EWT (without heat recovery)		Min. EER at 86 °F EWT (without heat recovery)		Min. COP at 68 °F EWT	Testing Procedure
Water-source VRF multi-split system	<65,000	12 EER	16 IEER	11.8 EER	15.8 IEER	4.3	AHRI 1230
	> 65,000 < 135,000	12 EER	16 IEER	11.8 EER	15.8 IEER	4.3	AHRI 1230
	≥ 135,000 < 240,000	10 EER	14 IEER	9.8 EER	13.8 IEER	4.0	AHRI 1230
	≥ 240,000	10 EER	12 IEER	9.8 EER	11.8 IEER	3.9	AHRI 1230

EER and COP calculations for such systems must be calculated using rated EER and COP.

The participating contractor applying for incentives shall document that GSHP systems are sized according to the requirements of Section 5.

General well/borehole/loop field requirements

- All projects must comply with New York State Department of Environmental Conservation (DEC) regulations for geothermal well drilling.[8]

Vertical and horizontal loop systems: The system must be designed in accordance with manufacturer specifications and installed to manufacture requirements. Incentive applications must include the file from the horizontal loop design software, showing inputs and system design specifications.

1. Heat pumps shall be designed to provide at least 100% of the building heating load without supplemental heating
2. Requires submission of loop sizing documents signed off by a New York State professional engineer or certified geoexchange designer

Closed loop small-to-medium business systems: The design and installation of closed loop GSHP systems (including ground-loop and interior systems) must comply with the standards and practices outlined in the most recent edition of the Closed-Loop/Geothermal Heat Pump Systems: Design and Installation Standards, edited by the IGSHPA Standards Committee and published by the International Ground Source Heat Pump Association. These standards are available online on the IGSHPA website.[9]

Reference AHRI Ground-loop Heat Pump (GLHP) Application rating for full load heating capacity and for full load cooling capacity.

Open loop systems:

All projects must comply with:

- NYS DEC geothermal well drilling regulations (see DEC website)
- ANSI/CSA/IGSHPA C448.6 (open loop systems)
- ANSI/CSA C448.7 (standing column wells)
- AHRI ground-water heat pump (GWHP) application rating for full load heating capacity and for full load cooling capacity

[8] NYS DEC guidance for geothermal wells deeper than 500 feet, **dec.ny.gov/energy/1748.html, and NYS DEC** well permitting requirements, **dec.ny.gov/energy/1783.html**

[9] International Ground Source Heat Pump Association, **https://igshpa.org/manuals**

- **Direct exchange GSHP System:** Direct exchange heat pumps circulate refrigerant through closed loop copper piping instead of water or water-antifreeze mixtures. Each installed system must comply with:
  - ANSI/CSA/IGSHPA C448.8 (Direct exchange heat pump installation)
  - ASHRAE Standard 15-2019

C&I and Market Rate Multifamily GSHP System-Specific Requirements:

- For large systems, a loop field design includes:
  - Loop/site plan
  - Loop sizing report
  - System documentation must include a piping schematic accurately representing below grade and above grade piping strategy
  - Average ground temperature
  - Minimum winter entering water temperature and maximum summer entering water temperature
- Large systems with ethanol and methanol must comply with Section 1207 of the 2015 Mechanical Code of New York State.
- Large systems must conform to the requirements and standards of ASHRAE 15.

Thermal conductivity tests:

Test boreholes are recommended for projects with system capacities greater than 135,000 Btu/h.

Ground-source variable refrigerant flow systems (GSVRFs)

To qualify for Small-to-Medium Business, C&I or Market Rate Multifamily incentives, GSVRFs must meet or exceed relevant parameters in the building code. Per NYSECC, GSVRF under 135,000 Btu/h must meet a minimum EER at 77 °F entering water temperature (EWT) of 13.4 and a minimum COP at 32 °F EWT of 3.1.

7.4 Heat pump water heaters and ground-source water-to-water heat pumps

In addition to space heating, the Market Rate Multifamily and Non-Residential Building Electrification Program also promotes the use of heat pump technology for heating domestic hot water as a replacement of common electric resistance or fossil fuel water heaters. As with space conditioning heat pump technologies for retrofit applications, the program will require that applicants report the existing water heating fuel that is being replaced.

As with space conditioning, heat pump water heaters can be air-source or ground-source technology.

7.4.1 Air-to-water heat pump water heater

Eligible systems:

- Integrated and split-system HPWHs: Both versions qualify for program incentives.
- Dedicated air-source HPWHs: Eligible under Prescriptive Residential Rated HPWH.
- Air-to-water HPWHs:
  - Must meet or exceed ENERGY STAR water heater specifications.
  - Non-residentially rated units receive incentives based on $/MMBtu of energy savings under Custom Centralized Hot Water Heating Applications.

Residential duty HPWH:

- Defined by having a Uniform Energy Factor (UEF) rating
- Incentives:
  - $/equipment unit under Prescriptive Residential Rated HPWH
  - $/dwelling unit for multifamily buildings
- Must meet or exceed ENERGY STAR Residential Water Heater requirements

Centralized systems:

- Multifamily (5–100 dwelling units): Incentives based on $/dwelling unit under Custom Centralized Multifamily Hot Water Heating Applications
- Commercial or multifamily (>100 units): Incentives based on $/MMBtu annual energy savings under Custom Centralized Hot Water Heating Applications

Installation requirements:

- Systems must be sized per manufacturer recommendations.
- HPWHs must be installed in spaces with adequate make-up air for efficient operation.

7.4.2 Ground-source desuperheaters and DHW water-to-water heat pumps

Ground-source systems can reduce DHW energy consumption by using one of two optional methods:

1. A GSHP unit with a desuperheater
2. A dedicated water-to-water heat pump

The latter can be either a separate water-to-water heat pump (WWHP) added to the ground loop and dedicated to meeting the DHW load, or it can be a single WWHP unit that is sized to meet both the DHW and space heating loads.

Desuperheaters are available on most GSHP models. A desuperheater recovers heat from the GSHP's compressor during both cooling and part-load heating mode and transfers it to the DHW tank. Thus, they satisfy a portion of the building's annual DHW load. They therefore require some form of complementary water heating.

Full load DHW WWHPs can either be installed as a priority zone on a GSHP HVAC system or as a stand-alone system. They are designed to provide all of the building's DHW needs.

A full load DHW WWHP must meet or exceed ENERGY STAR Geothermal Heat Pump specification requirements.[10]

Ground-source DHW WWHPs are eligible for $/equipment unit in the small-to-medium business building incentives.

WWHPs that are not residentially rated shall receive incentives based on $/MMBtu of energy savings under Custom Centralized Hot Water Heating Applications.

Systems shall be sized according to equipment manufacturer recommendations.

Ground-source HPWH loop requirements shall be the same as those for GSHP.

[10] ENERGY STAR program requirements for geothermal heat pumps: **energystar.gov/sites/default/files/specs/private/Geothermal_Heat_Pumps_Program_Requirements%20v3.1.pdf**

7.4.3 Energy recovery ventilators (ERVs) and heat recovery ventilators (HRVs)

Energy Recovery Ventilators (ERVs) and Heat Recovery Ventilators (HRVs) reduce heating and cooling loads while maintaining required ventilation rates by facilitating heat transfer between outgoing conditioned air and incoming outdoor air. ERVs and HRVs employ air-to-air heat exchangers to recover energy from exhaust air for the purpose of pre-conditioning outdoor air prior to supplying the conditioned air to the space, either directly or as part of an air-conditioning system.

For the purposes of this measure, ERVs and HRVs are distinguished as follows:

- ERV: Transfers both sensible (heat content) and latent (moisture content) heat between supply and exhaust airstreams
- HRV: Transfers sensible heat only between supply and exhaust airstreams

Only those ERVs/HRVs with efficiencies exceeding federal, state or municipal codes or standards and that are paired with an eligible heat pump system are eligible for Custom Full Load Space Heating Applications or Full Load Market Rate Multifamily Space Heating Application incentives under this program.

Eligible ERVs/HRVs must meet the following criteria:

1. Not required by code (see C403.7.4 in 2025 NYSECC)
2. Retrofits only
3. Must be paired with an eligible heat pump system in one of the following configurations:

- Independent heat pumps are sized to meet space heating eligibility requirements, including the ventilation air (after accounting for the heat or energy recovery) for the zone(s) served by the ERV/HRV.
- A dedicated heat pump in series with the ERV that is sized to meet space heating eligibility, relative to the ERV/HRV ventilation load after accounting for the heat or energy recovery.
- An ERV with dedicated electric resistance or fossil fuel heating source to provide conditioning of the ventilation air is **not eligible**.

7.5 Heat recovery and heat pump chillers

Heat recovery chillers (HRCs) and heat pump chillers (HPCs) are systems that provide space and water heating (hot water) to a building by recovering heat from a low temperature source. Low temperature sources may include air, water or waste heat sources. These systems can also provide chilled water for cooling. Unlike HPCs, HRCs can provide simultaneous heating and cooling but do not have to do so at all times.

HRCs/HPCs eligible to receive Market Rate Multifamily and Non-Residential Building Electrification Program incentives in custom space and hot water categories are subject to the same incentive limitations as all other heat pump projects. To be eligible for Market Rate Multifamily and Non-Residential Building Electrification Program incentives, HRCs/HPCs must be electrically operated and meet or exceed the minimum efficiency requirements at operating conditions set forth in ASHRAE Standard 90.1-2022 under AHRI 550/590. Equipment must be used to satisfy space heating load. Equipment used for process heating may be eligible for Market Rate Multifamily and Non-Residential Building Electrification Program incentives.

If AHRI certificates containing heating performance under AHRI standard 550/590 are not available, data must be presented by the manufacturer's representative that satisfy Tables C403.3.2(15) in NYSECC2025 calculated with parameters consistent with AHRI standard 550/590 under heating and cooling operation appropriate for the project.

7.6 Heat pump dedicated outdoor air systems (HP-DOAS)

Heat pump dedicated outdoor air systems (HP-DOAS) are a type of direct expansion DOAS that provides 100% outdoor air, using a heat pump to dehumidify in the cooling season, heat during heating season and deliver this conditioned ventilation air to the building interior. HP-DOAS efficiency can be increased by energy recovery wheels or plates, which transfer energy between exhaust and intake airstreams. HP-DOAS may have low temperature lockouts and/or electric coil or fossil backup heating systems at low outside temperature.

HP-DOAS are eligible to receive Market Rate Multifamily and Non-Residential Building Electrification Program incentives in custom Categories. HP-DOAS may also be installed as a replacement to a fossil fuel or electric resistance DOAS, serving only ventilation loads. These projects may be eligible for custom incentives, and only ventilation loads will be considered when assessing the equipment sizing of the DOAS system. Projects that are electrifying specific zones served by fossil fuel DOAS systems will be eligible. To be eligible for Market Rate Multifamily and Non-Residential Building Electrification Program incentives, HP-DOAS must meet or exceed the minimum efficiency requirements set forth in Tables C403.3.2(12) and (13) in NYSECC2025.

HP-DOAS coupled with fossil fuel boilers or electric resistance as a heat source to meet design heating loads are **not eligible**.

Since AHRI certificates with the above parameters generated under AHRI 920 may not be available, the applicant must provide documentation from the manufacturer's representative, demonstrating that the HP-DOAS meets the above criteria.

7.7 Warranty Requirements

All ASHPs, including ASVRF and AWHP

Each qualified custom and small commercial ASHP receiving an incentive under this program must include a minimum five (5)-year manufacturer's warranty for parts including compressor.

Full load space heating GSHP systems

GSHP: Full Load Heating

For prescriptive GSHP systems, including desuperheaters and WWHPs, Participating Contractors must transfer to the system owner the manufacturer's/distributor's/dealer's warranty. At a minimum, such warranty must cover all parts and equipment against breakdown or malfunction, and the warranty period must be no less than five (5) years. In addition, the warranty will cover the full costs, including labor and repair or replacement of components or systems.

The Participating contractor must also provide additional warranty coverage that fully covers the labor and design services provided by the Participating contractor (and any of its subcontractors). The warranty period must be no less than three (3) years. Participating Contractors must present to the site owner any optional extended warranty up to the maximum supported by the manufacturer.

Custom GSHP systems

Custom GSHP Full Load Space Heating Applications

For large GSHP systems, the minimum manufacturer's warranty must be at least one-year parts and labor, as required by law. Participating Contractors must present to the customer any optional extended warranty up to the maximum supported by the manufacturer.

HPWH Systems

Residential Rated HPWH

Each residential rated HPWH system receiving an incentive under this program must include a minimum 10-year manufacturer's warranty for parts and tank.

Custom Centralized Hot Water Heating Applications

Each HPWH system receiving an incentive under this program must include a manufacturer's warranty for parts and tank.

Appendix 1

Full electrification: This term refers to the installation of an electric heat pump system that is designed to meet 100% of the building's design-day heating load. In these scenarios, an electric heat pump is sized to maintain the indoor temperature required by building codes.

Phased electrification: This term refers to projects wherein the building electrification process is carried out over time. This staged approach aims to electrify most or all of a building's energy systems while minimizing disruptions to building operations and occupant experience. This may be a multifamily or commercial building where certain units of the building are fully converted to electric heat pumps for space heating, perhaps at the time of tenant turnover or as part of a more comprehensive phased renovation project. This may also result in instances where full electrification of the building may not be possible due to available electric capacity or limitations related to a customer's capital cycles.

Projects will be treated as "phased" if they meet the following two conditions:

1. Include new equipment that uses electricity and one or more of the following sources of heat: geothermal heat exchanger, air-source heat pump or recovered waste heat
2. Permanently reduce fossil fuel or district steam use for space, water or process heating

Projects may permanently reduce fossil fuel or district steam use, together "legacy systems" by disabling or disconnecting the heating equipment or system, or through the application of controls.

A sample listing of project types that do not electrify all of a building's space heating needs but would qualify as phased are listed below:

- Projects that electrify a specific area (e.g., floor, wing)
- Projects that electrify a specific system (e.g., space, DHW or ventilation only)
- Heat recovery systems
- Buildings with hydronic internal distribution systems for space heating that electrify a central legacy heating plant in stages (as a result, there will likely be heat pumps working to heat the hydronic loop alongside legacy fossil equipment)
- Ground-source projects that connect separate spaces to a shared borefield in stages

Generally, buildings with a hydronic distribution system that exclusively heats their water loop with fossil fuel or steam boilers without the addition of new heat pump equipment will not be eligible for building electrification incentives.

Partial electrification: This term refers to the installation of an electric heat pump system that does not fully meet the building's design day heating load. In these scenarios, the electric heat pump is not sized to maintain the indoor temperature required by building codes. Partial electrification is also sometimes referred to as Part Load Electrification.

Hybrid electrification: This term refers to a dual fuel heating system with integrated control that includes an electric heat pump that serves a portion of the building's design day heating load and relies on a fossil fuel system to meet a portion of the load. A hybrid system relies on two separate components with integrated controls designed to operate independently, typically switching a fossil fuel system at some pre-determined lower temperature set point. ASHP and GSHP systems designed to meet 100% or less of the building's design day heating load and that also rely on a fossil fuel system to meet a portion of the heating load are not eligible for program incentives.

Appendix 2: LMI vs. Market Rate

Acceptable Documentation for Affordable Housing Eligibility

Please provide at least one piece of supportive documentation to confirm your eligibility.

Eligibility Proxy	Details	Documentation Required
US HUD, USDA-RD, and other Federally Regulated Affordable Housing	Properties receiving one of the following subsidies from HUD or USDA-RD (e.g., Public Housing Authorities, etc.) • Section 8 Contract • Sections 202, 236, 811	Copy of the HUD contract or contract award notice
NYSDHCR-Regulated Affordable Housing	Buildings with subsidized mortgages or contracts that place them under the regulatory control of NYSDHCR	Copy of NYSDHCR contract or contract award notice
Low Income Housing Tax Credits	Properties that receive low-income housing tax credits for at least 50% of their units	Copy of tax credit award notice from NYSDHCR or NYCHPD
NYCHPD-Regulated Affordable Housing (or other local housing agency)	Properties with loans, mortgages, or deeds of purchase (HDFC incorporation) from NYCHPD or other local housing agencies	Documentation of current mortgage, loan closing, HDFC incorporation or deeds
SONYMA mortgage insurance	Properties subsidized for low- to moderate-income multi-family residents with SONYMA subsidized financing through the HFA	Copy of loan closing/mortgage insurance award documents
Weatherization Assistance Program	Properties that have fulfilled the eligibility requirements for the Weatherization Assistance Program	Copy of the letter from the Weatherization Agency confirming the project's income eligibility
HFA 80/20 Program	Properties that have been accepted into the Housing Finance Agency's 80/20 Program	Copy of the award letter or HFA contract documents
NYCHDC 80/20 or Mixed Income Programs	Properties that have been accepted into the NYC Housing Development Corporation's 80/20 Program or Mixed Income Program	Copy of the award letter or HDC contract documents
Mitchell-Lama Buildings	Properties that are currently NYS or NYC supervised Mitchell-Lama buildings	Copy of NYSHCR or NYCHPD contract or recent annual report confirming active Mitchell-Lama status
NYC Department of Homeless Services (or other local homeless service agency)	Properties that serve as transitional housing facilities where a non-for-profit organization is the owner of the property	Copy of the NYC Department of Homeless Services (or other local homeless service agency) contract AND proof of ownership

Rent Roll

This applies to affordable housing projects that do not meet the proxy requirements. This method is only available to properties that have a rent roll. Applicants must submit the annual rent, size, and occupancy for each apartment in the property. At least 25% of the units must have a calculated household income no more than 80% of the Area or State Median Income; based on the assumption that 30% of household income is applied to housing costs (i.e., rent). A spreadsheet tool is available for determining Rent Roll income eligibility upon request.

Appendix 3: Guidance for acceptable load calculations

This appendix provides guidance on how to perform heating and cooling load calculations for program applications. Load calculations are required for all applications and are subject to review. Participating Contractors who choose to perform load calculations that do not meet the criteria outlined in this document may be asked to provide written justification, and their projects may be subject to additional review.

1. **Methodology**
   a) Calculations shall be in accordance with ACCA Standard 183-2007 for commercial projects, ACCA Manual J for residential projects or other approved calculation methods in accordance with the Clean Heat Program Manual.
   b) Residential equipment sizing shall be based on manufacturers' extended performance tables in accordance with ACCA Manual S, not based on nominal size or AHRI ratings.
   c) Each outdoor condensing unit should be sized for the dominant heating or cooling load of its corresponding zone. When multiple outdoor condenser units condition separate zones within a building, the individual zonal loads should be equal to the dominant heating or cooling load of that zone. When one outdoor condenser unit conditions multiple zones within a building (e.g., a VRF system), the block load of the entire conditioned space should be used (which may be smaller than the sum of the individual zone loads).
2. **Temperatures**
   a) Outdoor design temperatures should be within ±5 °F program default for the project's location, based on the Weather Station Reference (ZIP code lookup tool). In cases in which the design professional chooses to use a different weather city or different ACCA reference, the design temperatures shall remain within 5 °F of the site found in the weather station reference.
      i) Design temperature requirements may be superseded by manufacturer-specific requirements. In such cases, Clean Heat applicants must provide documentation citing the applicable manufacturer's requirement.
   b) Indoor design temperatures for heating load calculations shall not exceed 72 °F and for cooling shall not be less than 75 °F.
3. **The following component loads should NOT be included in load calculations:**
   a) Humidification loads
   b) Hot water piping distribution losses
   c) Adiabatic surfaces (surfaces in which there is no heat transfer; i.e., party walls within the building or between buildings, floors or ceilings between conditioned floors)
   d) Duct losses/gains in which indoor equipment is ductless or ducts are located inside conditioned space
   e) Multiplicative or additive safety factors with no defined source
4. **Component load guidance**
   a) Ventilation loads shall be supported by mechanical schedules and account for heat recovery so that they represent only the loads served by heat pumps.
   b) Unless otherwise supported by blower door testing, heating and cooling infiltration shall be:

Table 11: Infiltration guidance for acceptable load calculations

	Natural ACH heating	Natural ACH cooling
Retrofits	≤0.7	≤0.4
Typical new construction and gut rehab	≤0.3	≤0.17
Passive house	≤0.06	≤0.034

c) The program provides guidance on calculating design infiltration based on blower door testing. See **cleanheat.ny.gov/assets/pdf/infiltration-guidance-for-buildings-at-design-conditions.pdf**

d) Enclosure (envelope) component loads should use R values consistent with plans for new construction or gut rehab and existing conditions for retrofit.

i) Category 4a baseline loads should be calculated based on the existing building for retrofit or gut rehab projects and the energy code minimum for new construction projects.

ii) All documented energy-efficient features and specifications shall be accounted for when defining component loads.

e) Internal gains above normal levels (e.g., those from industrial process heat) shall be accounted for as offsetting design heating load.

f) Heating load calculations shall account for cold processes or equipment in the zone that absorb heat (e.g., indoor unitary heat pump water heaters or some refrigerated cases).

g) Surface areas and geometry of exterior components (thermal envelope) and floor area used in loads must be consistent with architectural plans.

Note: The infiltration guidance document, ZIP code weather station reference and other helpful resources can be found at **cleanheat.ny.gov/contractor-resources** under the air-source heat pump and ground-source heat pump expanders.