

Heat Pump Demonstration Study

Frequently Asked Questions

For Multifamily Building Solutions Providers



NEW YORK
STATE OF
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NYSERDA

HEAT PUMP DEMONSTRATION STUDY OVERVIEW

How many units do you anticipate servicing with the incentive funding for the Heat Pump Demonstration Study?

There is \$5 million allocated to multifamily buildings under the Heat Pump Demonstration Study. We anticipate being able to service up to 3,000 units with this incentive funding. 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 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 needed

What happens when the funding runs out?

The funding for this study is intended to serve approximately 3,000 apartments. The information gathered during this process will be used to inform future program design.

When are we allowed to start to publicize this program?

NYSERDA is considering issuing a press release about this study. We will inform you when it is appropriate to publicize the study and share of copy of the press release, if issued. Otherwise, contractors may only conduct their own direct to customer marketing and may not otherwise promote press on this study unless and until advised by NYSERDA it is okay to do so.

STUDY REQUIREMENTS

How can a project participate in the Heat Pump Demonstration Study?

The Heat Pump Demonstration Study goes through the NYSERDA Multifamily Performance Program (MPP). An MPP project that includes a heat pump measure may be eligible to participate in the Heat Pump Demonstration Study. The project would need to meet the requirements of MPP and the additional requirements of the Heat Pump Demonstration Study as identified in the Multifamily Performance Program – Heat Pump Demonstration Study Addendum.

Are there additional requirements on top of the MPP requirements to be eligible for the heat pump incentive?

Yes. In addition to the MPP requirements, projects must complete an Energy Savings and Rent Affordability Plan and a Required Measures Evaluation worksheet to be eligible for the heat pump incentive. Additionally, projects that are interested in receiving an electrical service upgrade incentive must complete a National Electrical Code (NEC) Panel Sizing Calculation Worksheet. These forms are available on the [MPP Provider Portal](#).

What are the electric service upgrade requirements?

If a project needs electric service upgrades to install heat pumps, the following are required to receive the electric service upgrade incentive:

- A completed National Electrical Code (NEC) Panel Sizing Calculations worksheet. The worksheet is available on the [MPP Provider Portal](#).
- Confirmation that the electrical panel and/or electrical service must be upgraded

Is preapproval to participate in the Heat Pump Demonstration Study required for large buildings?

A project with more than 250 units will be required to request pre-approval to participate in the Heat Pump Demonstration Study. The preapproval process is the same as the MPP process and entails sending an email to multifamilyprograms@nyserdera.ny.gov containing the following information:

- Project name
- Project address or utility territory
- Number of buildings
- Number of units
- Affordability proxy

Are there additional monitoring or evaluation requirements for projects funded under the Heat Pump Demonstration Study?

Projects that receive funding under the Heat Pump Demonstration Study will be evaluated by an independent consultant engaged directly by NYSERDA, with personally protected and sensitive information kept confidential. By being a participant in the Heat Pump Demonstration Study, building owners and Providers agree to having their projects turned into case studies to encourage market development of heat pumps in multifamily affordable housing.

Are building owners required to maintain housing affordability if they receive funding under the Heat Pump Demonstration Study?

By participating in the Heat Pump Demonstration Study, building owners certify that rents will not be raised for at least a period of two years from the date the construction is completed because of increased utility costs or increased value of unit due to upgrades associated with the MPP project. Allowable factors for rent increase include actual increase in property taxes, actual cost of amortizing other improvements to the property accomplished after date of work completed, or actual increases in expenses of maintaining and operating this property. Building owners must document their plan to maintain rent affordability in the Energy Savings and Rent Affordability Plan.

Are there prescribed measures that must be installed along with the heat pump?

No, there are not prescribed measures that must be included in the scope of work of a Heat Pump Demonstration Study project. However, the scope of work must include evaluation of the following measures to improve thermal performance of the building:

- Air sealing measures, including windows and exterior doors
- Insulation upgrades to roof and walls
- Pipe insulation

Additionally, the scope of work must also include an evaluation of in-unit measures, such as appliances, lighting, and low-flow fixtures.

These measures must be evaluated for consideration in the scope of work and documented in the Required Measures Evaluation worksheet, but do not need to be installed. The Required Measures Evaluation is a required deliverable to participate in the Heat Pump Demonstration Study.

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

Yes.

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 must pay the System Benefits Charge (SBC).

MPP PROVIDER / PARTICIPATING CONTRACTOR REQUIREMENTS

Who applies for the heat pump incentive?

In line with the MPP process, the Multifamily Building Solutions Provider (Provider) who is participating in MPP submits the required project documentation to apply for the heat pump incentive. The heat pump must be installed by a participating contractor in the [NYS Clean Heat Program](#). The Providers participating in MPP and not performing the heat pump installation are not required to be a participating contractor in the NYS Clean Heat Program. Nonetheless, the Provider remains responsible for any work sub-contracted for the project.

Who can install the heat pump through the Heat Pump Demonstration Study?

Heat pump installers must be Participating Contractors in the NYS Clean Heat Program.

I am interested in learning more about the NYS Clean Heat Program. Where can I find additional information?

Information about the NYS Clean Heat Program may be found at <https://saveenergy.ny.gov/NYScleanheat/>.

Where can I find a list of the NYS Clean Heat Participating Contractors?

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

Can a Provider submit an application to participate in the Heat Pump Demonstration Study through MPP and a separate application to participate in the NYS Clean Heat Program at the same time?

Yes, the project applications should be submitted at the same time.

INCENTIVES

Can my project receive the heat pump incentive if it also received utility incentives through the NYS Clean Heat Program?

Yes, a project can receive both the NYSERDA Heat Pump Demonstration Study incentive and the NYS Clean Heat Program incentive from utilities, but in order to participate in the respective programs, the Provider must complete the application for each program. The NYSERDA heat pump incentive provided through the Heat Pump Demonstration Study is separate from and additive to the utility incentives through the NYS Clean Heat Program. The application for the NYS Clean Heat Program must be completed separately. The same heat pump project may layer funding from the [NYS Clean Heat Program](#), the NYSERDA MPP and the Heat Pump Demonstration Study.

What are the incentives under the Heat Pump Demonstration Study?

The Heat Pump Demonstration Study provides two incentives: the heat pump incentive and the electrical service upgrade incentive. The heat pump incentive is available for the installation of a heat pump system. The electrical service upgrade incentive is available for electrical service upgrades only if the heat pump installation requires such an upgrade to implement the heat pump measure.

How much is the heat pump incentive?

The following NYSERDA heat pump incentives are available statewide.

Technology	Incentive per housing unit
Air Source Heat Pump	\$2,000
Ground Source Heat Pump	\$4,000
Heat Pump Water Heaters	\$900
Electrical Service Upgrade	\$1,500

Will the MPP incentive cap apply to the heat pump incentive?

MPP incentives will continue to be capped at 50% total cost of eligible measures. Neither the Heat Pump Demonstration Study incentive nor the NYS Clean Heat Program incentive will be factored into that cap.

When is the heat pump incentive paid?

The heat pump incentives payment schedule aligns with the current MPP construction payment schedule. Once installation is confirmed as completed through NYSERDA's inspection process, the heat pump incentive will be distributed.

To receive the performance payment, which is extended to 18 months after construction completion, projects must meet the performance verification and confirm compliance with the approved Energy Savings and Rent Affordability Plan.

TIMING

Can a currently active MPP project be eligible for the heat pump incentive?

Yes. Project eligibility will be handled on a case-by-case basis. A current MPP project may be eligible for the heat pump incentive if the scope of work includes a heat pump measure and if the project meets all the submission requirements for the Heat Pump Demonstration Study as described in the Heat Pump Demonstration Study Addendum. If you have questions, contact your Project Manager to discuss.

Does the heat pump incentive apply to completed MPP projects?

No. The heat pump incentive cannot be applied retroactively to completed MPP projects. The heat pump incentive is applicable to MPP project applications that are submitted starting December 4, 2020.

TECHNOLOGY REQUIREMENTS

Which types of heat pump technologies are eligible for the incentive?

Ground source, air source, and hot water heat pumps are eligible. Eligible heat pumps must meet the requirements of the NYS Clean Heat Program.

Are hybrid systems for air source heat pumps acceptable?

Generally, no. Under the NYS Clean Heat Program, air source heat pump applications in multifamily buildings under category 2 or 4 are acceptable for the Heat Pump Demonstration Study. Category 2 defines a Full Load Heating System as a system that satisfies 90% to 120% of the Building Heating Load. Under category 4, the air source heat pump system must be sized to satisfy the dominant HVAC load for the building, whether that be the Building Heating Load or the Building Cooling Load. Additionally, ground source heat pump systems must also be Full Load Heating Systems according to the NYS Clean Heat Program Manual to participate in the Heat Pump Demonstration Study. Projects that cannot meet these requirements will be considered on a case-by-case basis. Please contact the MPP Team for consideration.