

New York State Clean Heat

Con Edison Heat Pump Program Manual



Version 6

September 10, 2024

Current Version Description of Revisions: Con Edison Clean Heat Program Manual

This table reflects key changes made to Version 6 of this Program Manual which have been published and made effective on September 10, 2024. For complete record of changes between all versions see Appendix 2: Version History and Description of Revisions: Con Edison Clean Heat Program Manual.

Topic	Description of Change	Section
Decommissioning Contractor Requirements	Effective October 15, 2024, Residential Contractors must provide the licensed plumber's name and license number on the project application in the Online Intake Tool ("OIT").	Section 2, 4.2.3
Non-Residential Ground Source Heat Pump ("GSHP")	Created a dedicated section for Non-Residential GSHP. Introduced new prescriptive incentive offerings for Multifamily buildings.	Section 2.6
Sound View Non-Pipes Alternative ("NPA") Program	Revised Section to reflect the end of Sound View NPA Clean Heat Incentive Adder.	Section 2.7
Non-Residential Project Completion Documentation	Added requirement for Master Case ID ("MCID") to be provided with signed Preliminary Offer Letter for Small Biz, Multifamily, and Non-Residential GSHP projects.	Section 4.3.1
Inspections and Oversight	Updated to provide details on revised inspection process.	Section 5.0
Participating Contractor Disciplinary Process	Updated to provide details on revised participating contractor disciplinary process.	Section 6.0

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1. Introduction

1.1 The New York State Clean Heat Statewide Heat Pump Program

Heat pumps have been an efficient source of heating and cooling for many years, but advances in technology now allow them to effectively address heating needs in cold climates, helping customers reduce greenhouse gas emissions. To achieve statewide heat pump goals and build the market infrastructure for a low-carbon future, the New York State (“NYS”) Clean Heat Statewide Heat Pump Program (“NYS Clean Heat Program”) including the NYS Clean Heat Program for Con Edison (or the “Program” as defined below) offers incentives to a wide range of customer segments in coordination with a portfolio of market development initiatives to build market capacity and deliver building electrification solutions. The NYS Clean Heat Program, a collaborative effort between the New York Electric Utilities¹ and the New York State Energy Research & Development Authority (“NYSERDA”) (collectively, “Joint Efficiency Providers”²), is designed to provide customers, contractors, and other heat pump solution providers with a consistent experience and business environment throughout New York State.

The NYS Clean Heat Program includes a range of initiatives to advance the adoption of efficient electric heat pump systems that are designed and used for space and water heating. Core to the NYS Clean Heat Program is the suite of incentives that support customer adoption of eligible heat pump technologies, which includes air source heat pump (“ASHP”), air-to-water heat pump (“AWHP”), heat pump water heaters (“HPWH”), and ground source heat pump (“GSHP”) systems, through promotion and pricing discounts offered by contractors and other heat pump solution providers. In addition, the Program offers incentives for envelope improvements, heat pump controls, heat recovery chillers (“HRC”) and heat pump chillers (“HPC”), and energy recovery ventilators/heat recovery ventilators (“ERV/HRV”) when paired with an eligible heat pump system. Market development efforts include support for training and qualification of contractors, processes to assure quality installations, and marketing and education to help customers understand and select among options and to operate systems optimally.

For information about incentives and Program particulars in the service territories of Central Hudson, National Grid, NYSEG/RG&E, and Orange and Rockland, please refer to the Program Manual applicable to these utilities.³ In addition to some information that relates generally to the NYS Clean Heat Program, the information in this Program Manual (the NYS Clean Heat Program for Con Edison Program Manual) is specific to Con Edison, and as more particularly provided below.

¹ The New York Electric Utilities consist of Central Hudson Gas & Electric Corporation (“Central Hudson”), Consolidated Edison Company of New York, Inc. (“Con Edison”), Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), New York State Electric & Gas Corporation (“NYSEG”), Orange and Rockland Utilities, Inc. (“Orange & Rockland”), and Rochester Gas and Electric Corporation (“RG&E”) (collectively, “Electric Utilities”).

² The New York Electric Utilities and NYSEDA are referred to as “Joint Efficiency Providers” for purposes of their partnership in the NYS Clean Heat Program.

³ The Statewide Program Manual can be found at: <https://cleanheat.ny.gov/resources-for-applications/>

1.2 The NYS Clean Heat Program in Con Edison's Service Territory

Due to accelerated Program achievement, Con Edison filed a petition with the Commission for additional Program funding in February 2022. On May 9, 2022, after reaching its cumulative 2020-2025 Program targets, Con Edison paused accepting ASHP heat pump incentive applications. On July 11, 2022, Con Edison announced that it would place all new GSHP incentive applications in non-residential categories on a waitlist pending additional Program funding. On August 11, 2022, the Commission authorized additional funding for the Program and required the Company to work with Staff, stakeholders and market participants to implement necessary changes to relaunch the Program, including limiting monthly expenditures to \$10 million until the New Efficiency New York proceeding Interim Review concludes.⁴

As discussed in coming Sections, to better control expenditures, provide market participants certainty regarding incentive availability, and foster fairness, Con Edison adopted revised incentive levels and structures, Sectoral Allocations to distribute limited funding across customer segments, and monthly allocations for residential contractors that reserve a pre-defined quantity of incentives for each contractor in January 2023.

To capture changes that were not adopted by the non-Con Edison utilities, this Program Manual covers the NYS Clean Heat Program as implemented in Con Edison's service territory (the "NYS Clean Heat Program for Con Edison" or the "Program"). The updated version (v12) of the Statewide Program Manual for the non-Con Edison utilities has been released concurrently with the release of this Program Manual.

On January 17, 2023, Con Edison ended the Program pause and began accepting new applications for ASHP projects installed after that date, issued confirmation letters for GSHP projects on the waitlist and continued accepting applications for residential GSHP installations under a modified incentive structure and Program design.

2. NYS Clean Heat Program for Con Edison Summary

The New York Public Service Commission has authorized budgets for the NYS Clean Heat Program, including the NYS Clean Heat Program for Con Edison. The Program offers incentives for ASHPs, AWHPs, and GSHPs for both space heating and cooling as well as for HPWHs for water heating. Envelope improvements, heat pump controls, HRC/HPC, and ERV/HRV may also be eligible for incentives when paired with an eligible heat pump system.

For space heating and custom domestic hot water ("DHW") projects, incentives are paid directly to Participating Contractors. For the midstream HPWH Program, incentives are paid to the Participating Distributors. The project incentive amount, less any applicable Contractor Reward, is required to be passed along to the customer. Depending on the customer segment, Participating Contractors may request that the project incentive be paid to an alternate payee.

⁴ Case 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative* ("NENY Proceeding"), Order Approving Funding for Clean Heat Program (issued August 11, 2022) ("Con Edison Clean Heat Order).

Only Participating Contractors are allowed to apply for space heating Clean Heat incentives in residential and small business & nonprofit (“Small Biz”) segments. To become a Participating Contractor, applicants must submit a Participating Contractor Application including a Participating Contractor Agreement for the NYS Clean Heat Program for Con Edison⁵. Upon approval, the applicant will receive an approval notification from Con Edison and become eligible to apply for incentives in the Program. In the multifamily and commercial and industrial (“C&I”) segments, either Participating Contractors or customers may apply for Clean Heat incentives.

Each GSHP installation that requires a driller must be completed by a Participating Driller. Participating Drillers are not eligible to submit for and receive incentives. Contractors who wish to become Participating Drillers must each submit an updated Participating Contractor Application.

Distributors participating in the Midstream HPWH Program must each submit an application to become Participating Distributors.

Contractors who only install HPWHs do not have to become Participating Contractors in order to submit an incentive application on behalf of a customer.

To be eligible for incentives, heat pump projects must comply with the requirements described in this Program Manual. To qualify for decommissioning incentives, residential projects must submit a completed Residential Decommissioning Checklist⁶, while non-residential projects must submit a completed Non-Residential Decommissioning Checklist⁷. All decommissioning projects must follow safe decommissioning practices as outlined in the Program requirements, decommissioning checklist, relevant codes, and standards. Decommissioning must be overseen by a licensed plumber. Effective October 15, 2024 for residential projects Participating Contractors must provide the licensed plumber’s name and license number in the Online Intake Tool (OIT).

The Joint Efficiency Providers recommend that site owners contact a heat pump professional to assess and implement energy efficiency opportunities related to building envelope and HVAC distribution system prior to, or in coordination with, installing a heat pump system. Common thermal efficiency upgrades include attic and wall insulation, air sealing, and duct sealing. These types of improvements can help reduce energy costs and enable the installation of an efficiently sized cold-climate heat pump. Site owners can elect to receive incentives for a “Heat Pump + Envelope” project under Category 4a (see Section 3: Eligibility and Requirements for more details). Site owners can also access additional building envelope incentive programs and assistance through NYSERDA or their local utility.

The Joint Management Committee (“JMC”), which is responsible for reviewing and maintaining the NYS Clean Heat Program, follows a process for making ongoing changes to Program areas including incentive structure, eligible technologies, Program rules, and other features in order to be responsive to technology and market developments and to maintain market confidence and stability. In appropriate circumstances, Con Edison also reserves the right to implement necessary changes on its own. Participating Contractors will be notified electronically of any Program modification or change, and reference documents are

⁵ Participating Contractor Applications and Participating Contractor Agreements are available at: <https://cleanheat.ny.gov/enroll-submit-heat-pump-applications/>.

⁶ <https://cleanheat.ny.gov/resources-for-applications/>

⁷ <https://cleanheat.ny.gov/resources-for-applications/>

publicly available on the NYS Clean Heat Resources webpage.⁸

Starting in May 2021, the JMC began a regularly recurring Participating Contractors and Industry Partners (“PC&IP”) Working Group Series webinar that is open to all industry Program participants. This quarterly webinar is a public forum for stakeholders to introduce topics for discussion for a larger audience and provide specific Program and project feedback, as well as for the JMC members to share key Program updates and changes. Stakeholders that wish to be included in this quarterly forum or propose topics for discussion can do so by emailing NYSCleanHeat@ceadvisors.com. Details on participation and prior discussions can also be found on the NYS Clean Heat Resources webpage⁹ under the “Working Group Series” heading.

While the PC&IP webinars will serve as the primary avenue for Statewide stakeholder engagement, Con Edison also hosts broad and targeted sessions for market participants and stakeholders. We invite you to reach out to the Program Administrators directly for specific issues as well. Contact information is included in Section 6 of this Program Manual.

This NYS Clean Heat Resources webpage (available at: <https://cleanheat.ny.gov/resources-for-applications/>) includes other important information and resources.

2.1 Available Incentive Funding

The NYS Clean Heat Program for Con Edison offers incentives that are specific to the technology and sector, including residential, multifamily (“MF”), small business & nonprofit (“Small Biz”) and commercial and industrial (“C&I”), with additional incentives available for HPWHs through both custom categories and the midstream Program.

Until further notice, the NYS Clean Heat Program for Con Edison is limited to \$10 million of expenditures per month. However, when Program expenditures fall short of \$10 million in a given month, the unused portion rolls forward and will be available to the Program in subsequent months. This monthly flexibility allows Con Edison to maximize support for the heat pump market within its authorized budget.

Con Edison uses sectoral allocations to manage its Clean Heat budget. The budget will be allocated into categories, e.g., residential ASHP, residential GSHP, non-residential ASHP, non-residential GSHP, Midstream HPWH, and funds retained to administer the Programs. Con Edison publishes a monthly dashboard with a summary of expenditures, commitments, and available funding on its website¹⁰.

Applications that are submitted after the monthly budget is reached may be waitlisted subject to the discretion of Con Edison. Incentives are dependent on available Program funding, which is limited each month.

The incentive rate a project receives will be based on the Program rates in effect at the time of application submission.

⁸ <https://cleanheat.ny.gov/resources-for-applications/>

⁹ <https://cleanheat.ny.gov/resources-for-applications/>

¹⁰ <https://www.coned.com/en/our-energy-future/electric-heating-and-cooling-equipment/clean-heat-program-funding?facettab=dd8aae5b-1629-4865-b4e6-0afe5f1f91e2>

Table 1: Time at which projects draw down Sectoral Allocation

Project Sector and Technology	Date a Projects Draws Down its Sectoral Allocation
Residential ASHP or AWHP	Con Edison receives a complete post-installation incentive application
Residential GSHP	Con Edison receives a pre-installation application with signed customer agreement
All non-residential space heating	Con Edison issues a Preliminary Incentive Offer Letter (“PIOL”)
Midstream HPWH	Con Edison receives a complete incentive application

In general, across all sectors, incentives are limited to the listed rates or 50% of project costs, whichever is lower.¹¹ However, incentives for Residential ASHP and Residential GSHP projects located within a Disadvantaged Community (“DAC”) will be limited to 70% of project costs.

Existing buildings, including gut renovations, are eligible for incentives for ASHP, AWHP, GSHP and HPWH. New construction is not eligible to receive incentives for ASHP or AWHP for space heating. New construction is only eligible to receive incentives for GSHP for space heating, GSHP paired with other custom water solutions, GSHP paired with envelope improvements, hot water heating solutions for domestic hot water usage, or HPWH incentives through the midstream Program.

All residential ASHP must be on the Northeast Energy Efficiency Partnership (“NEEP”) Cold Climate Air Source Heat Pump (ccASHP) Product List (“NEEP List”)¹². All residential AWHP must be on the NYS Clean Heat AWHP Qualified Product List (QPL).

The NYS Clean Heat Program for Con Edison provides incentives under 13 categories differentiated by sector. The incentive categories are as follows:

- Category 2a — *ccASHP: Residential Full Load Heating with Integrated Controls*
- Category 2b — *ccASHP: Residential Full Load Heating with Decommissioning*
- Category 2c — *ASHP MF Full Load Heating with Decommissioning*
- Category 2d — *ASHP Small Biz Full Load Heating with Decommissioning*
- Category 2e — *AWHP: Residential Full Load Heating with Decommissioning*
- Category 3 — *GSHP: Residential Full Load Heating*
- Category 3a — *GSHP MF Space Heating*
- Category 4 — *Custom Space Heating Applications*
- Category 4a — *Custom Space Heating Applications + Envelope*
- Category 5 — *Midstream HPWH*
- Category 6 — *Custom Hot Water Heating Applications*
- Category 6a — *Prescriptive Hot Water Heating Applications*
- Category 10 — *Custom Partial Load Space Heating Applications*

¹¹ Customers participating in a non-pipes alternative (“NPA”) may receive incentives from the NPA that, when aggregated with Clean Heat incentives, exceed 50% of project costs.

¹² NEEP. Northeast Energy Efficiency Partnership (“NEEP”) Cold Climate Air Source Heat Pump (ccASHP) Product List. Available at ASHP (neep.org).

2.2 Residential Incentives

Residential incentives are available for owners or renters of single-family homes, buildings with up to four Dwelling Units, or individual Dwelling Units within buildings with five or more units. There are four categories of incentives available for residential space heating in the Con Edison service territory: Category 2a – ccASHP: Residential Full Load Heating with Integrated Controls, Category 2b – ccASHP: Residential Full Load Heating with Decommissioning, Category 2e AHP: Residential Full Load Heating with Decommissioning and Category 3 – GSHP: Residential Full Load Heating.

There are four incentive rates offered for each ASHP category: differentiated by projects in single-family homes and apartments and by location in or outside a DAC, summarized in Table 2.

– installations in single family homes, and another for installations in individual apartments. For GSHP projects, the incentives are offered for whole building applications and are summarized in Table 3. Additionally, there are different rates offered for ASHP and GSHP projects located in a DAC. Projects in DAC are eligible to receive incentives that cover up to 70% of project costs, while incentives for projects outside of DACs remain capped at 50% of project costs. Contractors can determine whether a project is in a DAC by searching the address at: <https://www.nyscrda.ny.gov/ny/Disadvantaged-Communities>.

Table 2: Residential ASHP Incentives

Category Number	Description	Non-DAC		DAC	
		Single Family Home	Apartment	Single Family Home	Apartment
2a	ccASHP: Full load heating with integrated controls	\$2,500	\$1,000	\$4,500	\$2,000
2b	ccASHP: Full load heating with decommissioning	\$8,000	\$4,000	\$10,000	\$5,000
2e	AHP: Full load heating with decommissioning				

Table 3: Residential GSHP Incentives

Category Number	Description	Non-DAC	DAC
		Whole Building	Whole Building
3	GSHP: Full Load Heating	\$25,000	\$35,000

For Category 2a, the integrated controls package must be connected to existing fossil fuel heating equipment and must operate the heat pump as the first stage/primary heating system. Integrated controls projects connected to newly installed fossil fuel heating equipment are not eligible to receive Category 2a incentives. To be eligible for Category 2a incentives, the integrated control system must be listed on the NYS Clean Heat Integrated Controls Qualified Product list located under the ASHP tab on the NYS Clean Heat Resources webpage.¹³ For further eligibility specifications, see Section 4.2 of this Program Manual

¹³<https://cleanheat.ny.gov/resources-for-applications/>

on the Residential incentive offerings.

Categories 2b, 2e and 3 require the projects decommissioning of all existing fossil-fueled units for space heating.

2.3 Multifamily (“MF”) Incentives

Multifamily incentives are available for projects in buildings with at least five Dwelling Units. Multifamily incentives require decommissioning over the scope of the project for categories 2c, 4 and 4a. Incentives will be capped at \$1 million per project or 50% of project costs, whichever is lower. Table 4 shows incentive rates for ASHP Multifamily offerings for existing buildings include gut renovations. Please refer to Section 2.6 for ground source heat pump incentives.

Table 4: Multifamily ASHP Incentives

Category	Description	Incentive
2c	Multifamily Full Load ASHP Heating with Decommissioning	\$5,000/Dwelling Unit
4	Custom Space Heating Applications	\$200/MMBtu
4a	Custom Space Heating Applications + Envelope – Tier 1	\$200/MMBtu
	Custom Space Heating Applications + Envelope – Tier 2	\$225/MMBtu
6	Custom Domestic Hot Water (“DHW”)	\$200/MMBtu
6a	Prescriptive Domestic Hot Water (“DHW”)	\$1,000/Dwelling Unit
10	Custom Partial Load Space Heating Applications	\$70/MMBtu

Category 2c incentives are available to buildings with 100 Dwelling Units or fewer. See Section 4.3 of this Program Manual for more details on the relevant application process, and Section 4.4 for more details on the Multifamily Program.

2.4 Small Business & Nonprofit (“Small Biz”)¹⁴ Incentives

Commercial customers with an average annual peak demand of 300 kW or less are eligible for Small Biz incentives. All Small Biz incentives require decommissioning over the scope of the project. Partial load projects are not eligible. New construction is not eligible for incentives for ASHPs.

Incentives will be capped at \$200,000 per project or 50% of project costs, whichever is lower.

Table 5 shows incentives for ASHP Small Biz projects in existing buildings including gut renovations. Please refer to Section 2.6 for GSHP incentives.

¹⁴ The Con Edison Small Business & Nonprofit Program will also go by the name “Small Biz”

Table 5: Small Biz ASHP Incentives

Category	Description	Incentive
2d	Tier 1: Small Biz Full Load Heating with Decommissioning (<1,000 square feet)	\$5,000/project
	Tier 2: Small Biz Full Load Heating with Decommissioning (1,001-1,500 square feet)	\$7,500/project
	Tier 3: Small Biz Full Load Heating with Decommissioning (1,501-2,000 square feet)	\$10,000/project
	Tier 4: Small Biz Full Load Heating with Decommissioning (2,001-2,500 square feet)	\$12,500/project
4	Custom Space Heating Applications	\$150/MMBtu
4a	Custom Space Heating Applications + Envelope	\$150/MMBtu
6	Custom Domestic Hot Water (“DHW”)	\$200/MMBtu

2.5 Commercial and Industrial Incentives

Con Edison Commercial customers with an average peak demand above 100 kW on a rolling 12-month basis are eligible for C&I Clean Heat incentives, excluding Multifamily buildings. Commercial customers between 100-300 kW may also choose to participate with Con Edison through Small Biz sector of the Program.

Clean Heat incentives cannot exceed 50% of the project costs of the eligible Clean Heat measure(s) or 100% of each eligible measure’s cost. Total Clean Heat incentives are capped at \$1,000,000 for all projects, per account per year.

Incentives for ASHP in Table 6 includes all non-GSHP technologies in existing buildings include gut renovations. Please refer to Section 2.6 for GSHP incentives.

Table 6: C&I ASHP Incentives

Category Number	Description	Incentive (\$/MMBtu)
4	Custom Space Heating Applications	\$120
4a	Custom Space Heating Applications + Envelope – Tier 1	\$120
	Custom Space Heating Applications + Envelope – Tier 2	\$150
6	Custom Hot Water Heating Applications	\$200
10	Custom Partial Load Space Heating Applications	\$70

2.6 Non-Residential GSHP Incentives

Non-Residential GSHP Incentives are available for all non-residential customers across the Multifamily, Small Biz and C&I sectors. There are four categories of incentives available for completed non-residential GSHP projects: Category 3a, 4, 4a, and 6. Incentives are differentiated between custom and prescriptive. Incentives will be capped at \$1 million per project or 50% of project costs, whichever is lower for Multifamily and C&I projects. Incentives will be capped at \$200,000 per project or 50% of project costs,

whichever is lower for Small Biz. Table 7 shows incentives for non-residential GSHP custom projects and Table 8 shows incentives for non-residential GHSP prescriptive projects.

Table 7: Non-Residential GSHP Custom Incentive Rates

Category Number	Description	New Construction (\$/MMBtu)	Existing Buildings (\$/MMBtu)
4	Custom Space Heating Applications	\$125	\$200
4a	Custom Space Heating Applications + Envelope – Tier 1	\$125	\$200
	Custom Space Heating Applications + Envelope – Tier 2	\$150	\$225
6	Custom Hot Water Heating Applications	\$125	\$200

Table 8: Non-Residential GSHP Prescriptive Incentives

Category Number	Description	New Construction (Per Apartment)	Existing Buildings (Per Apartment)
3a	Multifamily Space Heating Applications	\$2,000	\$5,000
6a	Prescriptive Hot Water Heating Applications	\$1,000	\$1,000

Pre design stage non-residential GSHP projects may be eligible for a Thermal Conductivity Testing (“TCT”) Incentive. The TCT Incentive is \$40,000, or 50% of eligible thermal conductivity test project costs, whichever is lower.

For more detail on non-residential GSHP incentives, see Section 4.3.5.2

2.7 Non-Pipes Alternative Clean Heat Adder Incentives

Con Edison’s Non-Pipes Solutions team is offering a Non-Pipes Alternative (NPA) Clean Heat adder incentive for eligible Residential, Multifamily and Small Biz customers within the Soundview area of the Bronx, NY, which provide gas peak load reduction. These incentives avoid traditional gas infrastructure investments. Eligibility is determined through evaluation of a customer's service line location on Con Edison's gas distribution network.

Applicants installing eligible Clean Heat measures as described below may receive adder incentives that may exceed the Clean Heat project cost cap(s). Con Edison Program team’s approval is needed before customer commitment of adder incentives. NPA incentives will be paid after a final review has been completed by Con Edison. NPA payments will be provided to the project payee in a separate check than Clean Heat incentives. Under NPA, incentives are capped at 100% of project costs.

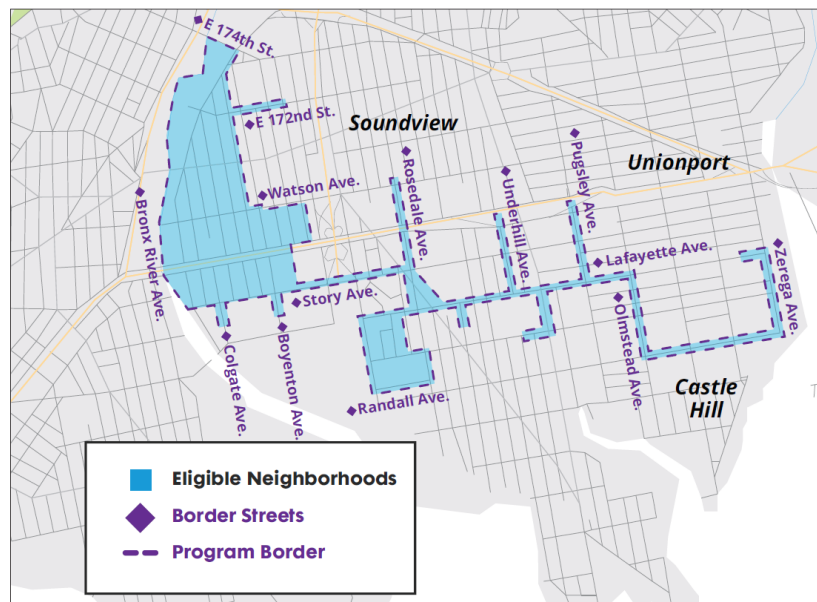
The Soundview NPA Clean Heat adder incentive will expire on December 31, 2024, as a result of the Soundview Area Load Relief Program closure. All projects must be installed with all final documentation submitted to Con Edison by October 1, 2024, and acquired by December 31, 2024, to be eligible for incentive payment.

Table 9: Non-Pipes Alternative Incentives

Customer Segment	Category	Unit/Sq ft	Clean Heat Base Unit Incentive	NPA Adder Unit Incentive
ASHP Single Family Home/Whole Building	2b	Whole Building	\$8,000	\$16,000
ASHP Residential 2-4 Family Home & Apartment	2b	Dwelling Unit	\$3,000	\$6,000
GSHP Residential	3	Building/Peak Dth/dy	\$25,000 outside DAC \$35,000 within DAC	\$8,240
Multi-Family	2c	Dwelling Unit	\$5,000	\$6,000
Small Business & Nonprofit	2d	<= 1,000	\$5,000	\$3,000
		1,001 - 1,500	\$7,500	\$4,000
		1,501 – 2,000	\$10,000	\$5,000
		2,001 – 2,500	\$12,500	\$5,500
	4	MMBTU/Peak Dth/dy	\$150	\$8,240

The following map highlights the general eligible areas in Soundview. For eligibility questions, contact the NPA team at npa@coned.com.

Figure 1: Non-Pipes Alternative Eligibility Map



2.8 Modifications to Incentives

In the event of a future reduction in incentives, Con Edison will generally honor the previous higher rate for projects that have a signed customer commitment as of the date of the announcement of the lower incentive rates. To be eligible for such treatment, Participating Contractors must submit signed contracts and additional supporting documentation as required, within two weeks of announcement of reduced incentives.

Con Edison may change the incentive offerings (including but not limited to total incentive amount, Participating Contractor Reward, timing, recipient, incentive structure, and cap) at any time. Con Edison may further limit the number of incentives per Participating Contractor, site owner, site, or meter. Program changes could result in changes to this Program Manual. Changes will be e-mailed to Participating Contractors and posted at the Clean Heat Contractor Resources Page.¹⁵ The incentive amount for any project will be based on the incentive offering and Program rules that are in effect at the time of application except in cases where alternative incentive rates are being honored as described above. Participating Contractors are prohibited from cancelling submitted incentive applications and re-applying if the new incentive payment results in a higher amount. Con Edison may structure incentive payments differently to accommodate unique situations.

2.9 Coordination with NYSERDA Programs

NYSERDA implements programs to promote the adoption of electric heat pump technologies, such as through its NYS Clean Heat Market Enablement portfolio. When projects are eligible for both NYS Clean Heat program incentives as well as NYSERDA program funding sources, projects may be eligible to receive funding independently from each respective program. However, NYS Clean Heat and NYSERDA incentives cannot be combined towards the cost of the same installed measure. Other Program rules may apply.

In each project scenario, total combined funding from the NYS Clean Heat Program and NYSERDA Programs shall not exceed:

- 70% of total heat pump project cost, for market rate participants
- 85% of total heat pump project cost, for Low-to-Moderate Income (“LMI”) participants¹⁶

Additional specific guidance may apply to a specific NYSERDA Program and shall be made clear in the respective Program’s description.

Regarding NYS Clean Heat and EmPower+ as it relates to the Inflation Reduction Act (“IRA”) Home Electrification Appliance Rebate (HEAR) Program:

¹⁵ NYS Clean Heat Contractor Resources, <https://cleanheat.ny.gov/resources-for-applications/>

¹⁶ LMI participants eligibility is defined in the Statewide LMI Portfolio Implementation Plan. See, Case 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative (“NENY Proceeding”)*, Statewide Low- to Moderate-Income Portfolio Implementation Plan (filed August 15, 2022), Section 2.6 Eligibility Thresholds, pp. 15-16. <https://www.nyserderda.ny.gov/All-Programs/Low-to-moderate-Income-Programs/LMI-Stakeholder-Resources-New-Efficiency-New-York>. For more information on LMI incentive cost cap, see, section 3.1.3 of the AMEEP Program Manual (Filed July 31, 2024). Available at <https://www.nyserderda.ny.gov/-/media/Project/Nyserda/Files/Programs/LMI/Affordable-Multifamily-Energy-Efficiency-Program/AMEEP-Program-Manual.pdf>

- Coordination between NYS Clean Heat and EmPower+ is being reviewed. Customers continue to be able to access NYS Clean Heat. The review allows NYSERDA, the Department of Public Service (“DPS”) Staff, and the utilities to assess the plans for administering EmPower+/HEAR rebates to mitigate the potential for increased energy burden for lower-income customers, while also ensuring adequate plans are in place to manage NYS Clean Heat budgets. NYSERDA will work with DPS Staff and utility companies on the design of future offerings funded through the IRA and will communicate with contractors and other interested parties as updates are available.

The Joint Efficiency Providers reserve the right to limit total combined funding for any project at any time.

2.10 Financing Options

2.10.1 Green Jobs – Green New York Financing

NYSERDA administers the Green Jobs – Green New York (“GJGNY”) Residential Financing Program, which was authorized by Title 9-A of Article 8 of the Public Authorities Law of the State of New York, as amended (known as the Green Jobs – Green New York Act) to finance energy audits and energy efficiency retrofits or improvements, including solar energy and other renewable installations, for the owners of residential one- to four-family buildings (“GJGNY Loan”).

The GJGNY Residential Financing Program offers three types of GJGNY Loans, which are unsecured loans up to twenty-five thousand (\$25,000) dollars for one- to four-family residential energy efficiency improvements or renewable energy system projects. The Smart Energy Loan (“SEL”) requires the Customer to make monthly loan payments directly to NYSERDA’s loan servicer, Concord Servicing Corporation (“Concord”). The On-Bill Recovery (“OBR”) Loan allows Customers to repay the GJGNY Loan through an installment charge on a bill from one of the involved electric or gas utilities (Central Hudson, Con Edison, Long Island Power Authority, National Grid – Upstate, New York State Electric and Gas Corporation, Rochester Gas and Electric Corporation, or Orange and Rockland Utilities). The utilities then remit repayments to Concord, who coordinates data communications with each utility. The Renewable Energy Tax Credit Bridge Loan (“Bridge Loan”) is a short-term loan product that enables customers to finance federal and state tax credits and New York City (“NYC”) Real Property Tax Abatement for eligible renewable energy system costs. Customers will make a balloon payment of principal and interest at loan maturity via statement billing/check or automatic clearing house (“ACH”) payment.

Complete details of these residential financing options can be found on the NYSERDA Residential Financing Options webpage.¹⁷

The ability to provide access to GJGNY and Companion Loans through the GJGNY Residential Financing Program is reserved exclusively for Participating Contractors, including the NYS Clean Heat Program Participating Contractors. At no time may a non-participating subcontractor of a Participating Contractor represent itself as having the ability to access GJGNY or Companion Loans. The Participating Contractor shall ensure that the GJGNY and Companion Loans are utilized only for the installation of those eligible measures and accessories identified in the supporting

¹⁷ NYSERDA Residential Financing Programs, <https://www.nyserdera.ny.gov/All-Programs/Residential-Financing-Programs>

documentation submitted to, and satisfactorily approved by, the GJGNY Residential Financing Program.

The participation enrollment requirements, roles, and responsibilities of a Participating Contractor offering a GJGNY Loan can be found in the Green Jobs – Green New York Residential Program Manual, hereby incorporated in this Program Manual by reference and located on NYSEDA’s Become a Loan-offering Contractor homepage.¹⁸ Participating Contractors are required to additionally execute the GJGNY Participation Agreement to participate in the GJGNY Residential Financing Program.

If a Participating Contractor wishes to offer financing other than GJGNY financing, they will need to comply with all applicable NYS and federal laws and regulations including NYS Banking Law.

3. Eligibility and Requirements

Projects and Participating Contractors must meet the requirements in this Program Manual for incentive eligibility.

3.1 Site Eligibility

Eligible sites include new and existing buildings owned or controlled by an active Con Edison customer where an eligible heat pump system for space heating, hot water heating, and/or process heating is being installed. Clean Heat incentives are not available to entities who do not contribute to the System Benefits Charge (“SBC”).¹⁹

3.2 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 Single Packaged Heat Pumps
 - c. Air-to-Air Large Commercial Unitary Heat Pumps (single packaged or split system)
 - d. Air Source Variable Refrigerant Flow Heat Pumps
 - e. Packaged Terminal Heat Pumps
 - f. Single Package Vertical Heat Pumps
 - g. Air-to-Water Heat Pumps
- (2) Ground Source Heat Pumps for space and water heating applications
- (3) Heat Pump Water Heaters for domestic and service water heating applications, including:
 - a. Air-to-Water HPWHs
 - b. Ground Source Heat Pump Desuperheaters
 - c. Dedicated Water-to-Water Heat Pump added to Ground Loop
- (4) Energy Recovery Ventilators (ERVs) and Heat Recovery Ventilators (HRVs) paired with

¹⁸ NYSEDA Become a Loan-offering Contractor, <https://www.nyserda.ny.gov/All-Programs/Programs/Become-a-Contractor/Become-a-Loan-offering-Contractor>

¹⁹ Case 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative* (“NENY Proceeding”), P. 86, Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025 (issued and effective January 16, 2020).

- eligible heat pumps
- (5) Heat Recovery Chillers and Heat Pump Chillers
- (6) Building Envelope Upgrades paired with eligible heat pumps
- (7) Heat Pump Dedicated Outdoor Air Systems (HP-DOAS)
- (8) Advanced controls paired with eligible heat pumps

Heat pump systems used for space heating must be designed for either heating-only operations or both heating and cooling operations; cooling-only systems are not eligible for Clean Heat incentives. The eligibility of each group of technologies for incentives is summarized by category in Table 10.

Table 10: Space Heating Eligibility by Technology and Category

Technology	Residential (2a, 2b, 2e, 3)	Non-Residential (2c, 2d, 3a, 4, 4a, 10)
Mini-splits (MSHP)	Yes	Yes
Central ccASHP	Yes	Yes
Commercial Unitary (Split or Single)	No	Yes
ASVRF	Yes	Yes
ccPTHP	Yes	Yes
SPVHP	Yes	Yes
GSHP	Yes	Yes
GSVRF	Yes	Yes
Air-to-Water (AWHP)	Yes	Yes
Heat Recovery Chillers (HRC)	No	Yes
Heat Pump Chillers (HPC)	No	Yes
HP-DOAS	No	Yes

Technologies beyond those listed in Table 10 may be eligible to apply for Clean Heat incentives in the custom categories subject to Con Edison approval.

With the exception of Category 10 – Custom Partial Load Space Heating Applications, all heat pump systems shall be designed and sized for full-load heating as defined in Section 3.2.1 System Sizing.

The installation of used or refurbished equipment and components is not permitted under the Program. For projects installed at new construction sites, all components installed as part of an approved GSHP or HPWH system must be new. For projects installed at existing sites, the heat pumps must be new and any system subcomponent or subassembly such as controls or ductwork that is replaced should be replaced by a new subcomponent or subassembly.

Heat pump projects are eligible for incentives when they replace other technologies and fuels (e.g., fuel oil, natural gas, propane, biomass, or electric resistance) in existing buildings. Projects which replace non-ccASHP units or non-Full Load ccASHP systems are also eligible for Clean Heat incentives. When replacing non-ccASHPs, contractors must submit those projects through pre-approval prior to install so that the Program can verify that the existing equipment does not qualify as a ccASHP. The pre-approval applications will need to include the manufacturer spec sheets and/or AHRI spec sheets for the existing equipment.

All heat pumps must be installed by Participating Contractors and must be installed *after* January 17, 2023.

Refer to Section 4 of this Program Manual for project application submission requirements including when to submit during a project’s life cycle and required timeframes for heat pump installation.

3.2.1 System Sizing

System performance, comfort, and energy efficiency can be significantly impacted by sizing and equipment selection. The ASHP equipment and any connected ductwork (if applicable) must be properly sized to meet the building heating load requirements, deliver occupant comfort and satisfaction, and optimize system performance and energy savings. Participating Contractors must review and use the NEEP *Guide to Sizing and Selecting Air-Source Heat Pumps in Cold Climates*²⁰ to assist in sizing and selecting ccASHP equipment where applicable.

To be eligible for incentives, all heat pump systems must be sized in compliance with applicable state and municipal code.²¹ Residential heating and cooling equipment and appliances shall be sized in accordance with ACCA Manual S or other approved sizing methodologies based on building loads calculated in accordance with ACCA Manual J or other approved heating and cooling calculation methodologies.²² Applicable exceptions shall apply.²³

Participating Contractors are also encouraged to use additional design manuals as applicable to the system, including ACCA²⁴ Manual D: Duct Design,²⁵ ACCA Manual T: Air Distribution,²⁶ and ACCA Manual B: Test, Adjust and Balance.²⁷ All ASHP installers seeking to become Participating Contractors must provide documentation that they have completed a manufacturer sponsored ASHP Sizing and Design Training course. Effective March 1, 2023, all existing participating ASHP contractors are required to take their preferred manufacturer’s version of the ASHP Sizing and Design training and submit documentation of completion. Available trainings are posted on the Clean Heat Connect trainings calendar²⁸ and updated regularly.

Equipment installed in commercial buildings must be sized in accordance with heating and cooling load

²⁰ NEEP. “Guide to Sizing and Selecting Air-Source Heat Pumps in Cold Climates.” Available at <https://neep.org/sites/default/files/Sizing%20%26%20Selecting%20ASHPs%20In%20Cold%20Climates.pdf>

²¹ ECCCNY 2016, Section R403.7 and 2016 New York City Energy Conservation Code (NYCECC), Section R403.7. ECCCNY 2016 and 2016 NYCECC require that systems serving multiple dwelling units, where commercial code is applicable, follow Sections C403 and C404 of the respective codes.

²² 2020 Residential Code of NYS, Section 14, Section M1401.3 Equipment and appliance sizing

²³ One alternative sizing methodology resource, Alternate Methodology to Demonstrate Energy Code Compliance: Heat Pump Sized to Meet Heating Design Load, can be found under the Resources page of <https://cleanheat.ny.gov/resources-for-applications/>.

²⁴ Air Conditioning Contractors of America

²⁵ ACCA Manual D: Duct Design: Method used to determine the overall duct layout including the individual duct sizes.

²⁶ ACCA Manual T: Air Distribution: Method used to determine how to distribute airflow.

²⁷ ACCA Manual B: Test, Adjust and Balance: Method designed to test and balance HVAC equipment in an order that speeds up and improves the balancing process.

²⁸ Clean Heat Connect trainings calendar, <https://cleanheatconnect.ny.gov/sizing-and-design-calendar/>

calculations following ANSI²⁹/ASHRAE³⁰/ACCA Standard 183-2007 (RA2017) or other code-approved equivalent computational procedure.³¹ The output capacity of heating and cooling equipment shall not be greater than that of the smallest available equipment size that exceeds the calculated loads. A single piece of equipment providing both heating and cooling (such as a heat pump or heat pump system) shall satisfy this provision for one function with the capacity for the other function as small as possible, within available equipment options.³²

All heat pump systems for full-load space heating shall be designed and sized to satisfy at least 100% of the building heating load (“BHL”) at design conditions, with the ability to distribute heat adequately across all occupied spaces in the project scope. Heat pump systems for projects in categories that require decommissioning (*e.g.*, Categories 2b, 2c, 2d, 2e, and 3) or include integrated controls (Category 2a) must be sized to meet 100% of the load over the project scope at design conditions and serve at least 80% of the building’s total square footage. Projects in custom heating categories 4 and 4a shall be designed and sized to satisfy at least 100% of the building heating load (“BHL”) at design conditions and are required to decommission legacy fossil fuel systems unless otherwise allowed by Con Edison. In cases where a building has a higher Building Cooling Load (“BCL”) than BHL, the system must be sized to satisfy full BCL as required by relevant municipal or state code.

Category 10 – *Custom Partial Load Space Heating Applications* offers incentives for heat pump systems defined as a prioritized, first-stage heat pump systems installed alongside a supplemental, second-stage heating system for the purpose of providing heating. The supplemental heating system may be either a new or existing system. A partial load system has a total system heating capacity that satisfies less than 100% of the BHL at design conditions.

Category 6 – *Custom Hot Water Heating Applications* projects may also be considered for partial load heating, provided the incentive application sufficiently justifies this approach. If a proposed Category 6 *Custom Hot Water Heating Applications* project is a partial-load heating system, the project application must include an explanation as to:

- Why additional electrification beyond the project’s proposed design is not feasible at the time of installation.
- How a verifiable and reliable control strategy will be employed to ensure that the heat pump is prioritized for heating.

Each partial-load heating system will be subject to a review on a case-by-case basis.

²⁹ American National Standards Institute

³⁰ American Society of Heating, Refrigerating, and Air-Conditioning Engineers

³¹ ECCCNY 2016, Section C403.1.1 Calculation of heating and cooling loads

³² ECCCNY 2016, Section C403.3.1. The intent of this section is to provide some flexibility in design for systems such as heat pumps that provide both heating and cooling. For a commercial building that has a higher building heating load (“BHL”) than building cooling load (“BCL”), the heat pump system capacity shall be as small as possible so as to adequately satisfy the BHL, while minimizing oversizing for the cooling function to the extent possible with available equipment. For commercial buildings for which BCL is higher than BHL the heat pump system capacity shall be as small as possible so as to adequately satisfy the BCL, while minimizing oversizing for the heating function.

The following examples match heat pump systems to the categories for which they are eligible to receive incentives:

- *Example 1, Category 4:* the heat pump system provides 110% of the heating load for an entire commercial building. Since the system provides more than 100% of the heating load for the building, it qualifies as a full load heating system and is eligible for incentives under Category 4.
- *Example 2, Category 4:* the heat pump system is an independent heating system that satisfies 100% of the heating load of 3 floors of a 10-floor commercial building. The remaining 7 floors will be heated using the existing boilers. In this case, the Program will consider the 3 floors in the scope of the project. Since the heat pumps satisfy more than 100% of the heating load for the areas they serve, they qualify as full load heating systems. The participating contractor has submitted justification for completing three of ten floors.
- *Example 3, Category 10:* the heat pump system offers over 4,000 MMBTU of savings, and serves 65% of the BHL in a full commercial building which retains its legacy fossil system. Since the system provides less than 100% of the heating load at design conditions, it qualifies as a partial-load system.
- *Example 4, Category 3:* the heat pump system is a GSHP that serves 100% of the load in 80% of a residential house with the remaining 20% fulfilled by ASHP. The project will be eligible for full-load Category 3 incentives.

Equipment sizing may be determined using applicable equipment documentation, including:

- NEEP Cold Climate Air Source Heat Pump List product information sheet, if equipment is NEEP-listed.³³ For NEEP-listed equipment, the heating capacity shall be based on the equipment's NEEP certificate maximum heating capacity values, while the cooling capacity shall be based on the equipment's NEEP certificate minimum cooling capacity values. Project applications shall include the NEEP specification sheet with the corresponding version number of the NEEP equipment requirements, as applicable at the time of installation.
- AHRI certificate, where the product is not NEEP-listed.
- Manufacturer engineering documentation, where the product is not NEEP-listed.
- Manufacturer-developed software that is capable of assigning equipment capacity at entered design heating and cooling temperature, in accordance with ACCA Manual S, Standard 183, or other code-approved equivalent computational procedure.

The Program reserves the right to request additional justification or documentation regarding heat pump system sizing when the equipment capacity is sized above the dominant load. In cases where heating is the dominant load, equipment heating capacity greater than 120% BHL will trigger the need for justification; where cooling is the dominant load, equipment cooling capacity greater than 115% BCL may trigger the need for justification.

³³ Information on performance of qualifying NEEP Cold Climate ASHPs is available at: ASHP (neep.org).

Calculation of the BHL shall be at the 99% dry bulb heating design temperature for the most relevant ASHRAE (2021) location. Calculation of the BCL shall be at the 1% dry bulb cooling design temperature for the same ASHRAE location. Design temperature requirements in this Program Manual may be superseded by the local Authority Having Jurisdiction (“AHJ”). In such cases, contractors must provide documentation citing the applicable local requirement. ASHRAE design temperature requirements may also be superseded by manufacturer specific requirements. In such cases, Clean Heat applicants must provide documentation citing the applicable manufacturer’s requirement. Refer to Table 11 below for ASHRAE (2021) dry bulb heating and cooling design temperatures for various locations across New York State. The applicable location may be found in the Program’s Design Temperature Lookup Tool³⁴ by entering the project zip code.

Table 11: Dry Bulb Design Temperatures

City Name	2021 ASHRAE	
	99% Heating Dry Bulb (deg F)	1% Cooling Dry Bulb (deg F)
New York City - Central Park	17.3	87.9
New York City - JFK	17.5	86.7
New York City - LaGuardia	17.9	89.8
White Plains	12.9	86.4

Load calculations may use dry bulb temperatures that differ from those in Table , but in those cases, must be within five degrees (+/-) of the applicable values in Table .

3.2.2 Equipment Installation

To be eligible for Program incentives, Participating Contractors, or 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 including, but not limited to, the New York State Environmental Quality Review Act, the Statewide Uniform Fire Prevention and Building Code and State Energy Conservation Construction Code, the National Electric Code, Fire Codes, and all applicable state, city, town, or local ordinances and/or permit requirements. Participating Contractors and their agents must also follow best practices for all aspects of installation, including best practices for the appearance of the property upon project completion. Con Edison may verify adherence to these requirements and determine incentive eligibility based on its findings. Customers are allowed to submit Clean Heat applications for MF and C&I projects, subject to the approval of Con Edison.

Outdoor units should be installed above the local snow line. The appropriate corresponding snow line can be determined using the NYS Clean Heat Prescriptive Categories Incentive Calculator and Statewide Custom Clean Heat Calculator found on the NYS Clean Heat Resources webpage.³⁵ Systems must be installed to pass all requirements of the Con Edison Field Inspections and Oversight process detailed in Section 5, and its associated Inspection checklists.

³⁴ As available for download on the Contractor Resources webpage, under the Prescriptive (Small Projects) section: <https://cleanheat.ny.gov/resources-for-applications/>.

³⁵ <https://cleanheat.ny.gov/resources-for-applications/>

3.2.3 Air-Source Heat Pumps

Air-source heat pumps transfer heat between the inside of a building and the outside air. A heat pump's refrigeration system consists of a compressor and two coils made of copper tubing (one inside and one outside), which are surrounded by aluminum fins to aid heat transfer. In the heating mode, liquid refrigerant in the outside coils extracts heat from the air and evaporates into a gas. The inside coils release heat from the refrigerant as it condenses back into a liquid. A reversing valve, near the compressor, can change the direction of the refrigerant flow for cooling as well as for defrosting the outside coils in winter.

Under the NYS Clean Heat Program, to be eligible for a Program incentive, ASHP systems must either be listed on the NEEP Product List³⁶ or meet the criteria established in this Program Manual and the NYS Clean Heat Implementation Plan for equipment that is not covered by the NEEP Product List.

There are several categories of ASHPs eligible for the NYS Clean Heat Program, including:

- (1) Central ccASHPs that are identified on the NEEP Product List
- (2) Ductless or partially ducted mini-split heat pumps (“MSHP”) that are identified on the NEEP Product List and qualify as ccASHP. These include “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) Packaged Terminal Heat Pumps (“ccPTHP”)
- (6) Single Package Vertical Heat Pumps (“ccSPVHP”)
Air-to-water Heat Pumps (“AWHP”)

The heat pump system that is installed must be capable of operating year-round.

3.2.3.1 Central Cold Climate ASHPs

Central 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.³⁷ These units are typically sized to provide heating and cooling to the whole building through a central duct distribution system. They are generally a retrofit solution for existing buildings that are replacing central air conditioners, which were installed in conjunction with a separate heating system (typically a fossil fuel or electric furnace) that shares the same duct distribution system.

All individual heat pumps in the installed system must be listed by NEEP as ccASHPs, tested under AHRI test standard 210/240, powered by single-phase electricity, 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.

³⁶ The current specification and listed eligible units are available at <https://neep.org/ASHP-Specification>.

³⁷ Code of Federal Regulations (“CFR”) 10 CFR part 430, Subpart A, § 430.2 Definitions: definition of central air conditioner or central air conditioning heat pump: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=29d99fa0a367f0166b9cc8528ad29023&mc=true&n=pt10.3.430&r=PART&ty=HTML#se10.3.430_12.

3.2.3.2 Cold Climate Mini-Split Heat Pumps

Cold climate MSHPs are ccASHPs that can circulate refrigerant between an outdoor unit containing a variable capacity compressor and one or more indoor air handlers (“indoor units”). Cold climate MSHPs are often referred to as “ductless mini-splits” because they are typically ductless but can also be installed with short duct runs that enable single indoor units to serve more than one room at a time. For existing homes and businesses that have no central ductwork, cold climate MSHPs are a viable and energy efficient solution.

To be eligible for Clean Heat incentives, cold climate MSHPs must be on the NEEP ccASHP Product List and tested under AHRI test standard 210/240.

3.2.3.3 Commercial Unitary Systems/Large Commercial ASHPs

Large commercial ASHPs are systems that have either of the following characteristics:

- Include individual heat pump appliances that are powered by three-phase electricity or
- have rated cooling capacities $\geq 65,000$ Btu/h

In addition, systems must consist of multi-speed or variable speed compressors. Constant speed systems are not eligible for incentives.

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.

Commercial ASHPs with cooling capacity ranging from 65,000 Btu/h up to 240,000 Btu/h³⁸ must meet the ENERGY STAR® specification for Certified Cold Climate Light Commercial Heat Pumps. Systems with individual heat pump appliance sizes of 240,000 Btu/h and above, must have efficiencies that exceed local energy code efficiency requirements. These systems are tested under AHRI Test Standard 340/360.

3.2.3.4 Air Source Variable Refrigerant Flow Heat Pump Systems

Air Source Variable Refrigerant Flow (ASVRF) systems are engineered direct exchange (DX) multi-split systems that circulate refrigerant between a variable capacity compressor and multiple indoor air handlers, each capable of individual zone temperature control. They provide some major advantages, including the ability for heat recovery that allows them to heat and cool different zones simultaneously, optimized performance across a range of zonal comfort levels and partial load conditions, and the avoidance of ductwork or the need for secondary circulation fluids such as chilled or heated water. Because they circulate refrigerant and allow for a separate outside air ventilation system, they require less ceiling space than ducted systems.

³⁸ ENERGY STAR Light Commercial HVAC specification:

https://www.energystar.gov/products/heating_cooling/light_commercial_heating_cooling/light_commercial_hvac_key_product_criteria.

All ASVRF Systems must satisfy the eligibility criteria for the given category, *e.g.*, category 2c, 2d, 4, 4a, or 10, for which they are applying for incentives. ASVRF systems must be rated under AHRI Standard 1230 to be considered for eligibility.

- ASVRF systems between 65,000 and 240,000 Btu/h cooling capacity must meet or exceed current requirements under ENERGY STAR³⁹ Criteria for Certified Cold Climate Light Commercial Heat Pumps.
- For systems with capacities greater than those covered by ENERGY STAR, heat pump efficiencies (*e.g.*, IEER and COP) must meet or exceed local energy code.

The contractor must provide documentation showing capacities at heating and cooling design conditions for the system as-designed (not AHRI ratings), using the same outdoor design temperatures that were used for calculating the building design loads.

The Participating Contractor applying for incentives shall document that non-residential systems are sized according to the requirements of Section 3.2.1.

ASVRF systems must comply with ASHRAE Standard 15-2019 Safety Standard for Refrigeration Systems and Designation and Classification of Refrigerants, which addresses refrigerant capacities and possible leakage, especially if the system serves small rooms, which could cause oxygen depletion. In addition, the ASVRF systems must comply with ASHRAE Standard 34-2019 Addendum L, which establishes the maximum refrigerant concentration limit (“RCL”) of 26 lbs./1,000 ft³ of room volume for occupied spaces. Systems must be installed to pass all requirements of the Con Edison quality control Program and its associated Field Assessment checklists. More information on inspections can be found in Section 5.

3.2.3.5 Cold Climate Packaged Terminal Heat Pumps (ccPTHP)

A packaged terminal heat pump (PTHP) is a wall sleeve and a separate un-encased combination of heating and cooling assemblies specified by the builder, intended for a single zone and for mounting through the wall. It includes a prime source of refrigeration, separable outdoor louvers, forced ventilation, and heating availability by builder's choice of hot water, steam, or electricity. A PTHP utilizes reverse cycle refrigeration as its primary heat source and is equipped with supplementary heating via hot water, steam, or electric resistance heat.

Packaged terminal heat pumps are tested under AHRI standard 310/380. To be eligible for the Program, each unit in the system must be listed on, or meet or exceed the criteria of, the NEEP Product List, *i.e.*, be a ccPTHP (see also, NEEP Cold Climate PTHP Specification⁴⁰).

3.2.3.6 Single Package Vertical Heat Pumps

A single package vertical heat pump (SPVHP) is an air-cooled commercial package air conditioning and heating equipment that is factory-assembled as a single package, has components that are arranged

³⁹ Like central ASHP, VRF systems are also covered under the ENERGY STAR Cold Climate Light Commercial Heat Pump specification:

https://www.energystar.gov/products/heating_cooling/light_commercial_heating_cooling/light_commercial_hvac_key_product_criteria

⁴⁰ The current specification and listed eligible units are available at <https://neep.org/ASHP-Specification>

vertically, and is intended for exterior mounting on, adjacent interior to, or through an outside wall. These units may be powered by a single- or 3-phase current and may contain one or more separate indoor grilles, outdoor louvers, various ventilation options, indoor free air discharges, ductwork, well plenum or sleeves. SPVHPs utilize reverse cycle refrigeration as their primary heat source and may be equipped with supplementary heating via hot water, steam, gas, or electric resistance heat.

Single package vertical heat pumps are tested under AHRI standard 390. To be eligible for the Program, SPVHP must meet or exceed the criteria listed in the NEEP Cold Climate SPVHP Specification.⁴¹

3.2.3.7 Air-to-Water Heat Pumps

Air-to-water heat pumps (AWHPs) are a type of ASHP that distributes heat in the form of hot water for hydronic heating systems. AWHPs can be reversible and provide chilled water for cooling by rejecting heat to the outside air. AWHPs generally cannot provide leaving water at the same temperatures as provided by boilers. To facilitate full-load heating with lower water temperatures, AWHP installations may require 1) additional baseboards, heat emitters, or hydronic air handler units (AHUs), or 2) a reduction in the heating load in the home by implementing significant weatherization improvements. Many AWHPs are reversible and can also provide chilled water for space cooling, usually via an AHU, and supply domestic hot water.

AWHPs can also be installed to meet some or all the domestic water heating load. Recognizing that mixed heat pump arrangements may be beneficial, the AWHP equipment can be sized and selected to meet only a portion of the building load if the remainder of the full load is served by a ASHP or a GSHP.⁴² The combined unit sizes still must not exceed 120% of the BHL. Projects which combine a AWHP with another heat pump type, are eligible for only one Program incentive.

The rating standard for air-to-water heat pump equipment is AHRI 550/590. To be eligible for an incentive under Category 2e, the AWHP equipment must be on the New York Clean Heat qualified product list ([AWHP QPL](#)⁴³) or a list from ENERGY STAR or NEEP, which are in development at the time of publication of this Program Manual.

For any manufacturer that wishes to have their product considered for addition to the [NYS Clean Heat AWHP QPL](#), please email the Clean Heat Program inbox at nyscleanheat@ceadvisors.com.

3.2.4 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. GSHP systems work well in cold climates because of their ability to maintain capacity at low ambient air temperature. GSHPs are installed in all building sectors and are expected to provide heat to the whole home or whole building.

⁴¹ The current specification and listed eligible units are available at <https://neep.org/ASHP-Specification>.

⁴² All GSHP systems must provide heating for 80% of square footage of the house.

⁴³ To be on the QPL, the heating COP at 5°F ambient and 110°F leaving water temperature (A5W110) must be 1.7 or greater. Energy Star is building their “Heat Pump Boiler” specification due to be completed in 2024. Units larger than 72,000 Btu/h or not listed on the QPL, will be considered on a case-by-case basis.

GSHP systems also take advantage of the heat generated by the indoor compressor, particularly in cooling mode, by providing a desuperheater loop that pre-heats domestic hot water. GSHPs distribute heating and cooling in the building through a ducted air system, a water loop, refrigerant lines, or a combination of these. System performance depends on an effective ground heat exchanger design and proper installation. The ground heat exchanger design can be highly site-specific, given the variability of site conditions that affect ground conductivity or loop designs.

Customers or projects participating in Utility Thermal Energy Network ("UTEN") projects are not eligible for incentives in the NYS Clean Heat Program.⁴⁴

- All projects must comply with New York State Department of Environmental Conservation ("DEC") regulations for geothermal well drilling.⁴⁵
- Projects in New York City must comply with NYC Department of Environmental Protection rules concerning drilling and excavation, including insurance requirements.
- Projects must meet all setback requirements enforced by the local authority having jurisdiction.

Vertical-Loop Systems

Any vertically bored, closed-loop GSHP system must have a borehole depth that is sufficient to provide a minimum entering water temperature to the heat pump of 30°F in heating mode and a maximum entering water temperature to the heat pump of 90°F in cooling mode. The system must be designed in accordance with manufacturer specifications and installation requirements.

Closed-Loop Systems

Unless specifically superseded by the requirements detailed in this Program Manual, 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 IGSHA Standards Committee and published by the International Ground Source Heat Pump Association. These standards are available online on the IGSHA website.⁴⁶

Closed Loop Antifreeze Protection Requirements: Propylene glycol (CAS No. 57-55-6), ethylene glycol (CAS No. 107-21-1), methanol (CAS No. 67-56-1) and ethanol (CAS No. 64-17-5) are the four presumptively acceptable antifreeze additives for use in the loop field. Use of any other antifreeze requires prior approval from the Joint Efficiency Providers. The acceptable denaturants for ethanol additives are denatonium benzoate (CAS No. 3734-33-6), ethyl acetate (CAS No. 141-78-6), isopropanol (CAS No. 67-63-0), pine oil (CAS No. 8002-09-3), and tertiary butyl alcohol (CAS No. 75-65-0).

Systems with ethanol and methanol must comply with Section 1207 of the 2020 Mechanical Code of New York State and, therefore, "the flash point of transfer fluid in a hydronic piping system shall be not less than 50°F above the maximum system operating temperature."

⁴⁴ UTEN/ TEN projects are defined by the New York Department of Public Service in Case 22-M-0429, filing dated December 1, 2023.

⁴⁵ NYS DEC guidance for Geothermal Wells Deeper Than 500 Feet, <https://www.dec.ny.gov/energy/1748.html>, and NYS DEC Well Permitting Requirements, <https://dec.ny.gov/environmental-protection/oil-gas/well-owner-and-applicants-information-center/regulated-well-types/geothermal-wells-deeper-than-500-feet>

⁴⁶ International Ground Source Heat Pump Association, <https://igshpa.org/manuals>

The maximum allowable concentration of methanol is 12.5% by weight. The maximum allowable loop field temperature in small systems using methanol as an antifreeze is 75°F. In addition, the designer and installer should ensure the loop field operating temperature is at least 50°F lower than the flash point of methanol at all times.

The maximum allowable concentration of ethanol is 10% by weight. The maximum allowable loop field temperature in a small system using ethanol as an antifreeze is 70°F. In addition, the designer and installer should ensure that the loop field operating temperature is at least 50°F lower than the flash point of ethanol at all times.

For loop fields with glycol or organic antifreeze, the Participating Contractor must sterilize with a chlorine shocking protocol that is similar to what is required in potable water plumbing systems. If the manufacturer recommends specific disinfection, the Participating Contractor should follow the manufacturer's protocols.

Horizontal-Loop Systems

Horizontal loops must be installed below the frost line and have a surface area that is sufficient to provide a minimum entering water temperature of 30°F to the heat pump in heating mode and a maximum entering water temperature of 90°F to the heat pump in cooling mode. Systems must be designed in accordance with manufacturer specifications and installation requirements. Incentive applications must include the file from the horizontal-loop design software showing inputs and system design specifications.

Open-Loop Systems

All projects must comply with ANSI/CSA/IGSHPA C448.6, *Installation of open-loop systems ground water heat pump systems*. All standing column well projects must comply with ANSI/CSA C448.7, *Installation of standing column well heat pump system*.

Direct Exchange System

Direct exchange (DX) heat pumps, which circulate a refrigerant typically through a closed-loop copper pipe system (whereas most systems utilize plastic pipes that circulate water or a water-antifreeze mixture), must meet the following additional conditions:

- DX systems must have a minimum loop field length of 100 feet per 12,000 Btu/h of heating capacity.
- DX wells require cathodic protection ensuring a minimum expected well life of 25 years.
- DX system owners must certify that they will undergo an end-of-life decommissioning that includes full-refrigerant recovery.
- The refrigerant shall comply with IGSHPA requirements (ANSI/ASHRAE 34) and as of January 1, 2025, meet the limits from Environmental Protection Agency ("EPA") and DEC regarding Global Warming Potential ("GWP")
- The entire well depth interval for DX wells is grouted with thermally enhanced grout with hydraulic conductivity below 1×10^{-7} centimeters/second.
- A permanent placard must be attached to the heat pump unit, detailing the following:
 - loop field refrigerant content, type, and volume
 - loop location description
 - loop piping material
 - required maintenance schedule on loop field, refrigerant, and heat pump

- planned decommissioning date and process, consistent with loop field useful life
- DX systems must also comply with ANSI/CSA/IGSHPA C448.8, “Installation of direct expansion heat pump systems.”
- DX GSHP systems must use only ACR B280 Copper Piping for Underground Loop Field.

DX GSHP systems must conform to requirements of ASHRAE Standard 15-2019.

Large GSHP System-Specific Requirements

A Large GSHP project is any GSHP project that serves a multifamily or commercial site, including either a Small Biz or C&I customer. Residential projects are not Large GSHP projects.

- A loop field design including:
 - Loop/site plan
 - Loop sizing report
 - Loop field pressure drop calculations
 - Antifreeze type and concentration
 - System documentation must include a piping schematic accurately representing below grade and above grade piping strategy
- Large systems must conform to the requirements and standards of ASHRAE 15

Thermal Conductivity Tests

All Large GSHP projects should report TCT results that conform to the requirements detailed in the latest edition of the ASHRAE Applications Handbook and include undisturbed ground temperature.

3.2.4.1 Open-Loop GSHPs, Closed-Loop GSHPs, and Direct GeoExchange GSHPs

To be eligible for Program incentives, single phase GSHPs must meet or exceed Geothermal ENERGY STAR specifications.⁴⁷ These systems must have a closed loop ground heat exchanger circulating a water/antifreeze solution, an open loop heat exchanger, or a direct expansion (DX) heat exchanger. ENERGY STAR eligibility is based on the following test procedures to determine GSHP appliance Energy Efficiency Ratio (“EER”) and Coefficient of Performance (“COP”):

- Closed Loop Systems:
 - ISO 13256-1-1998 “Water-source heat pumps – Testing and rating for performance – Part 1: Water-to-air and brine-to-air heat pumps” for water to air models; OR
 - ISO 13256-2-1998 “Water-source heat pumps – Testing and rating for performance – Part 2: Water-to-water and brine-to-water heat pumps” for water-to-water models.
- Direct Exchange Systems: AHRI 870 (I-P/2016) and AHRI Standard 871 (SI) – 2016 “Performance Rating of Direct GeoExchange Heat Pumps”

Eligibility for any GSHP less than 135,000 Btu/h of cooling capacity may be obtained from an AHRI rating certificate. For units larger than 135,000 Btu/h cooling capacity, which are not rated by AHRI,

⁴⁷ ENERGY STAR references:

https://www.energystar.gov/products/heating_cooling/heat_pumps_geothermal/key_product_criteria

https://www.energystar.gov/sites/default/files/specs/private/Geothermal_Heat_Pumps_Program_Requirements%20v3.1.pdf

<https://www.energystar.gov/productfinder/product/certified-geothermal-heat-pumps/results>

manufacturer specification sheets may be used instead, provided the units have been tested in accordance with the applicable test procedure.

For multi-stage systems for which AHRI certificates are not available, the EER and COP must be calculated using the following equations:

- $EER = (\text{full load EER} + \text{part load EER})/2$
- $COP = (\text{full load COP} + \text{part load COP})/2$

Calculation of the EER and COP values must be determined using the following AHRI-rated data:

- Ground loop heat pump (GLHP) for closed-loop system
- Direct GeoExchange for DX systems

3.2.4.2 Console GSHPs

Console GSHP systems must meet or exceed the minimum efficiencies listed in Table 11 below. GSHP console units must have an AHRI-rated EER and an AHRI-rated COP. These systems do not need to meet or exceed the ENERGY STAR Geothermal heat pump specification efficiency requirements.

Table 11: 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 equations:

- $EER = (\text{full load EER} + \text{part load EER})/2$
- $COP = (\text{full load COP} + \text{part load COP})/2$

3.2.4.3 Non-Console GSHPs less than 24,000 Btu/h (2 tons)

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 efficiencies greater than the efficiencies shown in Table 12. These systems do not need to meet or exceed the ENERGY STAR Geothermal heat pump specification efficiency requirements.

Table 12: 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

3.2.4.4 Ground-Source Variable Refrigerant Flow Systems (GSVRFs)

GSVRFs must meet or exceed relevant parameters in the building code. For reference, the subsequent tables summarize the requirements for GSVRF in the NYC ECC 2020⁴⁸, where entering water temperature is abbreviated EWT. For clarity, an update to the building code supersedes the information in this section.

Table 13 summarizes the requirements for GSVRF in NYC ECC 2020 Table C403.3.2(11), for equipment tested under AHRI 1230.

Table 13: NYC ECC 2020 Efficiency Requirements for GSVRF

Equipment Type	Cooling Capacity (Btu/h)	Minimum EER at 77F EWT	Minimum COP at 32F EWT
GSVRF	<135,000	13.4	3.1
	≥135,000	11.0	2.8
GSVRF with heat recovery	<135,000	13.2	3.1
	≥135,000	10.8	2.8

⁴⁸ 2020 Energy Conservation Code. NYC Buildings. <https://www.nyc.gov/site/buildings/codes/2020-energy-conservation-code.page>

Table 14 summarizes the NYC ECC 2020 requirements for open loop GSVRF, described as “VRF groundwater source” from table C403.3.2(11) for equipment tested under AHRI 1230.

Table 14: NYC ECC 2020 Efficiency Requirements for Groundwater source (open loop) VRF

Equipment Type	Cooling Capacity (Btu/h)	Minimum COP at 50F EWT
Groundwater Source VRF multisplit system	<135,000	3.6
	≥135,000	3.3

Table 15 summarizes the NYC ECC 2020 requirements for water source VRF, from table C403.3.2(11) for equipment tested under AHRI 1230.

Table 15: NYC ECC 2020 Efficiency Requirements for Water Source VRF

Cooling Capacity (Btu/h)	Minimum efficiency at 86F EWT	Minimum efficiency at 86F EWT (with heat recovery)	Minimum COP at 68F EWT
< 135,000	12.0 EER 16.0 IEER	11.8 EER 15.8 IEER	4.3
≥ 135,000 < 240,000	10.0 EER 14.0 IEER	9.8 EER 13.8 IEER	4.0
≥ 240,000	10.0 EER 12.0 IEER	9.8 EER 11.8 IEER	3.9

EER and COP calculations for such systems must be calculated using the full-load EER and full-load COP.

GSHPs may have additional requirements specific to the type of ground heat exchanger to which the GSHP system is coupled. Systems must be installed to pass all requirements of the Con Edison Field Inspections and Oversight Program and its associated inspection checklists. More information on quality control is included in Section 5: Inspections and Oversight.

3.2.5 Heat Pump Water Heaters and Ground Source Water-to-Water Heat Pumps

In addition to space heating, the NYS Clean Heat Program for Con Edison also promotes the use of heat pump technology for heating domestic hot water, as a replacement or in new construction in lieu 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; for new construction, the replaced unit will be determined on a case-by-case basis, based on contemporary construction practice in the area.

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

must be sized according to manufacturers' recommendations.

The Program offers incentives for residential HPWH through a Midstream Program discussed in Section 4.4. This Program incentivizes HPWH with a Uniform Energy Factor (UEF) rating, and a current rating ≤ 24 amps and voltage ≤ 250 volts⁴⁹ that meet or exceed ENERGY STAR Residential Water Heater requirements.⁵⁰

Air Source HPWH without a UEF rating⁵¹ shall receive incentives based on \$/MMBtu of annual energy savings, under Category 6 *Custom Hot Water Heating Applications*.

3.2.5.1 Air-to-Water Heat Pump Water Heater

Air-to-Water HPWHs are water heater tanks that heat domestic hot water using an onboard air source heat pump that extracts heat from the air in the building surrounding the unit. They use a secondary electric resistance as a back-up to ensure that the water temperature meets the desired setpoint during times of high demand. Air source HPWH models come in two versions (integrated and split-system HPWH) and both versions are eligible for incentives under the Program.

Air-to-water HPWH having a Uniform Energy Factor (UEF) rating are eligible for Category 5 incentives. Larger systems and custom applications are eligible for Category 6 *Custom Hot Water Heating Applications*.

To be eligible for an incentive under the Program, an air-to-water HPWH must meet or exceed ENERGY STAR water heater specifications.

3.2.5.2 Ground Source Desuperheaters and Dedicated DHW Water to Water Heat Pumps

Ground source systems can reduce DHW energy consumption by two optional methods: 1) Using a GSHP unit with a desuperheater or 2) adding either a separate water-to-water heat pump (WWHP) to the ground loop that is dedicated to meeting the DHW load, or sizing a WWHP to meet the DHW as well as the 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.

Desuperheaters and WWHP are eligible for Category 6 *Custom Hot Water Heating Applications* incentives.

A full-load DHW WWHP must meet or exceed ENERGY STAR Geothermal Heat Pump specification

⁴⁹ 10 CFR 430.2 – Definitions.

⁵⁰ See [energystar.gov: energystar.gov/products/water_heaters/residential_water_heaters_key_product_criteria](https://energystar.gov/products/water_heaters/residential_water_heaters_key_product_criteria)

⁵¹ https://www.energystar.gov/products/water_heaters/commercial_water_heaters/key_product_criteria

requirements⁵² or the efficiency requirements listed in Section 3.2.3 for Non-ENERGY STAR Compliant Geothermal Heat Pumps to be eligible for incentives.

Dedicated Ground Source DHW WWHPs (>120 gallons) shall receive incentives based on \$/MMBtu of energy savings under Category 6 *Custom Hot Water Heating Applications*.

Equipment Installation:

Ground Source HPWH loop requirements are the same as those for GSHP, described in Section 3.2.3.

3.2.6 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. When paired with a heat pump system, the ERV/HRV can significantly reduce the size of the required HVAC 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 ERV/HRVs that have efficiencies which meet or exceed federal, state, or municipal codes or standards paired with an eligible heat pump system are eligible for incentives. Incentive category and rate shall be the same as that given to the eligible heat pump system.

3.2.7 Heat Recovery Chillers and Heat Pump Chillers

Heat recovery chillers (“HRC”) and heat pump chillers (“HPC”) 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 Clean Heat incentives in custom space and hot water categories (4, 4a, 6 and 10) are subject to the same incentive limitations as all other heat pump projects. To be eligible for Clean Heat incentives, HRC/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. Heat recovery chillers and heat pump chillers are exempt from minimum annual heating consumption displacement thresholds⁵³ for Category 10 eligibility.

⁵² ENERGY STAR Program Requirements for Geothermal Heat Pumps. Current link: https://www.energystar.gov/sites/default/files/specs//private/Geothermal_Heat_Pumps_Program_Requirements

⁵³ See, Section 4.3.4.3

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 ASHRAE 90.1-2022, Table 6.8.1-16 calculated with parameters consistent with AHRI standard 550/590 under heating and cooling operation appropriate for the project.

The JMC has developed a tool, the Statewide Heat Recovery Chiller Calculator ("SHRCC"), available on the Contractor Resources webpage, to help applicants calculate the savings and incentives associated with Heat Recovery Chillers. The current iteration of the SHRCC calculates savings for water-to-water HRC running nearly year-round (more than 6,000 EFLH).

Con Edison reserves the right to decline to offer incentives for HRC which are primarily used for cooling and do not meet the spirit of the Clean Heat Program.

3.2.8 Envelope Measures (for Category 4A: Heat Pump + Envelope)

The building envelope, which includes the walls, windows, roof, and foundation, forms the primary thermal barrier between the interior and exterior environments. The building envelope plays a key role in determining optimal comfort levels, ventilation, natural lighting, and energy needed for heating and cooling. Envelope improvements help regulate indoor climate (temperature control, air quality, etc.) and protect against the outdoor environment (drafts, condensation, etc.).

Without a properly insulated building envelope, the heating and cooling systems will not work as effectively, making this an essential element in creating a higher-performing building. Eligible building envelope upgrades or retrofits should be quantifiable and directly impact heat pump sizing and include locating and sealing air leaks, increasing wall/roof insulation, window replacement, and weatherstripping windows and doors.

The impact from the building envelope upgrades should be captured in the load calculations for pre- and post-conditions calculated per Manual J or ACCA 183.

Projects otherwise eligible for *Category 4 Custom Space Heating Applications* a significant envelope upgrade. The envelope upgrade must produce a quantifiable impact on the heat pump sizing to be eligible for a packaged approach (refer to Section 3.2.6.1 below). When combined, the existing building envelope will be used as a baseline for calculating energy savings for existing buildings including those undergoing a gut rehab. New construction projects must use the New York State code as the baseline for savings analysis, and where applicable also comply with local code. Eligibility for Clean Heat incentives may be governed by compliance with applicable code. The incentives will be offered based on the MMBtu savings from both the envelope measures and the HP measures based on the tier for which a project qualifies. If an ERV/HRV is installed alongside an eligible heat pump plus envelope project, the ERV/HRV will also be incentivized at a Category 4a rate.

Eligible measures may include:

- Exterior: window replacements, window film
- Opaque shell: wall insulation, continuous insulation, window walls, curtain walls, exterior façade
- Air leakage sealing, air barrier continuity
- Roof insulation

3.2.8.1 Eligibility Tiers for Category 4A: Custom Space Heating Applications + Envelope

Category 4a offers incentives to projects that reduce their dominant load, either BHL or BCL, via improvements to the building envelope. To be eligible for Category 4a, projects must exceed the requirements captured in Table 16. To be eligible for Tier 1, existing buildings must lower their dominant load by at least 5%, while buildings undergoing a gut rehab or new construction must exceed applicable code, whichever is more stringent, by at least 5%. To be eligible for Tier 2, existing buildings must lower their dominant load by 30% from existing conditions, while buildings undergoing gut rehabs or new construction must exceed the relevant code, whichever is more stringent, by 10%. The savings will be measured off the Incentive Baseline in the final column.

Table 16: Eligibility Tiers for Category 4a

Construction type	Eligibility Criteria	Tier 1 Requirement	Tier 2 Requirement	Incentive Baseline
Existing buildings	Exceed existing condition	> 5%	>30%	Existing condition
Existing buildings - Gut Rehab	Applicable code (NYSECC or NYCECC)	> 5%	>10%	Existing condition
New Construction (GSHP only)	Applicable code (NYSECC or NYCECC)	> 5%	>10%	Applicable code (NYSECC or NYCECC)

3.2.8.2 Infiltration Guidance

Projects should adhere to guidelines for natural (unpressurized) air changes per hour (ACH_N) at heating design conditions.⁵⁴ Blower door testing should be used to verify rates of air exchange that are different from these guidelines, as described in the whitepaper. Pre-inspection can identify exceptions requiring justification and review. Please see Table 17 below for details.

⁵⁴ Infiltration Guidance for Buildings at Design Conditions - For the NYS Clean Heat Program. Hugh Henderson, Bruce Harley. May 1, 2022. Accessible on the NYS Clean Heat Resources webpage: <https://cleanheat.ny.gov/resources-for-applications/>.

Table 17: Infiltration Guidance

Infiltration Level by project type	Maximum Allowed ACH _N at Design Heating Load ⁵⁵
New construction or gut rehabs Tight – Non-operating windows or best quality windows; sealed penetrations in envelope; vapor barrier	0.3
Existing building retrofit Average – Standard quality windows; major penetrations sealed; vapor barrier; glass less than 20% of wall area	0.7

3.2.9 Heat Pump Dedicated Outdoor Air Systems (HP-DOAS)

Heat pump dedicated outdoor air units (HP-DOAS) dehumidify 100% outdoor air to a low dew point in the cooling season and heat 100% outdoor air during heating season and deliver this conditioned air to the building interior. HP-DOAS efficiency can be increased by energy recovery wheels or plates, which transfer energy between exhaust and intake air streams. 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 Clean Heat incentives in custom categories 4, 4a and 10, and are subject to the same incentive limitations and requirements within those categories. To be eligible for Clean Heat incentives, HP-DOAS must meet or exceed the minimum efficiency requirements set forth in ASHRAE Standard 90.1-2016 (or latest version of 90.1, whichever is stringent, as applicable) tables 6.8.1-15 and 6.8.1-16 under AHRI 920.

Since AHRI certificates with 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 above criteria.

For HP-DOAS with energy recovery, the applicant must also provide documentation defining if the energy recovery is required, or not required, by code per NYS ECC 2020 section C403.7.4 as well summer and winter efficiency parameters for energy recovery.

3.2.10 Advanced Controls for Heating Electrification

Advanced Controls are defined as those that provide automatic start, stop, adjustment, and optimization of eligible heat pump systems using two-way communication between control system and building equipment with sensors, controls logic, and algorithms.

Only controls that are paired with an eligible custom heat pump system can receive incentives under the Program. Eligible controls will be incentivized at the same rate as the corresponding heat pump it is controlling. As an example, if controls are installed to optimize operation of an eligible Category 4 heat pump, then the controls will receive a Category 4 incentive. Similarly, if controls are installed to optimize operation of an eligible Category 4A heat pump, then the controls will receive a Category 4A incentive.

⁵⁵ Listed maximum values cannot be exceeded unless written documentation justifying a higher value is provided and approved by the Program.

3.2.11 Additional Project Eligibility Criteria

For scenarios in which project eligibility is not clearly defined, the following shall be used to determine eligibility:

- Fossil fuel (heating oil, natural gas, steam generated by fossil fuel, etc.) energy consumption must not be increased by the new electric technology or application.
- The heat pump technology must use staged, multi-speed or variable-speed heat pumps and must displace at least 50% of on-site fossil fuel consumption or result in at least 4,000 MMBTU of annual energy savings or alternative case fossil fuel consumption for Category 10 *Custom Partial Load Space Heating Applications*. Fuel savings cannot include fossil fuel system efficiency savings; in savings calculations, fossil fuel baseline efficiency (including distribution) must equal proposed (boiler) system efficiency.
- For categories with a decommissioning requirement, existing heating systems must be decommissioned.
- The new electric technology or application:
 - Must not increase the overall annual site energy consumption
 - Shall exceed applicable minimum efficiency specifications to meet applicable codes and standards
- Projects with water source heat pumps (WSHP) must satisfy the eligibility criteria for the given category, e.g., category 4, 4a, 6 or 10, for which they are applying for incentives.

3.3 Warranty Requirements

All ASHPs, including ASVRF, and AWHP

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

Full Load Residential Space Heating GSHP Systems

Category 3 GSHP: Full Load Heating

For small 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

Category 4 Custom 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

Category 5 HPWH

Each air-to-water HPWH system receiving an incentive under the Program must include a minimum ten-year manufacturer's warranty for parts and tank.

Category 6 Custom Hot Water Heating Applications

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

3.4 Operation and Maintenance Requirements

Electrified heating systems are often a new type of appliance for the site owner, so it is important that owners understand how to effectively operate and maintain their new systems. Participating Contractors must inform site owners about system operation and maintenance, including on the use of these systems in both heating and cooling modes. A detailed manufacturer's operation handbook as well as a maintenance manual containing information on the major components and a schedule of required system maintenance must be provided by the Participating Contractor.

The manual must include maintenance and testing requirements of antifreeze solutions used on the project. It must include any startup/commissioning documentation for the system(s). For large systems, the O&M manual must include as-built drawings.

For ccASHP and cold climate MSHP installations under incentive Categories 2a and 2b, the Program requires that Participating Contractors provide site owners with the "Get the Most Out of Your Air Source Heat Pump" tip sheet.⁵⁶

The Program strongly recommends that GSHP systems include a performance monitoring system. Recommended best practices for performance monitoring of GSHP systems can be found at under the Ground Source Heat Pump (GSHP) drop-down menu.

Participating Contractors should strongly encourage system owners to purchase a maintenance agreement.

3.5 Engineering Savings Analysis Requirements for Custom Categories 4, 4A, 6 and 10

Each application in the custom categories shall include a detailed engineering analysis showing energy savings in net MMBtu related to the project measures. Savings may be calculated through one of the following methods:

1. Statewide Custom Clean Heat Program Savings Calculator
2. Engineering Modeling

⁵⁶ https://cleanheat.ny.gov/assets/pdf/CHC-ASHP-tips-fs-1-v1_acc.pdf.

3. Temperature Bin Method

In the case of ERV/HRV installation measures, the latest version of the TRM Energy and Heat Recovery Measure may be used to calculate energy savings.

All calculations must be clear and transparent utilizing standard engineering methodologies, including a listing of source values. Energy savings analyses may be accepted in the following formats:

- Unlocked Microsoft Excel spreadsheet (PDFs not accepted) showing all equations, parameters, formulas, and assumptions used to calculate savings.
- Whole-building energy modeling using approved simulation software. The approved list of modeling software is based on current computational capabilities and familiarity of the respective utility and is therefore utility specific. Contact an account manager for a complete list of their pre-approved software.

3.5.1 Statewide Custom Clean Heat Program Savings Calculator

The Statewide Custom Clean Heat Program Savings Calculator (Clean Heat Calculator) is an Excel-based tool that has been developed to assist Participating Contractors applying to the NYS Clean Heat Program with calculating energy savings and incentives for various types of heat pump technologies. The Statewide Custom Clean Heat Program Savings Calculator user guide⁵⁷ contains an updated list of technologies for which the Clean Heat Calculator calculates savings and incentives.

The Clean Heat Calculator should be used as the default method to calculate energy savings for the custom categories (4, 4a, and 10).

Applicants may bypass using this calculator, opting instead to calculate savings using their own custom bin analysis or energy modeling approach.

The Program uses the statewide calculator to estimate savings if an applicant submits a model that is difficult to understand or ambiguous.

For projects where there is no existing cooling system prior to the installation of the heat pump system, the contractor should enter the capacity of a single unit of the proposed heat pump system as the equipment baseline.

The Clean Heat Calculator does not account for interactive effects when calculating energy savings in networked projects.

3.5.2 Energy Modeling

Whole-building energy models shall be prepared using an approved modeling software and shall be simulated following one of the compliance paths prescribed in NYS ECC 2020. The model shall be developed using a “Stacked” parametric approach, where energy savings are modeled by starting with the proposed design model, and gradually transforming this analysis into the minimally code compliant baseline design by subtracting the Energy Efficiency Measures (“EEMs”) one-by-one in the following order:

⁵⁷ <https://cleanheat.ny.gov/assets/pdf/Calculator-User-Guide.pdf>

- HVAC measure(s)
- Base load measure(s) such as lighting, process loads, plug loads, etc.
- Envelope measure(s)
- Non-interactive measures such as service water heating

If there are several EEMs of the same type, for example several HVAC EEMs, the order in which they are modeled relative to each other is not prescribed to allow flexibility in supporting the specific project circumstances and may be determined by the entity performing the modeling based on communications with the customer. For example, if a design includes a high efficiency make-up air unit, and energy recovery is considered as a design alternative, the energy recovery EEM should be modeled (subtracted from the proposed design) first, to show the added energy savings for this option, with the unit efficiency EEM modeled (subtracted) second.

With the stacked approach, the difference between the sum of EEM savings and the total savings of the proposed design relative to the baseline is attributed entirely to the impact of components that differ between the baseline and proposed models but are not included in any EEM.

If a project involves new construction or gut rehab, review additional new construction and gut rehab criteria in Section 3.7 below.

3.5.3 Establishing Baselines

Establishing the baseline's equipment type or efficiency is necessary for calculating energy savings for any project, especially for a custom project. This section defines the types of baselines used by the Program and the general requirements for each baseline type. Baselines will depend on the facility's type and vintage and scope of work.

3.5.3.1 Baseline Equipment Types

Equipment baselines are defined as the type of equipment that would have been installed without the Program's influence. In other words, the savings baseline should represent customer choice in the absence of the Program, not optimal behavior, or policy goals.

3.5.3.1.1 Existing Facilities

The default baseline equipment type for the existing facilities is the existing equipment type and efficiency compliant with the minimum code efficiency per ECCNYS (Energy Conservation Construction Code of New York State). However, the customer may instead choose to select a baseline in accordance with contemporary construction practice for the area and based on an evaluation of the technology's cost effectiveness. Suppose a baseline that differs from the existing system is selected. In that case, the applicant shall provide a separate analysis supporting its selection, showing that the baseline chosen aligns with contemporary construction standards and is cost-effective from both an installation and life cycle standpoint.

3.5.3.1.2 New Construction and Gut Rehab

For all eligible new construction or gut rehab projects in the Program, the default heating fuel type has been set to natural gas. Applicants shall select an alternative fuel if natural gas service is not available or if access is not economical in the project's area.

3.5.3.2 Baseline Efficiencies (except Category 4a) ⁵⁸

Baseline system efficiencies for all categories except Category 4a shall be based on minimally code-compliant equipment in accordance with the latest Energy Conservation Construction Code of New York State (“ECCCNYS”) prescriptive code values. There are three exceptions to this requirement:

1. Project qualifies as a Special Circumstance Replacement in accordance with the TRM⁵⁹ requirements – i.e. Early Replacement or Extended Life. For Special Circumstance Replacements (Section 3.8), the existing equipment efficiency shall be used for the baseline condition in accordance with the TRM two step analysis method.
2. Projects involving new construction or gut rehab whose design demonstrates compliance with Section 406 of the latest ECCCNYS or the New York City Energy Conservation Code (“NYCECC”) by providing more efficient HVAC performance shall set the baseline system efficiencies to exceed the minimum code efficiency requirements by 10%.
3. LMI projects should use the existing equipment type and efficiency as the baseline condition.

3.5.3.3 Baseline Efficiencies – Category 4a

Baseline system efficiencies for:

3.5.3.3.1 Existing Facilities and Gut Rehab – Category 4a

The energy savings from the package of envelope upgrades and heat pump installations are based on the existing conditions. The thermal performance of the building envelope, as well as the HVAC system type and efficiency, should reflect the current conditions found at the project. The participating contractor should provide separate analyses for the envelope upgrades and heat pumps. The documentation should clearly describe the existing building envelope and age and performance data for the existing HVAC system, such as cut sheets stipulating existing efficiency and boiler combustion tests.

The heat pump analysis should calculate incremental energy savings related to the heat pump equipment based on the upgraded building envelope conditions.

3.5.3.3.2 New Construction – Category 4a

The baseline for all eligible new construction projects in the Program is code-compliant equipment per the latest ECCCNYS.

The default building envelope baseline shall be set to the ECCCNYS code minimum compliant performance.

The default heating fuel type has been set to natural gas at the minimum ECCCNYS code efficiency. Applicants shall select an alternative fuel when the new natural gas service is unavailable, or access is not

⁵⁸ Refer to the statewide LMI Implementation Plan for more information on baseline efficiencies for Low- to Moderate Income projects:

<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?Mattercaseno=18-M-0084>

⁵⁹ The New York State TRM can be found on the Department of Public Service website here:

<https://www3.dps.ny.gov/W/PSCWeb.nsf/All/72C23DECF52920A85257F1100671BDD?OpenDocument>

economical in the project's area.

3.6 Additional Requirements for New Construction and Gut Rehab

3.6.1 New Construction and Gut Rehab Eligibility

New construction and gut rehab projects installing heat pump technologies complying with Program requirements are eligible for incentives. Incentives will apply to the portions of the scope of work related to heat pump installations. Additional requirements for new construction projects are outlined in this section.

When buildings undergo renovations that include an expansion of square footage, such as the addition of new floors, the newly added square footage will be considered new construction. Thus, the new square footage will only be eligible for GSHP and domestic hot water incentives. The square footage that existed before the renovation will be considered an existing building and are eligible for the relevant space and water incentives.

3.6.2 Energy Code Compliance

New construction and gut rehab projects must demonstrate minimum compliance with the applicable local Energy Code 2020, e.g., Energy Conservation Construction Code of New York State (ECCCNYS) or New York City Energy Conservation Code (NYCECC) in one of the following ways:

- **Prescriptive:** Each discrete component complies with specific requirements
- **Component Performance Alternative:** Prescriptive approach that allows trade-offs between some components (some can be below code if others are above)
- **Total Building Performance:** Using an energy model, show the entire building's compliance with code. With this method, performance trade-offs are allowed, meaning that some components in the proposed design may be less efficient than the minimally code-compliant like component in the baseline. In these instances, a trade-off must be made to "make up" for a component that does not comply with code. For example, a building owner might choose to install a more energy efficient heat pump system to "make up" for putting in more window area than allowed by the code.

If trade-offs are taken, applicants must provide a side-by-side comparison table between proposed and baseline identifying the areas where trade-offs are made (i.e., building or system elements that do not comply with the prescriptive requirements of the code, elements exceeding requirements, and building elements or systems modeled to provide additional energy savings to offset the non-complying elements). The savings will be calculated based on the proposed heat pump design net of any trade-offs.

Projects that follow the total building performance path and whose design includes trade-offs must set their savings baselines per minimally code compliant ECCCNYS prescriptive code values. While energy models created per Appendix G or Section 11 of ASHRAE 90.1 may be used for Program eligibility, the Appendix G or Section 11 baselines shall not be used to calculate savings.

Con Edison reserves the right to modify energy savings baselines for buildings that make trade-offs on a case-by-case basis.

3.6.3 New Construction and Gut Rehab Energy Savings Analysis

New construction and gut rehab projects that follow a prescriptive approach, preparing a COMcheck or Tabular analysis, to demonstrate compliance with energy code may opt to submit an energy analysis using Excel calculations, *i.e.*, the statewide calculator, or a whole building energy model. The modeling methodology is discussed in Section 3.6.2.

When a project uses a “Total Building Performance” compliance path or trade-offs, the applicant shall submit a whole building energy model for review. Excel calculations will not be accepted for these projects.

3.7 Early Replacement Projects

Projects may qualify for early replacement if they meet the criteria summarized below as defined in the Technical Resource Manual (“TRM”).⁶⁰ For full details, refer to Appendix M in the latest version of the TRM for guidelines for early replacement conditions.

For existing cooling and/or heating equipment to be eligible for early replacement under the Program:

1. Proposed work must involve a retrofit or substantial improvement to an existing facility and must include the entire portion of the building within project scope.
2. The savings baseline for calculating energy savings must be based on the existing heating and/or cooling equipment type installed at the facility.
3. At the time of application to the Program, the existing equipment cannot exceed its Effective Useful Life (“EUL”) and should have at least one year of its EUL remaining (Refer to Appendix P in the latest version of the TRM for EUL for various heating/cooling equipment).
4. The existing equipment must be fully functioning.

A facility’s existing cooling and heating systems shall be evaluated separately against the criteria noted above to determine whether each individually qualifies for early replacement. One or both systems may be eligible.

3.7.1 Required Project Documentation

In addition to the requirements listed in this Program Manual and any applicable supplementary guidelines issued for the proposed energy conservation measures, early replacement projects must submit the following documentation:

- Cooling/heating capacity of the existing equipment
 - Supported by manufacturer’s equipment data sheets or industry standard performance testing results for existing equipment
 - Supported by manufacturer’s equipment data sheets or AHRI certificate

⁶⁰ New York Standard Approach for Estimated Energy Savings from Energy Efficiency Programs – Residential, Multi-Family, and Commercial/Industrial Measures, (“TRM”) Version 11, effective January 1, 2024. See Appendices M & N.

- Age of the existing equipment
 - Supported by original invoice, bill of sale, construction permit, service log, or nameplate date

3.8 Special Circumstance

There are two criteria for existing cooling and/or heating equipment to be eligible for special circumstance replacement under the Program. Full details on special circumstance replacements are found in Appendix M of the latest version of the TRM.

1. Age Rule
2. Energy Use Rule

Special circumstance replacement does not change the incentive category for a project. Qualifying for special circumstance replacement may affect the project baseline, which affects the energy savings calculated for the project. Thus, special circumstance replacements may benefit projects whose incentive rates are calculated on a \$/MMBtu saved basis in custom categories.

Only projects in existing buildings can be eligible for special circumstance replacement. New Construction projects do not qualify for special circumstance replacement.

3.8.1 Age Rule

1. The savings baseline for calculating energy savings must be based on the existing heating and/or cooling equipment type installed at the facility.
2. At the time of application, existing cooling and/or heating equipment must exceed its EUL by at least 25% (Refer to Appendix P in the latest version of the TRM for EUL for various heating/cooling equipment).
3. If the equipment is determined to be less than 125% of its EUL, it is not eligible for special circumstance extended life treatment regardless of consumption or any other factor.
4. There must be a history of significant repair or replacement with existing equipment.
5. Existing equipment must be fully functioning.

3.8.2 Energy Use Rule

1. For cases in which the age of the existing equipment cannot be determined relative to 125%, the Energy Use Rule may be considered for eligibility; existing equipment energy consumption must exceed that of the new high efficiency model by at least 35% for chillers, and 20% for all other HVAC types to do the same amount of work.

A facility's existing cooling and heating systems shall be evaluated separately against the criteria noted above to determine whether each individually qualifies for extended life replacement. It is noted that one or both systems may be eligible.

3.8.3 Required Project Documentation

The minimum documentation required for all special circumstance projects is listed below. These requirements are in addition to the requirements listed in this Program Manual and any applicable supplementary guidelines issued for the proposed energy conservation measures.

1. Cooling/heating capacity and performance of the existing equipment:
 - Supported by manufacturer's equipment data sheets or industry standard performance testing results for existing equipment
 - Supported by manufacturer's equipment data sheets or AHRI certificate
2. Age of the existing equipment
 - Supported by original invoice, bill of sale, construction permit, service log, or nameplate date
3. Actual repair cost, including component replacement for at least the past 3 years
 - Supported by invoices or proof of payment
 - Total repair cost must be added and summarized in a document

Incentives for projects applying for prescriptive incentives in Categories 2a, 2b, 2c, 2d or 3 are not affected by early replacement/extended life (ER/EL).

4. Participating in the Program

4.1 Become a Participating Contractor

To participate in the NYS Clean Heat Program in Con Edison’s service territory, ASHP installers, ASHP designers, AWHP installers, GSHP installers, GSHP designers, and GSHP drillers⁶¹ must first become Participating Contractors in the NYS Clean Heat Participating Contractor Network. Contractors who only install HPWH do not need to become Participating Contractors to submit an incentive application on behalf of a customer through the midstream HPWH Program. When a contractor is accepted as a Participating Contractor, they will receive approval notification emails and be eligible to apply for incentives in the Program.

To become a Participating Contractor, contractors must submit the following completed documents via the NYS Clean Heat Participating Contractor Portal:

- Con Edison Participating Contractor Agreement
- NYS Participating Contractor Application
- IRS Form W-9
- Certificate of Insurance Policy (minimum \$1 million)
- Sector-specific documentation

For additional information on the NYS Clean Heat Program Contractor enrollment, visit Enroll and Submit Heat Pump Applications: NYS Clean Heat⁶² webpage.

In 2024, Con Edison will begin managing the onboarding and enrollment process for Participating Contractors in the Commercial & Industrial sector in sector-specific fashion.

Contractors working in the following segments are required to submit the additional technology or sectoral specific documentation to enroll.

Table 18: Required Contractor Enrollment Documentation by Role

Sector	Required Documentation
ASHP installer	<ul style="list-style-type: none">• U.S. Environmental Protection Agency Section 608 Technician Certification⁶³• ASHP Manufacturer-sponsored Installation Training Certificate (or comparable)• ASHP Manufacturer-sponsored Cold Climate Air Source Heat Pump Sizing and Design Training⁶⁴
ASHP Designer	<ul style="list-style-type: none">• An active NYS Professional Engineering license OR active NYS Registered Architect license
AWHP	<ul style="list-style-type: none">• A copy of the U.S. Environmental Protection Agency Section 608 Technician

⁶¹ GSHP Drillers must also be approved by the Electric Utilities through this process to become Participating Drillers, but only participating installers and designers may submit incentive applications.

⁶² <https://cleanheat.ny.gov/enroll-submit-heat-pump-applications/>

⁶³ <https://www.epa.gov/section608/section-608-technician-certification-0>

⁶⁴ <https://cleanheatconnect.ny.gov/calendar/>

Installers	<p>Certification that is appropriate for the size of the systems the installer will install.⁶⁵</p> <ul style="list-style-type: none"> • AWHP Manufacturer-sponsored Installation Training Certificate or comparable (e.g., Heatspring’s Application of Air-to-Water Heat Pumps for Hydronic Heating and Cooling course ⁶⁶or Heatspring’s Heat Pump System Design & Installation course. ⁶⁷) • Attestation that the installer holds, or will hold, all necessary plumbing licenses for their installation locations
GSHP Installer	<ul style="list-style-type: none"> • A copy of a current (and in good standing) International Ground-Source Heat Pump Association (“IGSHPA”) accredited installer certificate
GSHP Designer (Category 3)	<ul style="list-style-type: none"> • A current (and in good standing) IGSHPA accredited installer certificate OR an active Certified GeoExchange Designer (“CGD”) certificate from the Association of Energy Engineers (“AEE”)/IGSHPA
GSHP Designer (Category 4)	<ul style="list-style-type: none"> • A current CGD certificate from AEE/IGSHPA OR an active NYS Professional Engineering license OR active NYS Registered Architect license
GSHP Driller (Vertical Loop Field)	<ul style="list-style-type: none"> • Active registration (in good standing) and certification for open-loop geothermal well drilling by the NYS Department of Environmental Conservation OR • National Ground Water Association Certified Vertical Closed-Loop Driller (CVCLD) certificate • In addition to requirements listed above, NYC Drillers must provide the following: <ul style="list-style-type: none"> ○ Certificate of Insurance as per NYC DEP Rules Concerning Drilling and Excavation ○ Acknowledgement of NYC DEP Rules Concerning Drilling and Excavation
GSHP Driller (Direct Exchange “DX”)	<ul style="list-style-type: none"> • Training certificate from a DX Ground Source Heat Pump manufacturer
Weatherization Contractors	<ul style="list-style-type: none"> • Home Improvement License (where applicable)
Residential Contractor	<ul style="list-style-type: none"> • Contractor Verification Attestation Form

Effective March 1, 2023, all ASHP Participating Contractors are required to take their preferred manufacturer’s version of the ASHP Sizing and Design training and submit documentation of completion. A grace period of three months following the effective date allows additional time for compliance with the existing Participating Contractor training requirement. Available trainings are posted on the Clean Heat Connect trainings calendar⁶⁸ and updated regularly.

In addition to the steps noted above, each Participating Contractor must have two attendees from their company attend one of Con Edison’s in-person Clean Heat Program training sessions. In lieu of in-person attendance, Contractors may complete a 10-question assessment with a passing grade of 70%.

⁶⁵ <https://www.epa.gov/section608/section-608-technician-certification-0>

⁶⁶ <https://www.heatspring.com/courses/application-of-air-to-water-heat-pumps-for-hydronic-heating-cooling>

⁶⁷ <https://www.heatspring.com/courses/heat-pump-system-design-installation#instructors>

⁶⁸ <https://cleanheatconnect.ny.gov/calendar/sizinganddesign>

Multifamily and Small Biz contractors are required to attend a sector-specific training. All Participating Contractors should be prepared to submit a full application to become a Participating Contractor on Relaunch.

A Contractor's access to monthly incentive allocations, as described in Section 4.2 of this Program Manual and access to Con Edison's Online Intake Tool, will be restricted until contractors complete the assessment and upload updated documentation.

4.1.1 Residential Contractor Verification "Attestation" Form

The Con Edison Contractor Participation Agreement specifies that all projects must be installed in accordance with manufacturer specifications and installation requirements and compliance with all applicable laws, regulations, codes, licensing, and permit requirements, including, but not limited to, the New York State Environmental Quality Review Act, the Statewide Uniform Fire Prevention and Building Code and State Energy Conservation Construction Code, the National Electric Code, Fire Codes, and all applicable State, city, town, or local ordinances and/or permit requirements.

All Residential Participating Contractors must verify that the projects installed in Con Edison's service territory are in accordance with the aforementioned requirements by signing a Contractor Verification Attestation form. Contractors who contest or fail to sign a verification form will be required to provide a copy of permits for each job submitted through the Program.

4.2 Residential Program Requirements and Application Process

This Section of this Program Manual covers the residential sector of the Clean Heat Program. The residential Program supports cold climate air-source heat pump (ASHP), air-to-water heat pump (AWHP), and ground-source heat pump (GSHP) measures installed in Con Edison's residential service area.

4.2.1 Residential ASHP Contractor Allocations

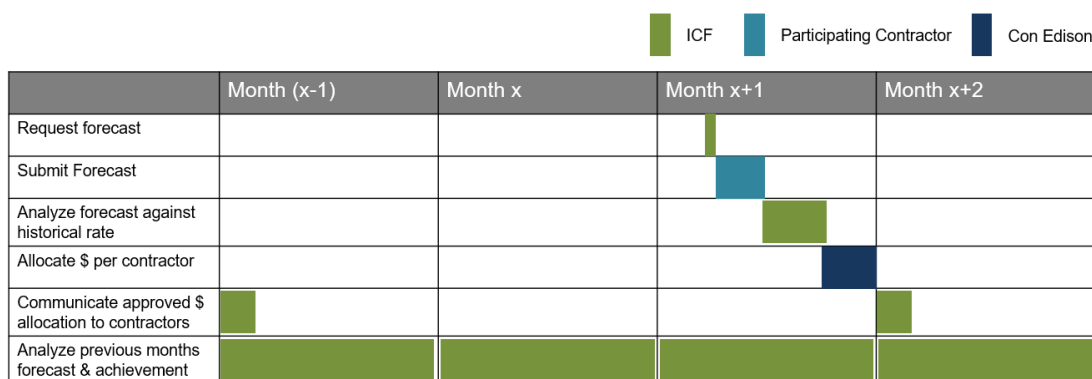
Every quarter, the Program will assign a Contractor Allocation to each active Participating Contractor who requests an allocation. Contractor Allocations set a cap for monthly residential ASHP incentive applications for each Participating Contractor. Contractor Allocations are refreshed quarterly and are designed to give Participating Contractors more transparency and certainty around incentive availability while helping the Company run the Program effectively. Contractor Allocations enable, Con Edison to allocate a fair percentage of available Program funding among high- and low-volume contractors, reserve funding to allow new contractors to enter the Program without delays, and allow room to grow for contractors with a dedicated track record of success.

To create fair allocations, the Program will ask contractors in the ASHP segment to submit forecasts of their monthly activity. ASHP contractors should submit their forecasts for the quantity and value of applications submitted per month based on completed installations. The Program will use each Contractor's forecast as an input along with other factors including historical performance, inspection results (see Section 5), disciplinary status and history (see Section 6), and Program budget availability to create a monthly allocation for each contractor.

Contractors who wish to submit applications above their initial allocation in a given month should reach out to their account manager. At its discretion, Con Edison may increase the allocation for a Participating Contractor in a given month. Con Edison reserves the right to decline to offer incentives for any applications that exceed a Contractor’s monthly allocation.

Con Edison will attempt to communicate contractor allocations in the first week of the final month of the preceding quarter. For example, monthly allocations for the fourth quarter, (October, November, and December) will be communicated in early September, the final month of the third quarter. To deliver on this timeline, the Program team will ask contractors to submit an allocation request to Participating Contractors in the middle of the second month of the quarter. Contractors’ allocation requests will help the Con Edison Program team assign monthly allocations for the subsequent quarter. Additionally, the account management team may follow up with questions regarding allocation requests. The account management team will also follow up regularly during the quarter to see how Contractors are trending against their monthly allocation.

Figure 2: Quarterly Timeline for Allocation Request Forecasts



Monthly allocations awarded to Residential Participating Contractors will be fixed each month and unused allocations will not roll over into that contractor’s allocation in subsequent months. Con Edison emails contractors an allocation dashboard report each week so contractors can view their allocations and progress against their allocation.

ASHP projects will draw down their sectoral allocation and their contractor allocation on the date Con Edison receives a complete post-installation application.

4.2.2 Incentive Eligibility

To be eligible for residential Clean Heat incentives, a customer must:

- Be a Con Edison electric customer with an active Con Edison account number⁶⁹
- Be located in a building consisting of 1-4 Dwelling Units OR be pursuing a project electrifying 1-4 Dwelling Units in a building with greater than five Dwelling Units

⁶⁹ GSHP projects in new construction may not need to provide a customer account number at the time of initial application.

- Be located in a Dwelling Unit that has not previously received incentives for full-load electrification from the NYS Clean Heat Program
- Work with a Participating Contractor to receive the rebate in the form of an instant discount prior to installation.

Customers whose Dwelling Units previously received partial load Clean Heat incentives are eligible to apply for full-load Clean Heat incentives.

New construction is only eligible to receive incentives for GSHP for space heating, GSHP paired with other custom water solutions, GSHP paired with envelope improvements, hot water heating solutions for domestic hot water usage, or HPWH incentives through the midstream Program. Gut renovations and existing buildings are eligible for ASHP, AWHP, GSHP, and HPWH incentives.

4.2.3 Incentives

The NYS Clean Heat Program in Con Edison’s service territory offers residential incentives for space heating for five types of projects:

- Category 2a: ASHP Full-load heating with integrated controls
- Category 2b: ASHP Full-load heating with decommissioning
- Category 2e: AWHP Full-load heating with decommissioning
- Category 3: GSHP: Residential Full Load Heating⁷⁰
- Categories 2a, 2b and 3: Existing ASHP partial load projects converting to full-load heating with decommissioning or integrated controls.

Integrated controls units must be attached to existing heating units and operated such that the heat pump serves as the primary source of heat from the combined heat pump and legacy system. Integrated control units attached to new fossil fuel heating units are not eligible for Category 2a. To be eligible for Category 2a incentives, the integrated control system must be listed on the NYS Clean Heat Integrated Controls Qualified Product list located under the Prescriptive (Small Projects) tab on the NYS Clean Heat Resources webpage.⁷¹ For existing buildings, all existing fossil heating systems must be decommissioned, for Categories 2b, 2e and 3, such that the heat pump system is the only source of space heating. Inclusion of new fossil fuel equipment is prohibited.

For decommissioning projects, legacy heating systems must be removed, disabled, or disconnected by a licensed plumber consistent with the appropriate decommissioning checklist filled out to document this work.⁷² Effective October 15, 2024, Residential Participating Contractors must provide the licensed plumber’s name and license number on the project application in the Online Intake Tool.

Clean Heat incentives must be identified on an invoice to the customer, with incentive amounts to be paid directly to the Participating Contractor upon Program approval. Projects sold without a rebate on the invoice to the customer are not eligible for incentives.

⁷⁰For new construction, the GSHP system must be the only system for heating for the building.

⁷¹<https://cleanheat.ny.gov/resources-for-applications/>

⁷² Residential decommissioning projects may include electric resistance heating not to exceed 10% of BHL.

4.2.3.1 ASHP Incentives

There are four rates offered for each ASHP category as summarized in Table 19. Incentive rates are differentiated by building type (single-family homes vs. apartments) and location (in or outside of a DAC).. Various technologies, including ccASHP mini-splits, central systems, PTHPs, SVPHPs, and AWHPs are all eligible for the ASHP incentives. Each Dwelling Unit must be separately metered and comply with all applicable laws and regulations regarding Dwelling Units.

Table 19: Residential ASHP Incentives

Number	Description	Non-DAC		DAC	
		Single Family Home	Apartment	Single Family Home	Apartment
2a	ccASHP: Full load heating with integrated controls	\$2,500	\$1,000	\$4,500	\$2,000
2b	ccASHP: Full load heating with decommissioning	\$8,000	\$4,000	\$10,000	\$5,000
2e	AWHP: Full load heating with decommissioning				

Projects in DAC are eligible to receive incentives that cover up to 70% of project costs, while incentives for projects outside of DACs are capped at 50% of project costs. The DAC incentive rates apply to both decommissioning and integrated controls projects. Contractors can determine whether a project is in a DAC by searching the address at: <https://www.nyserda.ny.gov/ny/Disadvantaged-Communities>

The NYS Clean Heat Program for Con Edison offers incentives for customers who had previously received Category 1 (partial load incentives) to transition to full load heating. Incentives for this offering are shown in Table 20.

Table 20: ASHP incentive rates for premises that previously received a partial load incentive

Category Number	Description	Single Family Home	Apartment
2a	ccASHP: Full load heating with integrated controls	\$1,250	\$500
2b	ccASHP: Full load heating with decommissioning	\$4,000	\$1,500
2e	AWHP: Full load heating with decommissioning		

4.2.3.2 GSHP Incentives

The Clean Heat Program will offer two different incentive rates for residential GSHP projects: one for customers in Disadvantaged Communities (DAC) and one for customers outside of DAC. The incentive rate for residential GSHP projects located outside of a DAC is \$25,000 per building or 50% of project costs, whichever is lower. The incentive rate for GSHP projects located within a DAC is \$35,000 per building or

70% of project costs, whichever is lower. These rates are shown in Table 22.

Contractors can determine whether a project is in a DAC by searching the address at: www.nyscrda.ny.gov/ny/Disadvantaged-Communities.

All GSHP projects for existing buildings must include decommissioning of the existing space heating system. GSHP projects may include ASHP or AWHP as an ancillary heating system over a minority area of the project, however all GSHP systems must provide heating for 80% of square footage of the house. The inclusion of the ASHP or AWHP does not change the prescribed GSHP incentive rate for the project. Projects that include ASHP or AWHP must make note of the difference by square footage and heating load in the Manual J floor by floor plan.

Table 21: Residential GSHP Incentives

	Category 3: GSHP Full Load Heating Incentive	Incentive Cap % of Project Cost
Located outside of DAC	\$25,000	50%
Located in DAC	\$35,000	70%

The NYS Clean Heat Program for Con Edison offers incentives for customers in Dwelling Units which had previously received Category 1 (partial load incentives) to transition to full load heating. Such customers pursuing an eligible GSHP project will be eligible for the full Category 3 incentive rate based on the location of the project.

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

For projects installed at new construction sites, all components installed as part of an approved GSHP system must be new. For projects installed at existing sites, the heat pumps must be new and any system subcomponent or subassembly such as controls or ductwork that is replaced should be replaced by a new subcomponent or subassembly. The installation of used or refurbished equipment and components is not permitted under the Program.

4.2.3.3 Incentive examples by building types

Building and project type determines the value of incentive for which each residential project is eligible. Eligible sites for residential Clean Heat projects include residential buildings owned or controlled by an active Con Edison customer where an eligible heat pump system for space heating is being installed as a retrofit. For GSHPs, the building types can also include newly constructed buildings.

Both attached and detached single family homes are eligible for the single-family incentive rates, and are illustrated in Table 22. Participating Contractors who submit applications for incentives for single family homes must indicate the building type.

Table 22: Residential Single-Family Building Type Examples

Building Type	Illustrative picture	Description
Single family detached		A building with one Dwelling Unit that does not share any walls with other conditioned residential buildings.
Single family attached		A building with one Dwelling Unit that shares at least one wall with another residential building

If a project electrifies individual apartments (dwelling units) in a building with four or fewer apartments, the project will be eligible for incentives equal to the number of apartments multiplied by the relevant per apartment rate.

Projects which electrify between one and four apartments in a multifamily building with five or more apartments, are eligible for the residential per apartment rate.

4.2.4 Residential Application Process

There are four basic stages for a residential application listed here and described below:

1. Contractor Enrollment and Allocation
2. Initial Project Documentation
3. Project Installation and Technical Review
4. Final Review and Payment

Residential incentive applications qualifying for incentives must be submitted within 30 days after the installation is complete.

Stage 1 – Enrollment and Allocations

This stage describes the activities before a Participating Contractor is ready to submit an incentive for a specific project. Before applying for residential Clean Heat incentives, all contractors must first become a Participating Contractor and ASHP contractors must provide Con Edison with their monthly allocation requests. Newly added ASHP contractors will need to submit an allocation request within the quarter they sign up to participate. Contractors must have an allocation before submitting an incentive application. Please refer to Section 4.1 for more on how to become a Con Edison Residential Participating Contractor, and Section 4.2.1 for the monthly Contractor allocation process.

Stage 2 – Initial Documentation

This stage includes the activities that are undertaken while a Participating Contractor contracts with a customer and before the project is installed. For GSHP projects, Participating Contractors must submit a pre-installation application and upload a copy of a signed customer contract within 14 days of contract signing.

This step is optional for ASHP projects, unless existing equipment is non-ccASHP, and would not impact a contractor’s monthly ASHP allocation.

Con Edison offers a tool for Participating Contractors to verify customer eligibility for Clean Heat incentives. To conduct a look-up, Participating Contractors will need to enter a customer’s 11-digit account number, meter number, or premise address. If the premise is eligible for Clean Heat incentives, the system will provide Contractors with an eligibility key. Premises that have already received full-load Clean Heat incentives are not eligible for additional incentives.

One calendar day after a pre-installation application is received, a pre-approval notification is sent to the Participating Contractor via email that confirms eligibility, and incentive details, including the estimated incentive amount. Documentation required for the pre-installation application is captured in the box at right.

The ASHP pre-installation requires that projects be installed and complete their application for incentives within 90 days of the pre-approval letter from Con Edison.

Stage 3 – Installation and Technical Review

This stage includes the activities that occur after the Participating Contractor completes installation of the project and submits the final application for incentives and required supporting documentation. Incentive applications are due no later than 30 days after the heat pump system is installed and operational.

The application processing system will calculate if the new application package causes the Participating Contractors to exceed their monthly allocation and prevent submission. In this circumstance the Contractor will be invited to save their package and submit in the following month. Contractors approaching their monthly allocation, who still wish to submit projects, should reach out to the Residential Program team for permission to increase their allocation.

Data fields previously provided in Stage 2 marked with an asterisk (*) in Box 2 will be pre-populated and are not editable during this step. If any of the pre-populated information has changed, Contractors will be required to “cancel” the current pre-application submission. Once cancelled, Contractors will then be able to “clone” the previous submission and choose to “edit” and amend the relevant data fields and submit. Contractors will then be able to return to this application the following calendar day to submit their application package.

Box 1: Data Fields for Pre-Installation Application

- | | |
|-----|---|
| 2. | Project Name |
| 3. | Eligibility Key |
| 4. | Premise Address |
| 5. | Building Type |
| 6. | Multifamily Building (Y/N) |
| 7. | No. of Dwelling Units |
| 8. | Building Load |
| | a. ASHP full load with integrated controls or decommissioning |
| | b. GSHP with decommissioning |
| 9. | Estimated total Project Cost |
| 10. | Planned Installation Date |
| 11. | Year built |
| 12. | Signed customer agreement (for GSHP projects) |

Documentation Requirements – ASHP and GSHP projects

All projects are required to submit the following documents as part of the application:

- **Completed Program application** – Relevant fields and documents are listed below.
- **Cutsheets for System Capacity** – Specific model(s) and product ratings being used in the project must be reflected on the cutsheets.
- **Customer Invoice** – A final invoice must be provided to Con Edison clearly showing the costs of the project, separated by labor and materials with a total, and the value of the Clean Heat incentive clearly labeled as a discount from Con Edison. The invoice provided must match documentation provided to the customer.
- **Customer Participation Acknowledgement Form** – Confirmation that customer agrees to terms and conditions and recognizes the incentive amount provided as an instant discount. Customer signatures may be provided electronically.
- **Floor by Floor Manual J** – 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) or other code-approved equivalent computational procedure depending on building type. Manual J calculations should be submitted in PDF format, unless otherwise requested.
- **Photo Submission** – Contractors must submit the pictures as required by the application type, including those specified on the Residential Decommissioning Checklist, if applicable. All photos must have time and date stamps. See the [Photo Submission Guide](#)⁷³ for examples of decommissioning photos.
- **Decommissioning Checklist (if applicable)** – Attesting that all decommissioning requirements have been met on site.

Box 2: Final Application Data Fields

- **Project Name***
- **Eligibility Key***
- Customer Name
- **Premise Address***
- **Account Number***
- **Building Type***
- Installation Date
- Building Cooling Load (BCL) at design temp
- Total System Cooling Capacity at design temp
- Building Heating Load (BHL) at design temp
- Total System Heating Capacity at design temp
- Total Project Costs (Labor + Equipment – excluding tax)
- System Cost for Equipment (as a percentage)
- Status of Existing Equipment (decommissioned or removed)
- Was Clean Heat financing used on this project?
- Total building square footage
- Manual J conditioned square footage
- Replaced Heating fuel of system
- Replaced Electric Heating System (if applicable)
- Is Supplemental Electric Heating Included?
- Replaced Fossil Fuel Heating System (if applicable)
- Is this heat pump project receiving incentives from other NYSERDA Programs?

⁷³ See,

https://visionelements.customerapplication.com/framework/ny_statewide/ConEdison_Clean_Heat_Photo_Submission_Guide.pdf

The Program will review the application package for all projects to confirm the incentive and savings based on as-built conditions and as-installed costs. All documentation must be complete and accurate before a project will be approved for payment. When an application is incomplete or inaccurate, Con Edison will contact the Participating Contractor to request the missing and/or correct information. Participating Contractors have 30 days from the date Con Edison or ICF notifies them to complete their application, unless otherwise indicated. If the missing and/or incorrect application is not resolved within the specified timeline, including resolution of inspection flags, the application will be cancelled and will not receive an incentive.

Projects outside the recommended BHL/SF guidelines in Table 23 will be subject to additional technical review, which may include an inspection.

Table 23: Recommended BHL/SF Ranges by Building Age

Year Built	Minimum BHL/SF	Maximum BHL/SF
Pre-1945; uninsulated Brick	30	45
Pre-1945 Insulated	25	45
Pre-1979	20	35
1979-2006	15	30
2007 or later	15	25

Stage 4 – Final Review and Payment

Con Edison has set a target of 10% of projects by contractor for a Post-Installation Programmatic Inspection to confirm that the work was conducted in accordance with the incentive application. Con Edison will withhold incentive payments for projects selected for Programmatic Inspection until after the inspection is complete and any issues found which call for remediation are addressed. Projects not selected for a Programmatic Inspection will be reviewed and processed for payment. All projects may be subject to a QA/QC Inspection, as described in Section 5. Contractors should inform customers of the possibility of up to two inspections at the time of installation.

Rejection or modification of an incentive application is at Con Edison’s sole discretion.

Contractors are required to deduct the Clean Heat incentive, clearly labeled as a discount from Con Edison, from the final invoice to the customer. The Program will pay residential ASHP or GSHP incentives to Participating Contractors upon incentive approval. Each Participating Contractor will be reimbursed for an amount not to exceed the instant discount amount provided to the Customer at the time of install, and as documented in the site owner invoice or contract. 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.

QA/QC Expectations

Through participation in the Residential Program, Participating Contractors will be required to comply with a Quality Assurance/Quality Control (QA/QC) process for the purpose of ensuring quality installations

and improving Program processes.

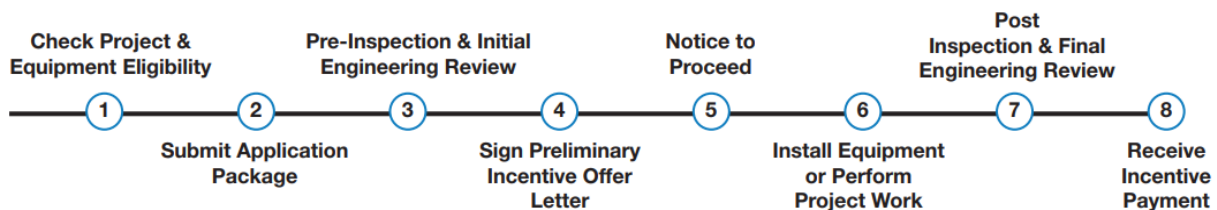
In addition to the Program’s Quality Assurance/Quality Control (QA/QC) protocols, Participating Contractors are expected to address any of their customer’s concerns related to projects incentivized through the Program. If a customer concern is the direct result of a violation of Program rules, the Program may institute disciplinary actions. However, if the customer’s concern is not related to a violation of Program rules, the Participating Contractor is expected work with the customer to come to a resolution without the Program’s involvement.

4.2.5 Residential Savings Calculations

For residential projects, Con Edison will calculate savings using a deemed savings approach based on the conditioned square footage and age of the building. The approach is documented in *The New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs - Residential, Multi-Family, and Commercial/Industrial*, known as the Technical Resource Manual (“TRM”).

4.3 Non-Residential Program Requirements and Application Process

Non-residential projects submitted to the Program will follow the general process outlined below. Steps are dependent on whether project measures fall under prescriptive incentive categories or custom incentive categories.



1. Check Project and Equipment Eligibility

Confirm that the customer, site, proposed measures, and contractors qualify for the program as specified in the Eligibility Requirements in this Manual.

2. Submit Application Package

Depending on the customer segment (see below for more information), contractors should submit applications via the following channels:

- **C&I:** Customers & Participating Contractors should submit applications via email to cleanheatcommercial@coned.com with a subject line of **New C&I Clean Heat Application – [Applicant Name]**.
- **Small Biz and MF:** Customers & Participating Contractors should upload applications to SMART (Willdan’s project management web portal, available at <https://sbdi.smart-willdan.com/> for Small Biz and <https://mf.smart-willdan.com> for Multifamily). Incomplete submissions will be rejected.
- **GSHP:** Customer & Participating Contractors should submit applications via email to geothermal@coned.com with a subject line of **New Geothermal Clean Heat Application – [Applicant Name]**.

An application package may include the documentation below. In custom category cases where the scope consists of heat pumps being installed across multiple buildings owned by the same entity, a single custom application shall be submitted. Descriptions of the required documentation can be found in Section 4.3.1. Documentation for Small Biz projects is defined in Section 4.3.3.4 Program Pathway (Prescriptive vs Custom).

When submitting an application package, Participating Contractors must label these documents with the appropriate file names shown below:

- **Completed Program application for the current year:** (*Filename: Address_Application*)
- **W-9 of the incentive recipient:** (*Filename: Address_W9 Form*)
- **Scope of Work:** (*Filename: Address_Statement of Work*). Must include the following:
 1. **Cutsheets for Proposed Equipment:** (*Filename: Address_Cutsheet – [Make - Model #]*)
 2. **Cost Estimate for Proposed Work:** (*Filename: Address_Cost Estimate*)
 3. **Project Timeline:** (*Filename: Address_Project Timeline*)
 4. **Design Drawings:** (*Filename: Address_Design Drawings*)
 5. **Load Calculations:** (*Filename: Address_Load Calc*)
 6. **Energy Savings Analysis:** (*Filename: Address_Calculations*)
 7. **Building Information:** (*Filename: Address_Building Info*)
 8. **Other measure specific documentation:** (*Filename: [Specify Document Type based on measure-specific requirements]*)

3. Pre-Inspection & Initial Engineering Review

- **Initial Engineering Review**

Con Edison will review the application's technical documentation for completeness to verify equipment technical eligibility, project incentive category, baseline and assumptions used in the energy analysis to determine preliminary savings and incentives for the project.

During the review process, the reviewing engineers might request further information and documents to complete their review of a project.

- **Pre-Installation Inspection**

All projects are subject to an onsite pre-installation inspection of existing heating and cooling systems after the initial technical review. Scheduling of inspections is coordinated with the customer and Participating Contractor based on the customer's availability. The inspection verifies the existing site conditions, including HVAC and other building systems, as consistent with the scope of work and Program requirements.

In the case of new construction projects (GSHP or DHW only), a document review will be conducted to produce the Preliminary Incentive Offer Letter and Notice to Proceed.

For multifamily projects, inspections will require access to a minimum of 10% of the total building Dwelling Units.

For Small Biz projects, some projects may receive virtual inspections, in which case Participating Contractors must follow the detailed guidelines provided by the Program.

- **Measurement & Verification**

Measurement and Verification (M&V) may be required for projects in which the technology or project has a high degree of savings uncertainty, is an unknown or unique application, is comprised of a complex group of measures, or is part of a Non-Wires Solutions or Non-Pipes Alternatives area. The overall intent of M&V is to mitigate risk to the Program by reporting more accurate savings through metering and data collection. It involves a more robust approach to measuring the energy conservation measure and its application. The M&V approach will utilize various methods to obtain insights into energy conservation measures (ECMs), assess their application as well as their impact on savings and incentives.

4. Sign Preliminary Incentive Offer Letter

Once the customer receives the PIOL, they must sign and return it within 30 days. The estimated dates for installation start and completion must also be provided on the signed PIOL. *For Small Biz and Multifamily only*, once the PIOL is returned, the Participating Contractor can begin the installation. *For C&I*, the Participating Contractor must wait until the pre-inspection is complete and they have received a Notice to Proceed.

Projects will draw down their sectoral allocation on the date Con Edison issues a PIOL.

Table 24 gives the timelines on which projects must be completed from the date of the PIOL.

Table 24: Installation Timelines

	Small Biz	C&I / Multifamily
Category	Existing Buildings	Existing Buildings
Prescriptive	6 Months	12 Months
Custom	12 Months	24 months

In the event of unusual delays, the Participating Contractor may request timeline extension to complete the project. Extension requests are subject to the sole discretion of Con Edison.

5. Notice to Proceed

For C&I projects only, following the signed PIOL, Con Edison will issue a Notice to Proceed at which point project work may begin.

6. Install Equipment or Perform Project Work

The Participating Contractor must submit project completion documents as soon as the project is completed. A project is considered complete when the eligible scope is installed and operational, and the project is ready for post-inspection. The completion documents include:

1. **Customer Acknowledgement Form:** (*Filename: Customer Acknowledgement Form*)
2. **Final Invoice (not required for Small Biz):** (*Filename: Invoice*)
3. **Decommissioning Checklist (if applicable):** (*Filename: Decommissioning Checklist*)
4. **Electric Service Ruling:** (*Filename: Electric Service Ruling*)

5. **Updated Scope of Work (if applicable):** (*Final* to the file name)
6. **Warranty:** (Filename: *Warranty*)
7. **DOB Permit (upon request):** (Filename: *DOB Permit*)

7. Post-Installation Inspections & Final Engineering Review

• Post-Installation Inspections

Con Edison will conduct an on-site post-installation inspection to confirm that all work was installed in accordance with the SOW provided with the initial application. Post-installation Inspections will be conducted after all approved heat pump measures have been installed and the completion paperwork has been submitted. The inspections team will assess the quality of workmanship of the heat pump installation, including verifying proper installation and functioning of the equipment and that work has been performed in accordance with the approved scope of work in compliance with Program rules.

Similar to pre-installation inspection, the inspectors will need access to at least 10% of Dwelling Units in the multifamily sector, as well as 100% of all condensers.

• Final Engineering Review

Con Edison will review the completion paperwork and findings from the post-installation inspection, revising the energy savings calculations, as necessary, to reflect as-built conditions and as-installed costs, and determine the final project savings and incentive. If the oversight, including on-site inspections finds any conformances, the Program may require that those be fixed before issuing payment.

If the final project differs from the SOW and the PIOL, the incentive will be adjusted to match the final installation. For projects with a requirement to submit DOB drawings, if the final project differs from the DOB-approved design drawings, a DOB-approved PW4 must also be submitted.

In the event that the energy savings were to increase, a higher incentive than what was listed on the PIOL cannot be guaranteed.

• Quality Assurance/Quality Control

Some projects will be selected for QAQC activities, such as a secondary inspection or an additional engineering review. The goal of QAQC is to protect the Program from fraud and provide actionable insights for program improvement and efficiency. QAQC is performed by a third-party contractor on behalf of Con Edison. Projects may be selected at random or based on other criteria including size, savings or incentives. QAQC activities are not optional, and the participant is expected to cooperate fully with any effort by Con Edison or its contractors and subcontractors to make follow-up visits to customer facilities, provide supporting documentation, and other requests in support of this effort. Additionally, Participating Contractors may be subject to utility-specific reviews and/or assessments to verify Program measure implementation and acquisition. Contractors with concerns about the QAQC process should reach out to their account manager.

8. Receive Incentive Payment

After the Con Edison Program team finalizes the Project's energy savings and incentives, Con Edison will issue an incentive check to the incentive recipient designated on project documents.

4.3.1 Supporting Documentation Description

Application & W-9

- Applications must include a copy of a signed legal contract between the participating contractor and the customer, with terms and conditions. Incomplete applications, or applications with inaccurate and/or incomplete customer/customer's representative details are not accepted. Account name must match the name of the Con Edison account holder
- The W9 must match the name of the payee as indicated on the Program application and must be latest version available on IRS website at the time of application to the Program.

Scope of Work

A detailed scope of work that specifies all equipment related to the proposed measure, includes a description of the existing system operation, and provides the following additional details:

- Describes the extent of work and indicates whether the scope involves gut rehab.
- Provides a description of existing heating and cooling systems and building envelope, or in the case of gut rehab, a counterfactual case that describes the equipment and building envelope that would have been installed but for the Clean Heat Project.
- Specifies the type of heat pump technology being proposed for installation, quantity of new units, and proposed system application (e.g., domestic hot water heating, space heating and cooling). Specifies whether equipment is ducted or ductless.
- Provides design capacity, efficiencies, and proposed sequence of operations for new heat pump installation
- Specifies what percentage of the design heating/cooling load the new heat pumps are proposed to accommodate. See Required Equipment Sizing for details regarding equipment sizing.
- Specifies whether supplemental heating, via either an existing heating system or new heating system, is required to accommodate the design heating load. If a supplemental heating system is required, provide an explanation as to the following:
 - In the case of a partial load project, describes why additional electrification above and beyond the proposed design is not feasible.
 - In the case of a decommissioning project, describes the existing heating system's decommissioning plan.
- Identifies the on-site personnel that will learn & operate the control module(s).

For Gut Renovations: Specify which energy code compliance pathway (*i.e.*, Tabular Analysis, COMcheck, or Performance Path) design follows to demonstrate compliance with the applicable 2020 energy code and whether design trade-offs have been taken.

A completed Scope of Work must also include the supporting documentation listed below:

1. Cutsheets & AHRI/NEEP certificates

Specific model(s) and product ratings being used in the project must be submitted with the project application to properly determine equipment eligibility. Model numbers must be highlighted on the cutsheets before submission to the Program. AHRI and NEEP certificates of the proposed equipment are required as well.

2. Cost Estimate for Proposed Work

Applicants shall submit a cost estimate for the proposed work with its initial application. Installation costs as provided to the customer, including labor and materials, date of the proposal generated, and the customer's representative's details to whom it was submitted must be submitted with the project application for the proposed heat pump scope. Labor and material costs shall be presented separately as an itemized list, and costs shall be limited to the equipment cost and labor cost. Other costs such as taxes, internal labor costs, shipping, administrative costs, project management, construction management, permitting, or similar costs will not be included with total project cost when calculating incentive caps.

3. Project Timeline

Applicants must include anticipated timeline of installation beginning and completion.

4. Design Drawings

Applicants must submit project design drawings at the request of Con Edison.

5. Load Calculation

- For commercial spaces & buildings, BHL & BCL shall be calculated following ANSI/ASHRAE/ACCA Standard 183-2007(RA2020)⁷⁴, ACCA Manual N 5th ed.⁷⁵, or other code-approved equivalent computational procedure, and the Participating Contractor must submit a load calculation report.
- Calculation of the building's design heating load shall be at the 99% dry bulb heating design temperature for the most relevant ASHRAE 2017 location.
- Calculation of the building's design cooling load shall be at the 1% dry bulb cooling design temperature for the most relevant ASHRAE 2017 location.
- Software files detailing the project's load calculation analysis may be requested by the Program team at their discretion.
- Every load calculation report copy must have a completed and signed copy of the ASHRAE 183 Compliance form, for reference, **Figure 3: ASHRAE 183 Compliance Form**.
- The heat pump designer responsible for sizing the system must be the one performing and approving the load calculation. If a project has a building permit filed for the onsite work, it must share the responsible registered P.E./R.A. with the load calculation report.
- **Technical requirements:**
 - a) **Load calculation method:** a procedure used to calculate the cooling or heating load of a zone or building. Load calculation methods that comply with ANSI/ASHRAE/ACCA Standard 183-2007 include, but are not limited to:
 1. the cooling load temperature difference/cooling load factor (CLTD/CLF) family of methods,
 2. total equivalent temperature difference/time averaging (TETD/TA) methods,
 3. transfer function methods (TFMs),
 4. radiant time series (RTS) methods, and
 5. heat balance (HB) methods.
 - b) Load calculation analysis must be zone-by-zone or room-by-room type; block load calculations will not be accepted.

⁷⁴ https://www.techstreet.com/ashrae/standards/ashrae-183-2007-ra-2020?product_id=2202075

⁷⁵ <https://www.acca.org/store#/productDetail/5A744C03-BC20-E511-80FA-C4346BACEBF4/>

Figure 3: ASHRAE 183 Compliance Form

(This appendix is not part of this standard. It is merely informative and does not contain requirements necessary for conformance to the standard. It has not been processed according to the ANSI requirements for a standard and may contain material that has not been subject to public review or a consensus process. Unresolved objectors on informative material are not offered the right to appeal to ASHRAE or ANSI.)

INFORMATIVE APPENDIX B
RECOMMENDED ASHRAE/ACCA COMPLIANCE FORM FOR STANDARD 183

Building or Zone Name:
 <BUILDING NAME>

Location or Address:
 <FULL SITE ADDRESS>

Design Conditions: MUST BE COMPLETE

	Cooling	Heating
Weather Data Used		
Indoor Dry Bulb Design Temperature		
Indoor Design Relative Humidity		

Load Calculation Method:
 (Indicate which of the following methods is used.)

CLTD/CLF—Cooling Load Temperature Difference/Cooling Load Factor methods
 HB—Heat Balance methods
 TETD/ITA—Total Equivalent Temperature Difference/Time Averaging methods
 TFM—Transfer Function Methods
 RTS—Radiant Time Series methods
 OTHER (please specify) <SPECIFY IF SELECTED, ELSE USE ONE FROM ABOVE>

The undersigned attests that the above information is correct and that the procedures used to perform the load calculations comply with ANSI/ASHRAE/ACCA Standard 183.

Signed: _____ **Date:** _____
 <SIGN AND STAMP BY P.E.> <FILL>

Submitted by: _____ **Date:** _____
 <FULL NAME AND PROFESSIONAL CREDENTIALS> <FILL>

ANSI/ASHRAE/ACCA Standard 183-2007 (RA 2020)

6. Savings Calculations

The Statewide Custom Clean Heat Program Savings Calculator (Clean Heat Calculator) is an Excel-based tool that has been developed to assist Participating Contractors applying to the NYS Clean Heat Program with calculating energy savings and incentives for various types of heat pump technologies. The Statewide Custom Clean Heat Program Savings Calculator user guide⁷⁶ contains an updated list of technologies for which the Clean Heat Calculator calculates savings and incentives.

The Clean Heat Calculator should be used as the default method to calculate energy savings for the custom categories (4, 4a, and 10).

Applicants may bypass using this calculator, opting instead to calculate savings using their own custom bin analysis or energy modeling approach. All calculations must be clear and transparent, utilizing standard engineering methodologies, including a listing of source values.

7. Building Information

Description should specify building type and the floors or building areas impacted by the project. Include whether any other measures are being installed to contribute to additional heating or cooling relief, such as building envelope upgrades (e.g., weatherization, sealing, insulation, etc.).

⁷⁶ <https://cleanheat.ny.gov/assets/pdf/Calculator-User-Guide.pdf>

8. Other measure specific documentation

Projects may be required to include other documentation specified in this Program Manual specific to the technology or category. For example, Small Biz projects applying for prescriptive incentives based on square footage must submit floor plans.

Project Completion Documents

1. Customer Acknowledgement Form

Customer and Participating Contractor signed Customer Acknowledgement Form. Only material and labor costs directly related to incentivized measures should be included on the completion form.

2. Final Invoice

Applicants shall submit a final invoice, documenting actual material and labor costs for the installation, with all completion documents. The final invoice must include all the information listed below to meet the documentation requirements. The document must be labeled as an invoice and cannot be labeled as a proposal and include the following elements as in Error! Reference source not found..

Project Costs and Invoicing Requirements

Material and labor costs submitted to the Program are subject to Con Edison review and may be capped for incentive calculations at the company's sole discretion. Internal labor costs will not be included with total project cost when calculating incentive caps. When submitting invoices with the Customer Acknowledgement Form, customers must provide Con Edison with detailed invoices identifying the following:

- Contractor name and address
- Contractor contact information
- Customer representative's details, project's address, related to the items listed in the scope of work that was approved by the Program. Changes to approved scope of work must be submitted to the Program team for approval
- Itemized description of equipment installed – Make and model number(s) are required in both cost proposal and the final invoice. Serial number(s) are not required in the cost proposal but are required in the final invoice.
- Quantity, purchase date and delivery date of equipment installed: This is required to verify the quantity of equipment installed aligns with the Con Edison Program application.
- Invoice Number
- Installation date and invoice issue date
- Itemized labor and material costs for all installed equipment
- Material costs associated with decommissioning existing fossil heating systems as applicable
- The final invoice provided to Con Edison must be the same invoice the customer is receiving and match the Customer Acknowledgement Form.
- Unless otherwise specified, project cost is limited to the equipment cost and labor cost. Other costs such as taxes, internal labor costs, shipping, training, admin costs, or similar costs will not be included with total project cost when calculating incentive caps.
- Each line item must include a brief description. For example, include the equipment tag for an air handler as "AHU 13B", as well as make, model and serial number.

- Unless specified in the incentive application, the Participating Contractor would be the default recipient of the approved incentive amount.
- If a Participating Contractor is receiving incentives on behalf of a customer, a line item stating “Con Edison Incentive Credit” with an invoice credit must be documented on the invoice. The invoice credit must reflect the same incentive amount the customer would receive had they completed the submission themselves for the same project. In the event a custom project submitted for incentives is a portion of a larger scope, the customer will provide invoice(s) that clearly outline the specific project description and costs that is being applied to the project in the Program.

Figure 4: Sample Invoice

INVOICE

1 Vendor Name
123 Main Street
New York, NY 10001

2 1(800) 888-1234
info@vendor.com

5 Bill To:
John Doe
123 Street
New York, NY 10001

4

INVOICE #	INVOICE DATE	INVOICE DUE
#0001	1/1/2022	1/1/2022

6 Service Location:
Building A
456 Street
New York, NY 10001

Description	QTY	Material	Total
Heat Pump Manufacturer: ABC Heat Pump Model #: AABBC-HP1122	8 3	9 \$8,000	\$24,000
Heat Pump Manufacturer: DEF Heat Pump Model #: DDEEFF-HP3344	5	\$10,000	\$50,000
Labor			\$ 10,000.00
Subtotal			\$84,000
Tax			\$6,567.50
10 TOTAL			\$90,567.50

- 1. Contractor name and address**
- 2. Contractor contact info**
- 3. Invoice #**
- 4. Install date/ Invoice date**
- 5. Customer name and address**
- 6. Installation site**
- 7. Make and model # installed**
- 8. # Units installed**
- 9. Unit cost**
- 10. Total cost including labor**

3. Decommissioning Checklist

Completed decommissioning checklist (as applicable)

4. Electric Service Ruling

All projects must be reviewed by and receive a ‘service adequate’ electric service ruling from Con Edison Energy Services before Clean Heat incentive payment is issued. A Master Case ID (“MCID”) will be issued by Con Edison Energy Services when the project is submitted for review. The MCID shall be provided to the Program as early as possible, but no later than notification of construction completion, to serve as

record that consultation with Con Edison Energy Services has occurred. For more information, refer to the Con Edison Blue Book⁷⁷ that is located on the Con Edison's Energy Services Resource Web Site.⁷⁸

5. Updated Scope of Work

If any aspect of the scope of work changed during installation, the relevant documents must be updated and resubmitted.

6. Warranty

Each qualified residential and small commercial ASHP receiving an incentive under the Program must include a minimum five (5) year manufacturer's warranty for parts including compressor. Warranty terms must be included in at least one document supplied to the customer – it could be included in the final invoice, and/or in the contract between the customer and the Participating Contractor. This requirement does not apply to large commercial and industrial customers.

7. DOB Permit (upon request)

At its sole discretion, Con Edison may request and contractors must provide an approved Department of Buildings permit submission including EN-drawings and energy analysis (COMcheck, tabular analysis).

4.3.2 Multifamily Program Eligibility and Requirements

This Section of this Program Manual is designed to provide Participating Contractors with the information they will need to participate in the multifamily sector of the Clean Heat Program and supplements the application process outlined above in section 4.3. The multifamily Program supports air-source heat pump (ASHP) and heat pump water heater (HPWH) measures installed in Con Edison's electric service area.

4.3.2.1 Incentive Eligibility

Buildings with five or more Dwelling Units are eligible for the Clean Heat multifamily incentives. Existing buildings are eligible for incentives for ASHP, AWHP, HPWH and GSHP. New construction projects are only eligible for GSHP incentives. New construction projects are not eligible for ASHP incentives, including when used to supplement GSHP projects. New construction projects can participate in midstream HPWH Program or receive custom incentives when paired with GSHP for space heating. New construction buildings are eligible to receive incentives for domestic hot water projects.

Mixed-used buildings with both multifamily and commercial spaces should apply to the Program with the dominant use type, determined on a case-by-case basis. In most cases, where more of a building's square footage is dedicated to multifamily uses, this will lead mixed-use buildings to apply in the multifamily Program.

All existing buildings are subject to decommissioning of the existing heating system for the building's space-heating scope of work. For example, if the project applies for incentives for the whole building, it must decommission the existing heating system used for space heating throughout the whole building. Alternatively, if a project applies for incentives for a wing of the building, it must decommission the existing heating elements in that wing. The existing heating system is permitted to heat other areas of the building which were not in the scope of the Clean Heat project.

⁷⁷ <https://cdne-dcxprod-sitecore.azureedge.net/-/media/files/coned/documents/small-medium-large-businesses/electricbluebook.pdf?rev=2265eee294b94ba6ba26feb2190b90ff&hash=2ECE100C08B211EFAC7B6339B0B7ECB3>

⁷⁸ <https://www.coned.com/en/small-medium-size-businesses/building-project-center>

All Multifamily projects must be submitted for review by Con Edison via the Con Edison Project Center and receive a 'service adequate' electric service ruling prior to installation. A Master Case ID ("MCID") will be issued by Con Edison when the project is submitted for review. The MCID must be provided with a signed PIOL.

To be eligible for multifamily Clean Heat incentives, a customer must meet the following criteria:

- Have an active Con Edison electric account
- The building must be occupied year-round
- Projects submitted after January 17, 2023 should not have begun installation⁷⁹

Projects in the following categories are not eligible for Clean Heat incentives:

- Sites that received incentives from a previous Clean Heat Program covering the same scope of work
- Common-area-only-scope of work

In cases where a project covers 1-4 Dwelling Units in a multifamily building, it is eligible for residential incentives in category 2a, 2b, or 2e, but not multifamily incentives in category 2c or 4.

4.3.2.2 Incentives

Incentives are available on a first-come, first-served basis. All incentives are limited to 50% of project costs or \$1 million, whichever is lower. Project costs include those related to equipment, labor, decommissioning, and project design.

The NYS Clean Heat Program in Con Edison's service territory offers incentives for the following types of multifamily projects:

- Category 2c — ASHP Full-load heating with decommissioning in buildings with 100 or fewer Dwelling Units
- Category 4 — Custom space heating applications with decommissioning
- Category 4a — Custom heat pump projects with envelope upgrades and decommissioning
- Category 6 — Custom Hot Water Heating Applications
- Category 6a — Prescriptive Hot Water Heating Applications
- Category 10 — Custom Partial Load Space Heating Applications

⁷⁹ Installation is defined as having installed any indoor or outdoor mechanical equipment.

Table 25: Multifamily ASHP Incentive Rates

Category	Description	ASHP
2c	Multifamily Full Load ASHP Heating with Decommissioning	\$5,000/Dwelling Unit
4	Custom Space Heating Applications	\$200/MMBtu
4a	Custom Space Heating Applications + Envelope – Tier 1	\$200/MMBtu
	Custom Space Heating Applications + Envelope – Tier 2	\$225/MMBtu
6	Custom Domestic Hot Water (“DHW”)	\$200/MMBtu
6a	Prescriptive Domestic Hot Water (“DHW”)	\$1,000/Dwelling Unit
10	Custom Partial Load Space Heating Applications	\$70/MMBtu

4.3.2.3 Program Pathway (Prescriptive vs Custom)

All projects will require a floor-by-floor Manual J Load Calculation report.

Prescriptive Projects

A building is eligible to proceed under the prescriptive pathway, under category 2c, if it contains 100 Dwelling Units or fewer. Projects receiving the prescriptive rate must electrify and decommission either the whole building or an identifiable portion of the building. In cases where a project electrifies 1-4 Dwelling Units in a multifamily building, that project is eligible for residential incentives at the per apartment rate, not the multifamily rate.

A project is eligible to apply for incentives under the prescriptive category 6a for domestic hot water in properties where hot water serves in-unit use only. Only full load air-to-water heat pump installations are eligible for category 6a incentives.

Prescriptive projects may not combine their project with a custom project at the same time and location. A prescriptive custom space heating project cannot apply for custom space heating incentives at the same time and location. For example, a prescriptive project which relied on a central ASHP system could not also seek custom incentives for installation of a complementary ERV/HRV.

Custom Projects and Approved Calculation Approaches

A project is eligible to apply for incentives under the custom incentive rates, in categories 4, 4a and 6 if it contains more than 100 Dwelling Units or is installing a custom technology. A project may choose to apply for incentives in custom categories 4 and 4a for buildings under 100 Dwelling Units. In these cases, contractors must follow the application process requirements outlined above in section 4.3. A project is eligible to apply for incentives under the custom incentive rates in category 6 for properties with major water-consuming amenities (gyms, pools) or is installing a custom technology.

To be eligible for Category 10 incentives, projects must displace at least 50% of on-site fossil fuel consumption or result in at least 4,000 MMBTU of annual energy savings. Partial-load custom space heating are available to existing buildings and gut renovations only. All projects applying for incentives under the custom categories must submit savings calculations using either the latest version of the Statewide Custom Clean Heat Program Savings Calculator or a custom Excel model.

Equipment eligibility is specified in Section 3.2. In summary, central ccASHPs and ductless or partially ducted mini-split heat pumps (“MSHP”) must be on the NEEP Product List to be eligible for incentives, while other technologies follow the guidance in sections 3.2.4 through 3.2.11.

4.3.2.4 Multifamily Savings Calculations

For projects in category 2c, electrifying space heating in 100 apartments or fewer, and 6a, Con Edison will calculate savings using a deemed savings approach to be added to the TRM in 2024.

For custom projects in categories 4, 4a, 6, and 10, applicants and Con Edison follow methodologies outlined in Section 3.

4.3.3 Small Business & Nonprofit Program Eligibility and Requirements

This Section of this Program Manual is designed to provide Participating Contractors with the information needed to participate in the Small Business & Nonprofit (Small Biz) sector of the Program, with a focus on ASHP. The Small Biz Program supports cold climate air-source heat pump (ASHP), ground-source heat pump (GSHP), and heat pump water heater (HPWH) measures installed in Con Edison’s electric service area.

4.3.3.1 Incentive Eligibility

Existing buildings are eligible for incentives for ASHP, AWHP, HPWH, and GSHP. New construction projects are only eligible for incentives for GSHP and HPWH when installed in conjunction with GSHP. New construction projects are not eligible for ASHP or AWHP incentives, including when used to supplement GSHP projects. New construction projects can participate in midstream HPWH Program or receive custom incentives when paired with GSHP for space heating. New construction buildings are eligible to receive incentives for domestic hot water projects.

Mixed-used buildings with both multifamily and commercial spaces should apply to the Program with the dominant use type, determined on a case-by-case basis. In most cases, where more of a building’s square footage is dedicated to multifamily uses, this will lead mixed-use buildings to apply in the multifamily Program.

All existing buildings are required to decommission the existing heating system for the building’s space-heating scope of work. Projects that are unable to safely decommission existing heating systems are not eligible for incentives.

To be eligible to participate in the Small Biz sector of the Program, all the following statements must be true:

- The customer must have an active direct metered Con Edison electric account and, when installed, the heat pumps’ usage must be billed to this account.
- The customer must have an average peak demand of less than 300 kW on a rolling 12-month basis.
- The customer has not previously received Clean Heat incentives.

- The site must be occupied year-round.
- Equipment must be installed *after* the customer signs and submits a signed Preliminary Incentive Offer Letter (“PIOL”) from Con Edison and allows for pre-installation inspection.
- Installed HPs must be used for heating to displace existing fossil fuel or electric space heating and/or DHW usage and cannot be used *only* for cooling.

4.3.3.2 System Eligibility

The Program expects that projects applying for the prescriptive incentives should fall within the minimum and maximum BH/square foot guidelines in Table 26 for each business sector. BH/square foot is defined as the actual equipment heating output at 17F. The Program may accept projects outside of these ranges on a case-by-case basis with a reasonable, documented justification.

Table 26: Recommended Range BH/SF for Small Biz Projects

Building Sector	Min BH/SF	Max BH/SF
Restaurant /Fast Food	20	30
Big Box Retail	15	35
Small Retail	20	40
Schools	18	35
Office	15	30
Religious Institutions	20	35
Grocery Stores	20	35
Auto Repair	25	45
Hospital and Healthcare	20	40
Assembly	20	30
Fitness Centers	20	35
Warehouses	8	20
Light Industrial	25	50
Hotels	15	30

4.3.3.3 Incentives

Incentives are available on a first-come, first-served basis. All incentives are limited to 50% of project costs or \$200,000, whichever is lower. Project costs include those related to equipment, labor, decommissioning, and project design.

The Con Edison Clean Heat offers incentives for the following types of projects in the Small Biz Program:

- Category 2d: Full-load heating with decommissioning (required for all projects with a floor area of 2,500 square feet or less)
- Category 4: Custom heat pump space heating applications with decommissioning
- Category 4a: Custom heat pump projects with envelope upgrades and decommissioning
- Category 6: Custom Hot Water Heating Applications

Information on incentives and Program details can also be found at conEd.com/CleanHeatSmallBusiness.

Table 27 offers a summary of the Small Biz incentive offerings.

Table 27: Small Biz Incentive Rates

Category	Description	ASHP
2d	Tier 1: Small Biz Full Load Heating with Decommissioning (<1,000 square feet)	\$5,000/project
	Tier 2: Small Biz Full Load Heating with Decommissioning (1,001-1,500 square feet)	\$7,500/project
	Tier 3: Small Biz Full Load Heating with Decommissioning (1,501-2,000 square feet)	\$10,000/project
	Tier 4: Small Biz Full Load Heating with Decommissioning (2,001-2,500 square feet)	\$12,500/project
4	Custom Space Heating Applications	\$150/MMBtu
4a	Custom Space Heating Applications + Envelope	\$150/MMBtu
6	Custom Domestic Hot Water (“DHW”)	\$200/MMBtu

4.3.3.4 Program Pathway (Prescriptive vs Custom)

Prescriptive Pathway

A project is eligible to proceed under the prescriptive pathway, under category 2d, if its floor area is 2,500 square feet or fewer. Projects receiving the prescriptive rate must electrify heating and decommission the existing heating system for the entire project area, as required for all Small Biz projects.

For projects in category 2d, Con Edison will use the savings calculations prescribed in the TRM.

Equipment eligibility is specified in Section 3.2. In summary, central ccASHPs and ductless or partially ducted mini-split heat pumps (“MSHP”) must be on the NEEP Product List to be eligible for incentives, while other technologies follow the guidance in sections 3.2.4 through 3.2.11.

Custom Pathway

Projects are eligible to apply for the custom incentive rates for Categories 4, 4a, and 6 provided the project has a floor area greater than 2,500 square feet.

All projects applying for incentives under the custom categories must submit savings calculations using the latest version of the NYS Clean Heat Program Savings Calculator or a custom model.

Custom projects must be submitted for review by Con Edison via the Con Edison Project Center and receive a ‘service adequate’ electric service ruling prior to installation. A Master Case ID (MCID) will be issued by Con Edison when the project is submitted for review. The MCID must be provided with a signed PIOL.

Required Documents

In addition to all documents specified at the beginning of Section 4.3 above, applicants for Small Biz incentives must also submit the following documents with their initial application. These documents can all be submitted as one individual PDF document or as separate PDF documents:

- **Floor Plan Document:** (*Filename: Address_Floor Plan*). A floor plan for all the spaces within the scope of the project which includes:
 - All walls, which must have:
 - End-to-end lengths for each wall.
 - Indicate exterior or interior wall.
 - Door and window openings.
 - Total floor area or room-by-room floor area in square feet (sq. ft.)
 - Location of HVAC Indoor Units / Evaporator Units.
 - Document must be submitted as a PDF file which is readable

Suggestions⁸⁰: Typical load calculation software Programs such as “Wrightsoft Right-N®”, can export floor plans as PDF files, either as separate files from the load calculation report, or combined with the load calculation report. Floor plans can also be created easily in freely and commercially available Programs such as "Sketchup Free", "Microsoft Visio", "Sweet Home 3D", etc. You can use "Google Earth" for site orientation.

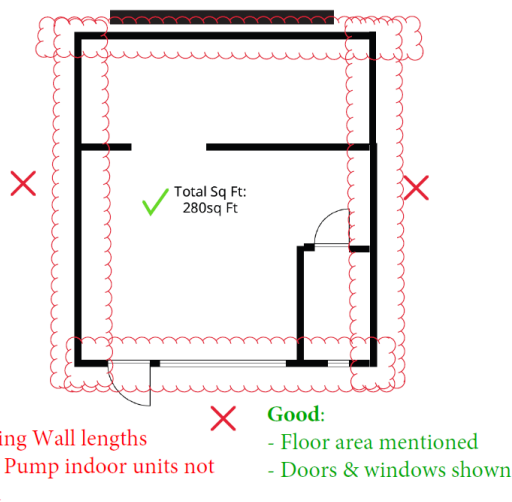


Figure 5: Inadequate floor-plan example

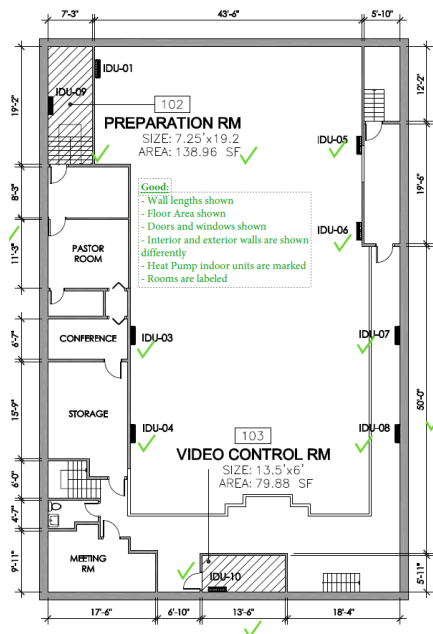


Figure 6: Compliant Floor-plan example

⁸⁰ Any suggestions for products or software made in this document are purely for instructional purposes. They are not intended as a recommendation or cannot be construed as an advocacy of any company, product, or pathway.

- **Photo Documentation:** (*Filename: Address_Existing Photo #*, before installation, or *Address_Installed Photo #* after installation). Timestamped and geotagged pictures of the existing space, along with pictures of the existing heating and cooling equipment. Submission template and instructions will be provided by Willdan Energy Solutions.
- **Mechanical Schedule Document:** (*Filename: Address_Mechanical_Schedule*). The document must have a Unit-Schedule. A Unit-Schedule is a table that lists all indoor and outdoor units and their details. The following details must be included in the unit-schedule as columns, at the minimum:
 - a. Unit Name/Tag (e.g., VRF-1, VRF-2, etc.)
 - b. Manufacturer
 - c. Unit Duct type (e.g., ducted, non-ducted, mixed, etc.)
 - d. Model Number
 - e. AHRI Number

The following fields are optional, but recommended to be included for easier project processing:

- f. Heating Capacity at 17 F
 - g. Cooling Capacity at 95 F
 - h. Heating COP
 - i. Cooling EER
- Document must be submitted as a PDF file which is readable
 - If the unit schedule in the Mechanical Drawing differs from the units that are installed, PC must mark up the Mechanical Schedule at a minimum, with the final installed list of outdoor units and strike-off the outdoor units that were not installed.

Table 28: Required Documentation for Small Biz Projects

Small Biz Documentation Table					
		Pre-Install Documentation		Post-Install Documentation	
		<u>Prescriptive</u>	<u>Custom</u>	<u>Prescriptive</u>	<u>Custom</u>
		≤2500 sq. ft.	>2500 sq. ft.	≤2500 sq. ft.	>2500 sq. ft.
Administrative	1. Program Application	Required	Required		
	2. W-9	Upon Request	Upon Request		
	3. Scope of Work	Required	Required	Required**	Required**
	4. Projected Installation Date	Optional	Required		
	5. Photo Submission	Required	Required	Required	Required
Technical	7. Cutsheets	Upon Request	Upon Request	Upon Request	Upon Request
	8. AHRI/NEEP Certificates	Required	Required	Required**	Required**
	9. Floor Plans	Required	Required		
	10. Mechanical Drawings	Optional	Upon Request	Required**	Upon Request
	11. Load Calculation Report	Required	Required*		Required**
	12. Energy Savings Analysis Tool	Required	Required		
	13. Permits	Upon request	Upon request	Upon request	Upon request
	14. Electric Service Ruling			Required	Required
	15. Decommissioning Checklist			Required	Required
Financial	16. Cost Estimate	Required	Required		

*ASHRAE/ACCA Compliance Form Std. 183 or LC Document by a Registered Design Professional - completed, stamped, signed at pre-inspection or post-inspection stage.
 **Documentation required if scope of work changes from pre-install stage to post-install stage.
 ^Only required if document not collected at pre-inspection stage.

4.3.4 Commercial & Industrial Program Eligibility and Requirements

This Section focuses on the incentives available to Commercial and Industrial (“C&I”) customers and Participating Contractors who serve those customers. Eligible technologies include air-source heat pumps, heat pump water heaters and ground source heat pumps. In addition, the Program offers incentives for envelope improvements, heat recovery chillers and heat pump chillers, and energy recovery ventilators/heat recovery ventilators (ERV/HRV) when paired with an eligible heat pump system. To get started, Participating Contractors or customers can determine a project’s eligibility, submit an application package, or speak with an Energy Advisor by sending an email to: cleanheatcommercial@coned.com.

4.3.4.1 Incentive Eligibility

Con Edison Commercial customers with an average peak demand that exceeds 100 kW on a rolling 12-month basis are eligible for C&I Clean Heat incentives, excluding Multifamily buildings. Commercial customers with an average peak demand that is between 100-300 kW on a rolling 12-month basis may instead choose to participate with Con Edison through the Small Business & Nonprofit (Small Biz) sector of the Program.

The customer must not have applied for or received an incentive from another Con Edison Program or from another utility for the same project. Customers who have applied for or received an incentive from the New York State Energy Research and Development Authority (NYSERDA) may be eligible to stack incentives consistent with NYSEDA Program rules and the requirements in Section 2.9 Coordination with NYSEDA Programs.

To be eligible to participate in the C&I sector of the Program, all the following statements must be true:

- The customer must have an active direct metered Con Edison electric account and, when installed, the heat pumps' usage must be billed to this account.
- The Con Edison customer of record listed on the application is a directly metered commercial or industrial customer.
- The customer must have an average peak demand greater than 100 kW on a rolling 12-month basis.
- The site must be occupied year-round.

Equipment must be installed *after* the customer signs and returns a signed copy of the Preliminary Incentive Offer Letter ("PIOL") from Con Edison, allows for pre-installation inspection, and receives a Notice to Proceed ("NTP") from Con Edison.

- Installed HPs must be used for heating to displace existing fossil fuel or electric space heating and/or DHW usage and cannot be used *only* for cooling.

As part of the application process for C&I projects, there will be a PIOL, an on-site pre-installation inspection and an NTP. Con Edison will issue the PIOL after reviewing the application. The PIOL must be signed by the customer or responsible party and returned to Con Edison. Upon receipt of the signed PIOL, Con Edison will conduct a pre-installation inspection to verify existing conditions at the facility. After completion of the pre-installation inspection, Con Edison will issue an NTP. Only after Con Edison issues a NTP may the Participating Contractor install equipment on site.

4.3.4.2 Incentives

Incentives are available on a first-come, first-served basis. Incentives cannot exceed 50% of the project cost for eligible measure(s) or 100% of each measure cost. Total incentives are capped at \$1,000,000 for all projects, per account per year. Material and Labor costs submitted are subject to Con Edison review and may be capped for incentive calculations at its sole discretion.

Table 29: C&I Incentives Summary

Category Number	Description	Incentive (\$/MMBtu)
4	Custom Space Heating Applications	\$120
4a	Custom Space Heating Applications + Envelope - Tier 1	\$120
	Custom Space Heating Applications + Envelope - Tier 2	\$150
6	Custom Hot Water Heating Applications	\$200
10	Custom Partial Load Space Heating Applications	\$70

Equipment eligibility is specified in Section 3.2. In summary, central ccASHPs and ductless or partially ducted mini-split heat pumps (“MSHP”) must be on the NEEP Product List to be eligible for incentives, while other technologies follow the guidance in sections 3.2.4 through 3.2.11.

4.3.4.3 Category 10 – Partial-load custom space heating

Incentives under Category 10 – Partial-load custom space heating are available to existing buildings and gut renovations only. A partial load heating system is a prioritized, first stage, heat pump system installed alongside a supplemental, second stage, heating system for the purpose of providing heating. The supplemental heating system may be either the existing system or a new system. New fossil and electric resistance heating systems are not eligible for Clean Heat incentives. A partial-load system can either be a system with a heating capacity under 90% of the BHL at design conditions or a system that provides >90% of the BHL at design conditions but does not decommission the existing heating system.

Additional requirements for eligibility for partial-load incentives:

- Energy consumption from the existing heating source (e.g., heating oil, natural gas, steam, etc.) must be reduced by the new electric technology or application.
- Technology must use staged, multi-speed or variable-speed heat pumps.
- Project must displace at least 50% of annual baseline heating consumption or provide minimum heating savings of at least 4,000 MMBTU annually according to Con Edison Engineering Review⁸¹
- Fuel savings cannot include fossil fuel system efficiency savings in savings calculations; the fossil fuel baseline efficiency (including distribution) must equal the existing or upgraded (boiler) system efficiency.

Con Edison reserves the right to not offer partial-load heating incentives to projects which do not meet the articulated requirements or spirit of the Program.

⁸¹ Heat pump chillers and heat recovery chillers are exempt from this requirement.

4.3.4.4 Exemption from Decommissioning

To qualify for full load heating incentives in the C&I sector, the NYS Clean Heat Program for Con Edison requires the decommissioning of existing heating system unless the building qualifies as a critical facility as defined in Table 30. Critical facilities may qualify for full load C&I incentives subject to the approval of Con Edison without decommissioning or cutting/capping their existing systems, if their heat pump system meets at least 90% of the BHL at design conditions and the incentives application successfully shows that the heat pump systems are prioritized over the existing heating system.

Table 30: Critical Facilities Exempt from Decommissioning

Critical Facilities		
Airports	Emergency Shelter	Nursing Home
Cable Television Facility	Fire Facility	Paramedic and Rescue Facility
College or University	Flood Control Structures	Police Facility
Cellular Telephone Facility	Fuel Transfer/Loading Facility	Prison/Correctional Facility
Dialysis Facility	Hospital	Radio Broadcasting Facility
Electric Utility Facilities	Landline Telephone Facility	Schools
Emergency Cooling Center	Mass Transit (e.g., tunnels, bridges, ferry terminals, major rail facility)	Television Broadcasting Facility
Emergency Management Office	Military Bases	Wastewater Delivery/Treatment Facility
Emergency Medical Facility (Urgent Care)	Natural Gas Utility or Pipeline Facility	Water Supply System

4.3.5 Non-Residential Groundsource Heat Pump Eligibility and Requirements

4.3.5.1 Non-Residential GSHP Eligibility

Non-Residential GSHP Incentives are available for all non-residential customers across the Multifamily, Small Biz and C&I sectors. There are four categories of incentives available for completed non-residential GSHP projects: Category 3a, 4, 4a, and 6. Incentives are differentiated between custom and prescriptive. Incentives will be capped at \$1 million per project or 50% of project costs, whichever is lower.

All GSHP projects must be submitted for review by Con Edison via the Con Edison Project Center and receive a ‘service adequate’ electric service ruling prior to installation. A Master Case ID (MCID) will be issued by Con Edison when the project is submitted for review. The MCID must be provided with a signed PIOL.

4.3.5.2 Non-Residential GSHP Incentives

Con Edison offers incentives for prospective projects through the TCT Incentive and for completed projects described below.

Thermal Conductivity Testing Incentives

Con Edison has introduced a Thermal Conductivity Testing (“TCT”) Incentive for non-residential GSHP projects to help customers pay for thermal conductivity testing. The TCT Incentive is \$40,000, or 50% of eligible thermal conductivity test project costs, whichever is lower. Prior to testing, applicants must submit a pre-testing application package. Con Edison will review the pre-testing application package to determine eligibility. After review, Con Edison will provide written confirmation of eligibility to the applicant.

The pre-testing application package must contain:

- An executive summary of the prospective GSHP project, including:
 - Project narrative and scope
 - Project type (e.g., new construction, gut renovation or retrofit)
 - Building type
 - Description of existing systems
 - Existing heating fuel type
 - Conditioned square footage
 - Number of Dwelling Units
 - Project timeline
- A completed TCT Incentive Application form
- An itemized list of expenses, including
 - Drilling
 - Thermal Conductivity Testing
 - Solids/fluid disposal
 - Site rehabilitation
 - Permitting
- A testing plan, including
 - Testing timeline
 - Drilling Program
 - Applicable drilling, excavation, and waste handling permits
 - Site plan

After testing has been completed, the Participating Contractor must submit a post-testing application package. Con Edison will review the post-testing application package to determine the final incentive. Upon successful review, Con Edison will pay the incentive to the customer, or the Participating Contractor as indicated on the TCT Incentive Application form.

The post-testing application package must contain:

- A final itemized TCT invoice
- Submission of thermal conductivity test results, well completion reports and any other associated findings
- The executive summary, updated based on the results of the TCT

Thermal conductivity testing must be conducted on the same site as a prospective GSHP project. The

prospective project must be eligible for GSHP incentives under NYS Clean Heat Program Multifamily or C&I categories 4/4a/6/10. Applicants for the TCT Incentive must be Clean Heat Participating Contractors.

The TCT must adhere to the ASHRAE Handbook – HVAC Applications: Ground-Source Heat Pumps and Geothermal Energy, Thermal Property Testing.

Thermal conductivity tests must be performed after March 1st, 2024.

Each prospective GSHP project is eligible for a maximum of one TCT Incentive.

Con Edison shall have the right to disseminate the test results from projects which received a TCT Incentive publicly or privately, in aggregated and disaggregated form.

Completed Project Installation Incentives

Prescriptive projects may not combine their project with a custom project at the same time and location. A prescriptive custom space heating project cannot apply for custom space heating incentives at the same time and location.

GSHP projects in new construction must be part of a system that avoids the use of on-site fossil fuel combustion for the specific purpose. For example, a project applying for GSHP space-heating incentives cannot pair that system with an on-site fossil fuel system for space heating.

Non-residential GSHP projects in existing buildings may be designed to work in tandem with existing systems.

Table 31 shows incentives for non-residential GSHP custom projects and Table 32 shows incentives for non-residential prescriptive rates for multifamily projects.

Table 31: Non-Residential GSHP Custom Incentive Rates

Category Number	Description	New Construction (\$/MMBtu)	Existing Buildings (\$/MMBtu)
4	Custom Space Heating Applications	\$125	\$200
4a	Custom Space Heating Applications + Envelope – Tier 1	\$125	\$200
	Custom Space Heating Applications + Envelope – Tier 2	\$150	\$225
6	Custom Hot Water Heating Applications	\$125	\$200

Table 32: Non-Residential GSHP Prescriptive Incentives

Category Number	Description	New Construction (Per Apartment)	Existing Buildings (Per Apartment)
3a	Multifamily Space Heating Applications	\$2,000	\$5,000
6a	Prescriptive Hot Water Heating Applications	\$1,000	\$1,000

For all non-residential GSHP projects, applicants and Con Edison follow methodologies outlined in Section 3 to calculate project savings.

4.4 Midstream Heat Pump Water Heater (HPWH)

The Con Edison Midstream HPWH Program offers incentives to increase the adoption of high-efficiency HPWH's in Con Edison's electric service territory. Con Edison offers two channels for participation: the Wholesale Channel and the Retail Channel.

Projects will draw down their sectoral allocation on the date Con Edison receives an application for a HPWH incentive.

4.4.1 Wholesale Channel

Con Edison offers incentives to distributors for each qualifying HPWH sale to an eligible customer. Distributors are responsible for both passing on the incentive to the installing contractor and/or Con Edison customer as well as submitting projects to the Program's Implementation Contractor, Energy Solutions, through the online incentive system at <https://nyrebates.com/>.

4.4.1.1 Eligibility

Customer eligibility: Any non-NYPA active Con Edison electric customer is eligible to participate.

Distributor eligibility: Distributors are entities who purchase eligible equipment directly from the manufacturer for resale. To participate, distributors must complete the enrollment documents including but not limited to the distributor participation agreement form, and a W-9 form.

Installer eligibility: Installers are not required to enroll in the Program and may purchase qualifying equipment from participating distributors for sale at qualifying customer sites.

Equipment Eligibility: A residential duty (UEF rated) air-source HPWH with a tank up to and including 120 gallons, and a current rating ≤ 24 amps and voltage ≤ 250 volts. Units must meet or exceed ENERGY STAR Residential Water Heater requirements.⁸²

Quantity Eligibility: Any sales of two (2) or more HPWH units to the same installation address must be pre-approved by Con Edison.

4.4.1.2 Process to Participate

Step 1. Become a participating distributor

Interested distributors shall return the enrollment materials including the distributor participation agreement form, which outlines the terms and conditions of the Program, and a completed W9 form. Interested distributors can contact Con Edison's Program implementer Energy Solutions at heat-ne@energy-solution.com or 1-332-266-4467 to request the enrollment materials and an introductory meeting about the Program requirements.

Step 2. Confirm project eligibility

The distributor confirms project eligibility by contacting the Program implementer, Energy Solutions, at heat-ne@energy-solution.com or 1-332-266-4467. Other tools to assist with determining eligibility may

⁸² https://www.energystar.gov/products/water_heaters/residential_water_heaters_key_product_criteria

be provide at time of enrollment.

Step 3. Provide the incentive

The distributor must provide both the customer and contractor incentive as either a point-of-sale discount or as a credit to the installing contractor. The installing contractor is responsible for installing the equipment and passing on the customer portion of the incentive.

Step 4. Submit the application

The participating distributor submits the relevant data from the sale through the Energy Solutions online incentive system, <https://nyrebates.com/>. This includes but is not limited to the following fields:

- Customer name
- Installation address
- Installation building type
- Sale invoice number
- Previous water heater fuel type (only for existing buildings)
- Equipment manufacturer
- Equipment model number
- Equipment serial number
- Equipment quantity
- Equipment cost per unit
- Contractor name
- Contractor contact information

Step 5. Application review

Con Edison's Implementation Contractor reviews and processes all applications to determine the eligible incentive amounts and if any questions arise during review, will reach out to the relevant distributor application processing contact.

Step 6. Receive incentive reimbursement

The Program's Implementation Contractor will pay incentives to distributors for approved incentive applications.

Step 7. Installation verification

Con Edison may select a random selection of customers for an inspection to confirm the installation information reported in the application.

4.4.1.3 Incentives

The wholesale HPWH channel is a pass-through incentive Program. For all approved sales:

1. The distributor will receive an incentive for \$1,100, retain \$50, and pass the remaining \$1,050 to the contractor.
2. The contractor will receive an incentive for \$1,050, retain \$50 and pass the remaining \$1,000 to the customer.

Distributors *must* provide the \$1,050 incentive as either a point-of-sale discount or as a credit to the installing contractor's account once payment is received by the Implementation Contractor.

Description	Incentive Unit	Customer Incentive Amount	Distributor Incentive Amount	Installer Incentive Amount
ENERGY STAR HPWH: Retail	\$/unit	\$1,000	\$50	\$50

4.4.1.4 QA/QC

Customer eligibility verification:

Using the site address and contact information that are submitted by the distributor, a random sample of locations will be visited to confirm equipment was installed at the site address.

4.4.2 Retail Channel

Through the midstream HPWH Retail Channel, Con Edison offers an incentive to directly to customers for each eligible HPWH that they purchase at select retailers.

4.4.2.1 Eligibility

Customer eligibility: Any non-NYPA active Con Edison electric customer is eligible to participate.

Equipment Eligibility: A residential duty (UEF rated) air-source HPWH with a tank up to and including 120 gallons, and a current rating ≤ 24 amps and voltage ≤ 250 volts. Units must meet or exceed ENERGY STAR Residential Water Heater requirements.⁸³

Retailer Eligibility: Purchase must be made at a participating retailer.⁸⁴

Quantity Eligibility: Limited to one heat pump water heater rebate per account per calendar year. Any customer purchase of two (2) or more HPWH units to the same installation address must be pre-approved by Con Edison.

4.4.2.2 Process to Participate

Step 1. Confirm Eligibility

Interested customers shall complete the eligibility form by visiting VerifyConEdRebates.com, which outlines the terms and conditions of the Program and confirms customer eligibility. Interested customers can contact Con Edison's Implementation Contractor, Energy Solutions, at heat-ne@energy-solution.com or 1-332-266-4467 to request additional assistance in the process or request additional information about the Program requirements.

Step 2. Receive a Coupon

Customers will receive a coupon via email or text message after completing the eligibility form. The coupon is only valid for the retailer where it was created.

Step 3. Make a purchase in-store

⁸³ https://www.energystar.gov/products/water_heaters/residential_water_heaters_key_product_criteria

⁸⁴ A list of participating retailers can be found at: <https://www.coned.com/en/save-money/rebates-incentives-tax-credits/rebates-incentives-tax-credits-for-residential-customers/electric-heating-and-cooling-technology-for-renters-homeowners/swap-your-water-heater-and-save>

The coupon provided to the customer must be scanned in-store at a participating retailer to receive an instant rebate on a qualified HPWH. The coupon can be used at any participating store as long as it is for the same retailer that was selected in the eligibility form. Customer receives instant rebate at the point of purchase.

Step 4. Application Review

The Implementation Contractor reviews and processes all applications to confirm eligibility and works with the participating retailers if any questions arise during review.

Step 5. Installation Verification

Con Edison may select a random selection of customers for an inspection to confirm the installation information reported in the application.

4.4.2.3 Incentives

Description	Incentive Unit	Customer Incentive Amount
ENERGY STAR Certified HPWH	\$/unit	\$1,000

4.4.2.4 QA/QC

Customer eligibility verification:

Using the site address and contact information that are submitted by the distributor, a random sample of locations will be visited to confirm equipment was installed at the site address.

5. Inspections and Oversight

5.1 Inspections – In General

Con Edison will enforce virtual and on-site inspections aimed at ensuring that Participating Contractors comply with the rules and requirements of the Program, including: (i) *Programmatic Inspections*, and (ii) *QAQC inspections*.

Con Edison will perform Programmatic Inspections by using standards and quality assurance inspections checklists as a framework and basis to assess projects submitted by a Participating Contractor that Con Edison selects for inspection, including to evaluate the accuracy of heat pump system design, documentation, and the functionality of installations. Con Edison inspection checklists can be found online at the *Standards and Field Assessments Page*⁸⁵ of the Program. Con Edison will also perform QAQC inspections to monitor compliance with the rules and requirements of the Program, including as it might relate to secondary reviews of projects that have been subject to Programmatic Inspection, and as it might relate to informing improvements of activities that relate to the Program.

Con Edison will coordinate as closely as practicable with other Joint Efficiency Providers regarding contractor performance in order to promote statewide coordination, but Con Edison oversight of the Program will be independent. In general, Con Edison will usually notify the Joint Efficiency Providers of any action by Con Edison related to the compliance of a Participating Contractor with the rules and requirements of the Program, and Con Edison will also expect to be notified of any action taken by the Joint Efficiency Providers in this regard, but, depending on the totality of the facts and circumstances, disciplinary impacts to a Participating Contractor may or may not be coordinated or the same in all instances of such notifications

The good standing of a Participating Contractor in the NYS Clean Heat Program for Con Edison (the Program) will depend on successful Programmatic Inspections and QAQC inspections. Nonconformances will be expected to be addressed as set forth in notifications (immediately, for safety concerns, and otherwise usually within 30 days of a finding), and subject to the Participating Contractor Disciplinary Process provided for by Section 6 below.

Con Edison expects Participating Contractors to inform all customers that participating in the NYS Clean Heat Program requires full cooperation with regard to inspections, and Participating Contractors shall make every effort to facilitate scheduling related to inspections, subject to the potential penalties of the Participating Contractor Disciplinary Process provided for by Section 6 below.

5.2 Inspections – Categories

On-site and virtual inspections (Programmatic Inspections, and QAQC inspections) aimed at ensuring that Participating Contractors comply with the rules and requirements of the Program are further categorized as follows:

- ***Pre-Installation Programmatic Inspections (applicable to Small Biz, MF, and C&I segments):***

⁸⁵<https://cleanheat.ny.gov/standards-field-assessments/>

Inspections (usually field inspections) to be completed before the start of any work associated with a Clean Heat project in the non-residential segment, typically to verify site conditions prior to the installation of a heat pump system.

- **Post-Installation Programmatic Inspections:** Inspections (field or virtual) to be completed after the installation of a heat pump system to verify that a project is installed and operational consistent with the rules and requirements of the Program.
- **QAQC Inspections:** Inspections to be completed on a sample of projects across all customer segments and performed on projects whether or not such projects receive Post-Installation Programmatic Inspections, usually to identify areas for improving overall program process.

Inspections may be structured based on the totality of facts and circumstances, including as might relate to the needs of a customer segment. For example, (i) all non-residential projects may receive a Pre-Installation Programmatic Inspection as well as a Post-Installation Programmatic Inspection, (ii) a random sample of residential projects may receive a Post-Installation Programmatic Inspection, (iii) all projects are subject to QAQC inspections at sampling rates usually determined by customer segment, and (iv) Con Edison will usually conduct Post-Installation Programmatic Inspections and QAQC inspections of a sample of midstream HPWH projects.

5.3 Residential Inspections

Inspections of projects related to the residential customer segment of the Program will include Post-Installation Programmatic Inspections and QAQC inspections, and will be conducted at the discretion of Con Edison. When a residential project is selected for inspection, any incentive payments due will be retained until the inspection and any necessary follow-up actions are completed. As more particularly provided for by Section 6, Participating Contractors must comply with inspection requirements to remain in good standing with the Program, and a failure to do so may result in disciplinary action up to and including removal from the Program.

5.3.1 Post-Installation Programmatic Inspections

Post-installation Programmatic Inspections for projects installing ASHP, AWHP or GSHP measures will be subject to a Con Edison checklist related to the installed measures. Inspections will verify:

- Compliance with all aspects of the relevant standards and quality assurance checklist
- Project compliance with all program requirements

Any non-conformances found during a Post-Installation Programmatic Inspection must be resolved by a Participating Contractor before the selected project will receive incentive payments from the Program, and a Participating Contractor is also otherwise subject to the potential of disciplinary action consistent with Section 6.

5.3.2 QAQC Inspections

Some projects will be selected for QAQC inspection, which may occur before or after projects have been approved for incentive payments. Non-conformances must also be resolved, subject also to Section 6.

5.3.3 Inspection Sampling Rates

Residential projects will be sampled for inspection. Among other things, across both ASHP and GSHP

installations, Con Edison has current targets of a minimum of 10% of projects for Post-Installation Programmatic Inspections and a minimum of 5% of projects for QAQC inspections. At any time Con Edison may choose different sampling rates based on the totality of the facts and circumstances, including the conduct and current disciplinary status of a Participating Contractor.

5.3.4 Inspection Process

A project subject to inspection may be assigned a status of *Pass*; or, if not, a status of *Fail* with a related inspection status of *Minor Nonconformance*, *Major Nonconformance*, *Possible Misrepresentation*, or *Immediate Safety Concern*; including as provided for by the Program's [ASHP Inspection Checklist](#).⁸⁶ A project assigned an inspection status of *Pass* will be considered to have met certain minimum requirements based on the best information available to Con Edison.

If a project is assigned a status of *Fail* and with a related status of *Minor Nonconformance*, then this will usually indicate that a project does not require additional on-site work to rectify issues, and that issues can be rectified through revised documentation and in order to be assigned a status of *Pass*. On the other hand, a status of *Fail* and with a related status of *Major Nonconformance* or *Immediate Safety Concern* usually will require additional on-site work. Participating Contractors must make all reasonable efforts to address any *Immediate Safety Concern* within 24-hours of notice to the contractor. Instances of a status of *Possible Misrepresentation* will be subject to Section 6 below.

A Participating Contractor will be required to submit for review proof related to rectifying issues resulting from a status of *Fail*, including photographic documentation. When and if issues resulting from a status of *Fail* are rectified to the satisfaction of Con Edison, the Inspection Status of a project may be noted as changed to *Cured*, and also with the potential of the project assigned a status of *Pass*.

5.4 Non-Residential Inspections

Projects in the non-residential customer segments – Multifamily, SMB and C&I – will be subject to Pre-Installation Programmatic Inspections, Post-Installation Programmatic Inspections, and QAQC inspections. All non-residential projects in existing buildings will usually receive a Pre-Installation Programmatic Inspection, while new construction and extensive (gut) renovations projects may be required to provide other proof of on-site pre-installation conditions such as with photographs, and as more particularly provided for by Con Edison. All non-residential projects will usually receive a Post-Installation Programmatic inspection, and a sampling of non-residential projects will usually be subject to QAQC inspections, and with the potential that incentive rates may increase or decrease at the discretion of Con Edison depending on the performance of the project. Participating Contractors must make all reasonable efforts to address any *Immediate Safety Concern* within 24-hours of notice to the contractor.

⁸⁶ See, <https://cleanheat.ny.gov/assets/other/Con Edison Air-Source-Heat-Pump-Checklist.xlsx>

6. Participating Contractor Disciplinary Process

6.1 In General

The behavior of Con Edison Participating Contractors as reflected by conduct and the quality of projects performed while engaged with Con Edison Programs is important to the success of Con Edison Programs, including the NYS Clean Heat Program for Con Edison. As such, Con Edison (and which at all times may include Con Edison contractors on behalf of Con Edison) reviews the behavior of Participating Contractors, including through onsite and virtual inspections and project documentation reviews. During this process, Con Edison may review project documentation related to participation in the Program to ensure compliance with Program requirements, including applications, photographs, and customer acknowledgement forms. Con Edison may also use checklists and other assessment tools and methods to evaluate heat pump system design, the functionality of installations, as well as the status of compliance with the requirements of the Program, including requirements focused on integrated controls and decommissioning. Con Edison may elect to inspect certain projects more than once.

If there is a failure by a Participating Contractor to behave consistent with the requirements for participation in the Program, then Con Edison will provide a notice related to the behavior. The notification will outline the behavior found to justify the notification being made, and, as appropriate, any corrective action that must be taken. The basis for any corrective action may be for related or unrelated behavior. While the usual approach to ensure behavior consistent with the requirements of the Program will be a tiered corrective action procedure with increasing levels of severity depending on the nature of the behavior (and with due consideration of the surrounding facts and circumstances), Con Edison shall at all times have the reasonable discretion to elect at any time a more or less severe level of corrective action tied to the behavior, including to remove a Participating Contractor from the Program, or to determine that action other than removal from the Program is appropriate. Effective October 15, 2024, all Participating Contractors will be subject to the disciplinary process outlined in Section 6.

6.2 Disciplinary Process

From the initial Participation Status of Good Standing, based on the behavior of a Participating Contractor, a Participating Contractor may be designated along a continuum of Levels 1 through 5:

- Level 0: Good Standing
- Level 1: *Warning*
- Level 2: *Probation*
- Level 3: *Short Pause*
- Level 4: *Suspension*
- Level 5: *Removal*

The Participation Status of a Participating Contractor will show across all Con Edison Programs, and so may affect the participation of a Participating Contractor in the Program as well as other Con Edison Programs. The Participation Status of a Participating Contractor may also affect the eligibility of a

Participating Contractor to participate in the Programs of other New York State Clean Heat Program Administrators, including energy efficiency and building electrification Programs.

A Participating Contractor may be required to take steps in response to a change in designation of the Participation Status of a Participating Contractor, including as might relate to attending meetings with Con Edison Program staff, and as might relate to providing or signing a *Corrective Action Plan* to address behavior inconsistent with the requirements of the Program.

6.2.1 Level 0: Good Standing

Level 0: Good Standing, reflects the Participation Status of a Participating Contractor designated by Con Edison to be at an adequate standard of behavior, which is at all times based on the best information available to Con Edison, and which continues to be without an endorsement by Con Edison of the work performance of a Participating Contractor on behalf of a customer under the Program. A Participating Contractor that is designated as being in the Participation Status of Good Standing under the Program is eligible for normal access to the privileges of participation in the Program as a Participating Contractor, such as the ability to submit applications up to the limit of any contractor allocation, and eligibility to use marketing materials to be used to market the Program.

6.2.2 Level 1: Warning

Level 1: Warning, reflects the Participation Status of a Participating Contractor designated by Con Edison to be the lowest level severity deemed warranting action by Con Edison beyond the initial starting point of Good Standing. For example, the Participation Status of Warning is appropriate when an inspection of any project of a Participating Contractor results in a *Minor Fail* or a *Major Fail*. The Participation Status of Warning must be addressed satisfactorily, including the curing of any related nonconformance detailed to a Participating Contractor. Any subsequent behavior by a Participating Contractor that would warrant another designation of Warning will be considered additive, whether or not earlier behavior warranting the earlier designation has been responded to successfully. Among other things, a Participating Contractor may seek an extension of time to address the Participation Status of Warning, which will depend on the discretion of Con Edison based on a consideration of the surrounding facts and circumstances. If a Participating Contractor is unable to cure behavior inconsistent with the requirements of the Program within the time frame required by Con Edison, then the application related to the corresponding project may be cancelled. A Participating Contractor may be returned to the Participation Status of Good Standing if and when the Participation Status of Warning is addressed satisfactorily, or a Participating Contractor may be moved along the continuum of severity.

6.2.3 Level 2: Probation

Level 2: Probation, reflects the Participation Status designated by Con Edison to be the next level of severity from Warning. For example, in addition to such behavior as might cause Con Edison to determine that a Participating Contractor warrants being in the Participation Status of Probation in the first instance, or otherwise out of sequence of severity, a Participating Contractor may be designated in the Participation Status of Probation if and when:

- 25 percent or more of inspections conducted on projects worked on by a Participating Contractor over a two-calendar-month period results in a Major Fail;
- There is a first finding by Con Edison of an *Immediate Safety Concern* resulting from any inspection of a project; or
- A Participating Contractor receives a notice of a first *Confirmed Misrepresentation* (Misrepresentations are discussed with more particularity below as part of Section 6.5).

Among other things, if and when Con Edison designates a Participating Contractor as being in the Participation Status of Probation, Con Edison will issue a letter that explains the reasons behind the disciplinary action and provide information related to the actions that must be taken in response, including as might relate to (i) requirements to acknowledge the notification letter (normally, an authorized representative of a Participating Contractor must sign and return a copy of the letter within one week of the date of issuance, unless otherwise provided), and (ii) further disciplinary actions that might result after the period of time associated with the Participation Status of Probation is concluded. Disciplinary action will take effect whether or not the Participating Contractor acknowledges the notification letter.

There are immediate impacts to the ability of a Participating Contractor in the Participation Status of Probation to engage with the Program. For example, Con Edison may require additional training of a Participating Contractor in the Participation Status of Probation, as well as implement increased oversight of relevant projects (a minimum of 30 percent and up to 100 percent of projects may be required to be inspected).

In general, in order for a Participating Contractor to be moved from the Participation Status of Probation to a designation of less severity, there must be a measurable positive response by a Participating Contractor to the notification designating the Participation Status of Probation. For example, a measurable positive response would be if 75 percent or more of the inspections of the projects of a Participating Contractor in the Participation Status of Probation that were installed during the Probation period results in a *Pass* or *Minor Fail*, and if a Participating Contractor demonstrates that its management and installers have met the training requirements prescribed by Con Edison.

6.2.4 Level 3: Short Pause

Level 3: Short Pause, reflects the Participation Status designated by Con Edison to be the next level of severity from Warning and Probation. For example, in addition to such behavior as might cause Con Edison to determine that a Participating Contractor warrants being in the Participation Status of Short Pause in the first instance, or otherwise out of sequence of severity, a Participating Contractor may be designated in the Participation Status of Short Pause if and when:

- A Participating Contractor is not eligible to be reversed to a status of less severity following the Participation Status of Probation; or
- A Participating Contractor receives a notice of a second Confirmed Misrepresentation.

Among other things, if and when Con Edison designates a Participating Contractor as being in the Participation Status of Short Pause, Con Edison will issue a letter that explains the reasons behind the disciplinary action and provide information related to the actions that must be taken in response, including as might relate to (i) requirements to acknowledge the notification letter (normally, an authorized representative of a Participating Contractor must sign and return a copy of the letter within one week of the date of issuance, unless otherwise provided), and (ii) further disciplinary actions that might result after the period required by the designation of Short Pause is concluded. Disciplinary action will take effect whether or not the Participating Contractor acknowledges the notification letter.

There are immediate impacts to the ability of a Participating Contractor in the Participation Status of Short Pause to engage with the Program. For a period of time provided for by the notification designating the Participation Status of Short Pause (usually, the two calendar months following the issuance of the

disciplinary letter), privileges of participation in the Program by a Participating Contractor will be paused, including no eligibility to submit applications to the Program (any applications received will be rejected), no eligibility for any incentive allocation (incentive allocation will usually be reduced to zero during the period), and no eligibility to make use of marketing materials associated with the Program. At the end of the period of time related to the designation of the Participation Status of Short Pause, if all actions required to address behavior inconsistent with the requirements of the Program have been taken, then a Participating Contractor may again begin submitting applications up to the revised allocation permitted, and a Participating Contractor will usually be designated as being in the Participation Status of Probation.

In general, in order for a Participating Contractor to be changed from a designation of the Participation Status of Short Pause to a designation of less severity, there must be a measurable positive response by a Participating Contractor to the notification designating the Participation Status of Short Pause.

6.2.5 Level 4: Suspension

Level 4: Suspension, reflects the Participation Status designated by Con Edison to be the next level of severity from Warning, Probation, and Short Pause. For example, in addition to such behavior as might cause Con Edison to determine that a Participating Contractor warrants being in the Participation Status of Suspension in the first instance or otherwise out of sequence of severity, a Participating Contractor may be designated as being in the Participation Status of Suspension if and when:

- A Participating Contractor is not eligible to be reversed to a status of less severity following the Participation Status of Short Pause; or
- A Participating Contractor receives a second notice of Immediate Safety Concern related to an inspection of a project.

Among other things, if and when Con Edison designates a Participating Contractor as being in the Participation Status of Suspension, Con Edison will issue a letter that explains the reasons behind the disciplinary action and provide information related to the actions that must be taken in response, including as might relate to (i) requirements to acknowledge the notification letter (normally, an authorized representative of a Participating Contractor must sign and return a copy of the letter within one week of the date of issuance, unless otherwise provided), and (ii) further disciplinary actions that might result after the period of Suspension is concluded. Disciplinary action will take effect whether or not the Participating Contractor acknowledges the notification letter.

There are immediate impacts to the ability of a Participating Contractor in the Participation Status of Suspension to engage with the Program. For a period of time provided for by the notification designating the Participation Status of Suspension (usually, the six calendar months following the issuance of the disciplinary letter), privileges of participation in the Program by a Participating Contractor will be suspended, including no eligibility to submit applications to the Program (any applications received will be rejected), no eligibility for any incentive allocation (incentive allocation will usually be reduced to zero during this period), and no eligibility to make use of marketing materials associated with the Program. At the end of the period of time related to the designation of the Participation Status of Suspension, if all actions required to address issues have been taken, then a Participating Contractor may again begin submitting applications up to the revised allocation permitted and will usually be designated as being in the Participation Status of Probation.

In general, in order for a Participating Contractor to be changed from a designation of the Participation Status of Suspension to a designation of less severity, there must be a measurable positive response by a Participating Contractor to the notification designating the Participation Status of Suspension.

New companies owned by any of the owners of suspended companies will not be eligible to participate in the Program.

6.2.6 Level 5: Removal

Level 5: Removal, reflects a Participation Status designated by Con Edison to be the next level of severity from Warning, Probation, Short Pause, and Suspension. For example, in addition to such behavior as might cause Con Edison to determine that a Participating Contractor warrants being in the Participation Status of Removal in the first instance or other than following a Suspension, a Participating Contractor may otherwise be designated as being in a Participation Status of Removal if and when:

- A Participating Contractor is not eligible to be reversed to status of less severity following the Participation Status of Suspension;
- A Participating Contractor receives a third notice of Confirmed Misrepresentation; or
- A Participating Contractor receives a third notice of Immediate Safety Concern related to an inspection of a project.

Among other things, if and when Con Edison designates a Participating Contractor as being in the Participation Status of Removal, Con Edison will issue a letter that explains the reasons behind the disciplinary action and provide information related to the actions that must be taken in response, including as might relate to (i) requirements to acknowledge the notification letter (normally, an authorized representative of a Participating Contractor must sign and return a copy of the letter within one week of the date of issuance, unless otherwise provided).-Disciplinary action will take effect whether or not the Participating Contractor acknowledges the notification letter.

There are immediate impacts to the ability of a Participating Contractor in the Participation Status of Removal to engage with the Program. For a period of time provided for by the notification designating the Participation Status of Removal (usually, permanently, and following the issuance of the disciplinary letter), privileges of participation in the Program by a Participating Contractor will be terminated, including no further eligibility to submit applications to the Program (any applications received will be rejected), no eligibility for any incentive allocation (incentive allocation will be reduced to zero), and no eligibility to make use of marketing materials associated with the Program.

A status of Removal applies to a Participating Contractor in any form of current or changed organization or re-organization, and to include any and all alias, or new company organizations with ownership and/or management in common. A status of Removal is considered necessitated by a serious status of deficiency and continuing deficiency under the Program and so is considered permanent, unless otherwise determined by Con Edison in the sole reasonable discretion of Con Edison.

New companies owned by any of the owners of removed companies will not be eligible to participate in the Program.

6.3 Obligation to Complete Projects

Unless otherwise agreed to with Con Edison, at all times and in all instances of the Participation Status of other than Good Standing (i.e., Warning, Probation, Short Pause, Suspension or Removal), a Participating Contractor shall continue to have an obligation to complete existing projects undertaken, and as may be more particularly agreed to with Con Edison.

6.4 Con Edison Standards of Business Conduct

In general, Participating Contractors in Con Edison's Programs are expected to adhere to similar values and principles as the values and principles established by Con Edison's Standards of Business Conduct⁸⁷ and any Participating Contractor not doing so may be subject to corrective action up to and including Removal from the Program.

6.5 Misrepresentations

Misrepresentations are efforts directly or indirectly by a Participating Contractor to mislead the Company as relates to participation in the Program. Instances of *Possible Misrepresentation* are instances when the Company has reason to suspect that a material misrepresentation has occurred.

Instances of Possible Misrepresentation by a Participating Contractor can be identified at any point during engagement with the Program, including resulting from the application process and inspections required under the Program. Examples of instances of Possible Misrepresentation by a Participating Contractor include:

- Providing false or misleading information related to the Program to Con Edison or to any third party, including by:
 - Misrepresenting the Program in any form or forum (including, non-compliant advertisements, offering to complete projects at no cost to the customer).
 - Submitting incorrect (falsified, or otherwise) project documentation (such as photos, customer or contractor signatures, project costs, or lists of equipment installed) related to the Program; and/or
 - Refusing to respond or responding improperly to inquiries related to the Program;
- Failing to appropriately apply incentives to offset customer costs or to appropriately notify a customer of incentives the contractor receives on their behalf;
- Altering site conditions improperly to change eligibility for Program offerings;
- Taking steps directly or indirectly to impede inspections by denying access to facilities related to the Program, including to instruct or encourage building owners or tenants to refuse entry;
- Instructing or encouraging customers to provide false or misleading information to Con Edison or to Con Edison contractors, and to include turning a blind eye to such practice;
- Misrepresenting the relationship of a contractor to Con Edison, including by informing any third party (including customers) that a Participating Contractor is working on behalf of Con Edison or

⁸⁷ See, <https://cdne-dcxprod-sitecore.azureedge.net/-/media/files/conedison/standards-of-business-conduct.pdf?rev=316005b65a3a42a38071f1fd9c8647f9>

is otherwise authorized by Con Edison to perform work [footnote - A Participating Contractor is not employed by Con Edison but is part of a network of contractors made available to Con Edison utility customers eligible to participate in the Program; customers eligible to participate in the Program may retain Participating Contractors to perform work, and which usually includes work on behalf of customers to receive benefit from participating in a Con Edison Program];

- Representing Con Edison or Con Edison programs in a manner that could adversely affect Con Edison, including Con Edison's business, operations, reputation, and good standing with Con Edison's customers or the community; or
- Performing work that does not comply with laws, including local, state, or other applicable codes, standards, or requirements.

A Participating Contractor must respond promptly to any and all inquiries related to investigations of instances of Possible Misrepresentation, including, as may be requested, to submit revised program documentation and other information related to the issue under investigation. Once Con Edison has conducted an inquiry related to an instance of Possible Misrepresentation, Con Edison will determine whether the instance investigated is Unfounded or a Confirmed Misrepresentation. No further action will be required for inquiries resulting in a finding of Unfounded, and findings of a Confirmed Misrepresentation will result in Con Edison direction as to the nature of the remedy deemed appropriate. Without limitation, a failure to respond to Con Edison inquiries within one week, or efforts to deny access to investigate an instance of a Possible Misrepresentation may result in an immediate finding of Confirmed Misrepresentation.

7. Contact Information

Residential: info@conedisonresidential.com

Small Biz: coned-smallbiz@willdan.com

Multifamily: cleanheatmultifamily@coned.com

C&I: cleanheatcommercial@coned.com

HPWH: Jacob Lent; heat-ne@energy-solution.com

8. Glossary

This glossary provides definitions of key terms used in the NYS Clean Heat Program for Con Edison Program Manual (the Program Manual) and the NYS Clean Heat Implementation Plan. Capitalized terms used as defined terms and not defined in this glossary shall be as defined in the main body of the Program Manual or shall be as in common use between the parties.

Air-Conditioning, Heating, and Refrigeration Institute (AHRI): A trade association representing manufacturers of heating, ventilation, air-conditioning, refrigeration, and water heating equipment. AHRI provides the database of equipment performance specifications, which is used in the Program to determine the incentive amount.

Air Source Heat Pump (ASHP): An HVAC system that provides space heating using electricity through vapor-compression refrigeration cycle. An ASHP extracts heat from outdoor air and transfers the extracted heat into the conditioned spaces via various means. ASHPs are also used to provide space cooling by reversing the cycle to extract heat from a building and transfer the heat to the outside air.

Air to Water Heat Pump (AWHP): A type of air source heat pump that transfers extracted heat from outdoors into water which is used as the distribution medium for space heating, and in some cases space cooling (using a reverse cycle process) and domestic hot water.

Backup Heating System: The backup heating system is a redundant system that provides heating in the event that the heat pump system is not operating. It is not intended to supplement the full load heat pump system.

Btu/h: Unit of thermal power capacity that represents one British Thermal Unit (Btu) of energy transferred per hour.

Building Cooling Load (BCL): Building total sensible and latent heat gain in British Thermal Units per hour (Btu/h). For residential buildings, BCL shall be calculated using ACCA Manual J or another code-approved methodology. For commercial buildings, BHL shall be calculated following ANSI/ASHRAE/ACCA Standard 183-2007 (RA2017), or other code-approved equivalent computational procedure. Calculation of the building's design cooling load shall be at the 1% dry bulb cooling design temperature for the most relevant ASHRAE 2017 location. **Building Equivalent Full Load Hours (BEFLH):** is used for the estimation of heating and cooling savings from heat pump systems, based on building type and location. It represents the equivalent full load operating hours for HVAC equipment based on 1% design temperature, TMY3 weather data, and the design heating load. The New York Technical Resource Manual employs the following vintage categories for determining BEFLH in residential buildings:⁸⁸

- Built prior to 1940, uninsulated masonry buildings, referred to as "Pre-War uninsulated brick." This category is used only for full load heating hours for multifamily low-rise and high-rise buildings.
- Built prior to 1979, before the Energy Conservation Construction Code of New York State (ECCCNYS) went into effect. This vintage is referred to as "Old" in the Appendix G EFLH tables for

⁸⁸ New York State Standard Approach for Estimating Energy Savings from Energy Efficiency Programs, Appendix G, See NYS TRM V9.pdf (<https://www3.dps.ny.gov/W/PSCWeb.nsf/All/72C23DECFF52920A85257F1100671BDD>)

single family detached buildings, and “Prior to 1979” in the EFLH tables for low-rise and high-rise multifamily buildings.

- Built from 1979 through 2006, with insulation conforming to the 1980s era building codes (1979 ECCCNY). This vintage is referred to as “Average” in the Appendix G EFLH tables for single family detached buildings, and “From 1979 through 2006” in the EFLH tables for low-rise and high-rise multifamily buildings.

Built from 2007 through the present, new construction conforming to the 2007 ECCCNY for residential buildings and the New York City Energy Conservation Code (if applicable). This vintage is referred to as “New” in the Appendix G EFLH tables for single family detached building, and “From 2007 through the present” in the EFLH tables for low-rise and high-rise multifamily buildings. Appendix G also provides EFLH tables for selected small and large commercial buildings; however, for these building types, EFLH values are the same across all building vintages. **Building Heating Load (BHL):** Building heat loss in British Thermal Units per hour (Btu/h). For residential buildings, BHL shall be calculated using ACCA Manual J or another code-approved methodology. For commercial buildings, BHL shall be calculated following ANSI/ASHRAE/ACCA Standard 183-2007(RA2017), or other code-approved equivalent computational procedure. Calculation of the building’s design heating load shall be at the 99% dry bulb heating design temperature for the most relevant ASHRAE 2017 location.

Central ASHP: An ASHP system that is typically sized to provide heating and cooling to the whole building through an air duct distribution system.

Coefficient of performance (COP): COP is the ratio of work or useful energy output of a system versus the work or energy input, measured in the same units. It is a measure of performance often used for electrically-powered heating and cooling equipment, with the higher the system COP corresponding to the more efficient operation.

Clean Heat Project (“Project”): The planning and quality installation of a heat pump system at a customer owned parcel of real property using common heat pump system components over a given scope at a given time. A single project may serve multiple electric accounts. A single parcel may have multiple projects subject to the discretion of the relevant Electric Utility.

Cold Climate ASHP defined as ccASHP: A heat pump product listed on the Northeast Energy Efficiency Partnership (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Specification and Product List (NEEP Product List), which is designed to identify air-source heat pumps that are best suited to heat efficiently in cold climates (IECC climate zone 4 and higher). The current specification and listed eligible units are available at (<https://neep.org/ASHP-Specification>).

Commissioning Report: A report that shows the results of project start-up tests conducted to ensure the system is operating effectively.

Corrective Action: In the field assessment inspection process, action(s) that must be undertaken by a participant at the direction of NYSERDA or the Designated Utility to correct identified nonconformances (i.e., specific deviations or work that fails to meet the established quality standard).

Commercial Unitary (i.e., Large Commercial) ASHP: Large commercial heat pump systems that include individual heat pump appliances that are powered by three-phase electricity or have rated cooling capacities $\geq 65,000$ Btu/h for the individual appliance.

Custom Incentive Categories: Incentive Categories 4, 4a and 6.

Decommissioning: Existing fossil fuel space heating or domestic hot water (DHW) heating appliance that is retired, disconnected, or removed in a manner that complies with all applicable federal, state, and municipality laws, regulations, and codes and is installed in conjunction with an eligible heat pump system. Residential decommissioning projects may include electric resistance heating not to exceed 10% of BHL. Decommissioning Guidance Checklist available at <https://cleanheat.ny.gov/resources-for-applications/>. Licensed plumber required for decommissioning projects.

Designer: Individual or company that designs heat pump system. Requirements to be an eligible designer in the Program are described in Program Manual.

Desuperheater: An optional feature of a GSHP system that takes advantage of waste heat generated by the compressor and transfers the waste heat to a domestic hot water system.

Direct Exchange (DX) GSHP: Direct exchange GSHP systems circulate a refrigerant through a buried, closed-loop copper pipe.

Driller: Individual or entity that drills GSHP systems. Requirements to be an eligible driller in the NYS Clean Heat Program are described in this Program Manual.

Dwelling Unit: A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation. Source: 2020 Energy Conservation Code of NYS Section R202 https://up.codes/viewer/new_york/ny-energy-conservation-code-2020/Section/RE_2/re-definitions#R202

Energy Efficiency Ratio (EER): A measure of how efficiently a cooling system will operate when the outdoor temperature is 95 degrees Fahrenheit. It is calculated by dividing the rated cooling output at 95 degrees Fahrenheit by the watts used by the AC/HP system. A higher EER means the system is more efficient. It is an instantaneous measure of electrical efficiency, unlike SEER (Seasonal Energy Efficiency Rating), which is an averaged value of efficiency. This is a term applied to air conditioning equipment.

Energy Recovery Ventilator (ERV): ERVs reduce heating and cooling loads while maintaining required ventilation rates by facilitating sensible heat transfer between outgoing conditioned air and incoming outdoor air. ERVs 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. Unlike HRVs, ERVs do not transfer latent heat (moisture content) between supply and exhaust air streams.

Full Load Heating System: A system installed that satisfies at least 100% of total system heating load at design conditions. For locations where the total system cooling load is greater than the heating load, the heat pump system cooling capacity shall be as small as possible to satisfy the cooling load, while minimizing oversizing for the heating function to the extent possible.

Ground Source Heat Pump (GSHP) system: An HVAC system comprising one or more heat pumps, ground loops, interior distribution systems and terminal units that enables the air and/or water in buildings to be conditioned by exchanging thermal energy with the ground, ground water, or other natural body of water.

Gut Rehabilitation (“Rehab”): A renovation that removes material down to structural load-bearing beam (as defined by the TRM, v10, effective January 1, 2023).

Heat Pump System: One or more electric heat pump appliances installed in a building to provide partial or full load heating and cooling to the building's conditioned space. The heat pump appliances and associated components may be centrally or separately controlled. In a multifamily building in which a central heating plant serves more than one apartment, the heat pump system must be designed and

installed to provide heating to all of the individual apartments and common areas otherwise served by the central heating plant.

Heat Pump Chiller (HPC): A chiller operating in a mode where a heat sink or source is outside of the building (i.e., well field, air, or chilled water loop as source of hot or cold water for the building). Unit provides either heating or cooling but not both at the same time.

Heat Pump System Heating Capacity: For buildings whose BHL exceeds BCL, the heat pump system heating capacity shall be as small as possible to satisfy BHL, while minimizing oversizing for the cooling function to the extent possible with available equipment.

Heat Pump System Cooling Capacity: The sum of the cooling output of all heat pump appliances in the system, expressed in British Thermal Units per hour (Btu/h), at the cooling design temperature used for the building cooling load (BCL) calculation. For buildings whose BCL exceeds BHL, the heat pump system cooling capacity shall be as small as possible to satisfy BCL, while minimizing oversizing for the heating function to the extent possible with available equipment.

Heat Pump Water Heater (HPWH): HPWHs are water heater tanks that heat domestic hot water or process hot water through the use of an onboard air source heat pump that extracts heat from the air in the building surrounding the unit. They use a secondary electric resistance as a back-up to ensure that the water temperature meets the desired setpoint during times of high demand. Air source HPWH models come in two versions (integrated and split-system HPWH) and both versions are eligible for incentives under the Program.

Heat Recovery Chiller (HRC): A chiller operating in a mode where heat is moved between hot water and chilled water loops within the thermal envelope in buildings requiring simultaneous cooling and heating. Unit provides heating and cooling at the same time.

Heat Pump Chiller/ Heat Recovery Chiller (HPC+HRC): A chiller that will operate in both heat pump and heat recovery modes for a project.

Heat Recovery Ventilator (HRV): HRVs reduce heating and cooling loads while maintaining required ventilation rates by facilitating both sensible (heat content) and latent (moisture content) heat transfer between outgoing conditioned air and incoming outdoor air. 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.

Incentive Category: Grouping in the NYS Clean Heat Program reflecting applicable technology type, system size, customer type, and incentive structure.

Installer: Individual or entity that installs a heat pump system. Requirements to be an eligible installer in the NYS Clean Heat Program are described in the NYS Clean Heat Designated Utilities Program Manual.

Integrated Controls (ICs): Coordinates the heating operation of heat pump (ducted and ductless) systems with ancillary heating systems such as fossil fuel boilers and furnaces. ICs prioritize operation of the heat pump system as the first stage of heat and rely on the ancillary system as backup or second stage of heat. Integrated Controls eligibility document available at <https://cleanheat.ny.gov/resources-for-applications/>

International Ground-Source Heat Pump Association (IGSHPA): An association established to advance GSHP technology, which conduct geothermal research and installer training and accreditation.

Mini-Split Heat Pump (MSHP): A type of cold climate ASHP or ccASHP that can circulate refrigerant between an outdoor unit containing a variable capacity compressor and one or more indoor air handlers. MSHPs are often referred to as “ductless mini-splits” because they are typically ductless. These units can

also be installed with short duct runs that enable single air handlers to serve more than one room at a time.

MMBtu of Annual Energy Savings: Estimation of first-year site energy savings, which accounts for both the decreased fuel and the change in electricity consumed at the site.

Multifamily: A residential building with five or more Dwelling Units.

Nonconformances: In the field assessment inspection process, specific deviations or work that fails to meet the quality standard established for Program requirements, industry standards and quality requirements.

Partial Load Heating System: A partial load heating system is a primary, first stage, heat pump system installed alongside a supplemental, second stage, heating system for the purpose of providing heating. The supplemental heating system may be either the existing system or a new system. In this type of system, the total heat pump system heating capacity satisfies <90% of the building's design heating load ("BHL") at design conditions.

Participating Contractor: ASHP and GSHP designer and installer that is eligible to apply for and receive incentives under the NYS Clean Heat Program. To become a Participating Contractor, an entity must submit a Participating Contractor Application and a Contractor Participation Agreement for each Electric Utility service territory where work will be performed (available at <https://cleanheat.ny.gov/resources-for-applications/>). Upon approval, the applicant will receive an approval notification from the Electric Utility and become eligible to apply for incentives in the Program. GSHP drillers must also be approved through this process to become a "Participating Driller," but are not eligible to submit for and receive incentives. Each GSHP installation must be completed by a Participating Driller. Contractors installing only HPWH do not have to be a Participating Contractor to submit an incentive application on behalf of a customer.

Participating Distributor: HPWH distributor that is eligible to offer and receive incentives under the NYS Clean Heat Program. To become a Participating Distributor, an entity must submit a HPWH Distributor Participation Agreement to their Utility Partner. Upon approval, the distributor will become eligible to apply for incentives in the Program.

Cold Climate Packaged Terminal Heat Pump (ccPHTP): A packaged terminal heat pump is a wall sleeve and a separate un-encased combination of heating and cooling assemblies specified by the builder and intended for mounting through the wall. It includes a prime source of refrigeration, separable outdoor louvers, forced ventilation, and heating availability by builder's choice of hot water, steam, or electricity. A PHTP utilizes reverse cycle refrigeration as its primary heat source and is equipped with supplementary heating via hot water, steam, or electric resistant heat. To be eligible for the Program, each unit in a PHTP system must be on the NEEP Product List, *i.e.*, be a ccPHTP.

Prescriptive Incentive Category: Incentive Categories 2a, 2b, 2c, 2d, 3, and 5.

PIOL: Preliminary Incentive Offer Letter

Single Package Vertical Heat Pump (SPVHP): A single package vertical heat pump is an air-cooled commercial package air conditioning and heating equipment that is factory-assembled as a single package, has components that are arranged vertically, and is intended for exterior mounting on, adjacent interior to, or through an outside wall. These units may be powered by a single-or 3-phase current and may contain 1 or more separate indoor grilles, outdoor louvers, various ventilation options, indoor free air discharges, ductwork, well plenum or sleeves. SPVHPs utilizes reverse cycle refrigeration as its primary heat source and may be equipped with supplementary heating via hot water, steam, gas or electric resistant heat.

Supplemental Heat: Supplemental heat refers to heating sources that are installed separate from the heat pump, such as legacy fossil fuel-fired systems, but work in tandem with the heat pump to meet the building's heating load.⁸⁹

Thermal Energy Network: Shall mean all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate a utility-scale distribution infrastructure project that supplies thermal energy.⁸⁹

Utility Thermal Energy Network: All real estate, fixtures and personal property owned and operated by a utility, used or to be used for or in connection with or to facilitate thermal energy network distribution infrastructure projects that supply thermal energy. It may also include thermal energy resource(s) owned by the utility.

Variable Refrigerant Flow Heat Pump (VRF): VRF systems circulate refrigerant between a variable capacity compressor and multiple indoor air handlers, each capable of individual zone temperature control. VRF systems can be built with heat recovery and cooling capabilities that allow simultaneously heating to some zones and cooling to other zones. VRF systems may be air-source or ground-source type heat pumps.

⁸⁹ As defined by Public Service Law §2(29)

Appendix 1: Calculating Sizing Ratios in the New York State Clean Heat Program Guide

1. Cold Climate Air Source Heat Pump / Mini-Splits (<65,000 btu/h cooling capacity)

AHRI Test Method: 210/240

$$\text{Heating Sizing Ratio} = \frac{\text{Max Heating Capacity at Design Temperature, F}}{\text{Calculated Heating Load}}$$

$$\text{Cooling Sizing Ratio, when } BCL > BHL = \frac{\text{Max Cooling Capacity at Design Temperature, F}}{\text{Calculated Cooling Load}}$$

$$\text{Cooling Sizing Ratio, when } BHL > BCL = \frac{\text{Min Cooling Capacity at Design Temperature, F}}{\text{Calculated Cooling Load}}$$

Maximum heating and cooling capacities at design temperatures may be obtained in the following ways:

- a. Download the NEEP certificate for the appropriate make/model heat pump. Linearly interpolate (if necessary) between the known maximum heating capacities at 5 degrees and 17 degrees to obtain the maximum heating heat pump performance at the design temperature. For cooling, linearly interpolate (if necessary) between known maximum cooling capacities at 95 degrees and 82 degrees to obtain the maximum cooling performance at the design temperature. Note that if the BHL>BCL, the cooling size ratio may be calculated using minimum cooling capacity at the design temperature, by extrapolating between known minimum NEEP cooling capacities at 95 degrees and 82 degrees respectively.
- b. Obtain manufacturer-specific performance and capacity data at the design temperature or use manufacturer software that provides equipment performance and capacity at the design temperature.

Example using NEEP method: Downstate location with heating design temperature at 12°F.

Heating Design Temperature: 12°F

Proposed Heat Pump Make: Fujitsu

Proposed Heat Pump Model: AOU36RLAVM

Maximum Heating Output at 5°F: 37,900 btu/h

Maximum Heating Output at 17°F: 42,000 btu/h

Heating Load at 12°F: 38,500 btu/h

$$\frac{42,000 \text{ btu/h} - 37,900 \text{ btu/h}}{17 \text{ degree} - 5 \text{ degree}} = \frac{42,000 \text{ btu/h} - x \text{ btu/h}}{17 \text{ degree} - 12 \text{ degree}}$$

$$x = 40,291.67$$

$$\text{Heating Sizing Ratio} = \frac{40,291.67 \text{ btu/h}}{38,500 \text{ btu/h}} = 1.05$$

Figure 7: NEEP Certification ccASHP

FUJITSU FUJITSU J-Series
 Multizone All Non-ducted
 AHRI Cert #: **8693480**
 Outdoor Unit #: **AOU36RLAVM**
 Indoor Unit #:
INFINITE COMFORT 🔥 Maximum Heating Capacity (Btu/hr) @5°F: **37,900**
 🔥 Rated Heating Capacity (Btu/hr) @47°F: **42,000**
 ❄️ Rated Cooling Capacity (Btu/hr) @95°F: **36,000**

Information Tables

Brand	FUJITSU
Series	J-Series
Ducting Configuration	Multizone All Non-ducted
AHRI Certificate No.	8693480
Outdoor Unit #	AOU36RLAVM
Indoor Unit Type	Non-Ducted Indoor Units
Indoor Unit #	
Furnace Unit #	
SEER	19
EER	13.3
HSPF Region IV	11.4
Energy Star	✓
Variable Capacity	✓
Turndown Ratio (Max 5°F/Min 47°F)	2.3
Capacity Maintenance (Max 5°F/Max 47°F)	90%
Capacity Maintenance (Rated 17°F/Rated 47°F)	61%
Capacity Maintenance (Max 5°F/Rated 47°F)	90%
Integration	
Connectivity	
Operational Diagnostics	
Refrigerant(s)	

Performance Specs

Heating /Cooling	Outdoor Dry Bulb	Indoor Dry Bulb	Unit	Min	Rated	Max
Heating	-4°F	70°F	Btu/h	12,960	-	33,600
			kW	1.13	-	3.74
			COP	3.36	-	2.63
Heating	5°F	70°F	Btu/h	14,860	-	37,900
			kW	1.1	-	4.06
			COP	3.96	-	2.74
Heating	17°F	70°F	Btu/h	16,460	25,800	42,000
			kW	1.2	2.7	4.43
			COP	4.02	2.8	2.78
Heating	47°F	70°F	Btu/h	16,460	42,000	42,000
			kW	0.87	3.2	3.2
			COP	5.54	3.85	3.85
Cooling	82°F	80°F	Btu/h	18,190	-	36,000
			kW	0.95	-	2.37
			COP	5.61	-	4.45
Cooling	95°F	80°F	Btu/h	18,190	36,000	36,000
			kW	1.09	2.71	2.71
			COP	4.89	3.89	3.89

Heating/Cooling Capacity Graph



2. Larger Unitary Heat Pumps (>65,000 btu/h)

AHRI Test Method: 340/360

$$\text{Heating Sizing Ratio} = \frac{\text{Heating Capacity at Design Temperature}}{\text{Calculated Heating Load}}$$

$$\text{Cooling Sizing Ratio} = \frac{\text{Cooling Capacity at Design Temperature}}{\text{Calculated Cooling Load}}$$

Heating and cooling capacities at design temperatures may be obtained in the following ways:

- a. Download the AHRI certificate for the appropriate make/model heat pump. Extrapolate (if necessary) between the known certified rated heating capacities at 17 degrees and 47 degrees to obtain the heating heat pump performance at the design temperature. For cooling, use AHRI cooling capacity at 95 degrees directly as values cannot be extrapolated from the AHRI certified data.
- b. Obtain manufacturer specific performance data at the design temperature.

Example using AHRI method: Downstate location with heating design temperature 15°F and cooling design temperature 87°F.

Heating Design Temperature: 12°F

Cooling Design Temperature: 87°F

Proposed Heat Pump Make: Daikin

Proposed Heat Pump Model: DPS010AHHE2

Rated Heating Output at 17°F: 62,000 btu/h

Rated Heating Output at 47°F: 105,000 btu/h

Rated Cooling Output at 95°F: 119,000 btu/h

Heating Load at 12°F: 56,000 btu/h

Cooling Load at 17°F: 118,000 btu/h

$$\frac{105,000 \text{ btu/h} - 62,000 \text{ btu/h}}{47 \text{ degree} - 17 \text{ degree}} = \frac{105,000 \text{ btu/h} - x \text{ btu/h}}{47 \text{ degree} - 12 \text{ degree}}$$

$$x = 54,833 \text{ btu/hr}$$

$$\text{Heating Sizing Ratio} = \frac{54,833 \text{ btu/h}}{56,000 \text{ btu/h}} = 0.978$$

$$\text{Cooling Sizing Ratio} = \frac{119,000 \text{ btu/h}}{118,000 \text{ btu/h}} = 1.008$$

Figure 8: AHRI Large Unitary Heat Pump

AHRI CERTIFIED
www.ahridirectory.org

Certificate of Product Ratings

AHRI Certified Reference Number : 5831165 Date : 03-31-2021 Model Status : Active

Brand Name : DAIKIN

Model Number : DPS010AHHE2**-4*

AHRI Type : HSP-A

Refrigerant Type : R-410A

Hertz : 60

Sold In? : USA, Canada, Outside USA and Canada

Rated as follows in accordance with the latest edition of AHRI 340/360 Performance Rating of Commercial and Industrial Unitary Air-conditioning and Heat Pump Equipment and AHRI 365 and subject to rating accuracy by AHRI-sponsored, independent, third party testing:

Cooling Capacity 95F/Cooling Capacity 95F at 230v : 119000/119000
EER 95F/EER 95F at 230v : 11.70/11.70

Heating Capacity 47F/Heating Capacity 47F at 230v : 105000/105000
COP 47F/COP 47F at 230v : 3.42/3.42

Heating Capacity 17F/Heating Capacity 17Fat 230v : 62000/62000
COP 17F/COP 17Fat 230v : 2.38/2.38
IEER/IEER at 230v : 18.0/18.0

The following data is for reference only and is not certified by AHRI

Full Load Indoor Coil Air Quantity (scfm) : 3850

Note that if interpolation/extrapolation of heating capacities using the AHRI method results in irregularities, reviewers shall request manufacturer specific performance data at the design temperature.

If product is not AHRI rated, manufacturer performance-specific data may be used. For non-AHRI rated equipment, performance data should be provided at the same rated conditions as the applicable AHRI test method for the purposes of determining eligibility.

3. Air Source Variable Refrigerant Flow

AHRI Test Method: 1230

$$\text{Heating Sizing Ratio} = \frac{\text{Heating Capacity at Design Temperature}}{\text{Calculated Heating Load}}$$

$$\text{Cooling Sizing Ratio} = \frac{\text{Cooling Capacity at Design Temperature}}{\text{Calculated Cooling Load}}$$

Heating and cooling capacities at design temperatures may be obtained in the following ways:

- a. Download the AHRI certificate for the appropriate make/model heat pump. Extrapolate (if necessary) between the known certified rated heating capacities at 17 degrees and 47 degrees to obtain the heating heat pump performance at the design temperature. For cooling, use AHRI cooling capacity at 95 degrees directly as values cannot be extrapolated from the AHRI certified data.
- b. Obtain manufacturer specific performance data at the design temperature

Note that if interpolation/extrapolation of heating capacities using the AHRI method results in irregularities, reviewers shall request manufacturer specific performance data at the design temperature.

Relevant example showing AHRI method is provided in Appendix 1, Section 2 Above.

If product is not AHRI rated, manufacturer performance specific data may be used. For non-AHRI rated equipment, performance data should be provided at the same rated conditions as the applicable AHRI test method for the purposes of determining eligibility.

4. Geothermal Heat Pumps (including GSVRFs and console type units)

Heating and cooling capacities at design temperatures may be obtained in the following ways:

- a. Downloading the AHRI certificate for the appropriate make/model heat pump and pulling the certified full load heating and cooling capacities directly from certificates to calculate sizing ratio. Note that if BHL>BCL, the cooling sizing ratio may be calculated using AHRI ground source part load capacity.
- b. Obtain manufacturer specific performance data at the design temperature.

Test Method: ANSI/AHRI/ASHRAE/ISO Standard 13256-1

$$\text{Heating Sizing Ratio} = \frac{\text{Full Load Heating Capacity at Design Temperature}}{\text{Calculated Heating Load}}$$

$$\text{Cooling Sizing Ratio} = \frac{\text{Full Load Cooling Capacity at Design Temperature}}{\text{Calculated Cooling Load}}$$

Example:

Make: Ice Air

Model: 8VSHPG12

Full Load Heating Capacity: 9,000 btu/h

Heating Load: 8,000 btu/h

$$\text{Heating Sizing Ratio} = \frac{9,000 \text{ btu/h}}{8,000 \text{ btu/h}} = 1.125$$

Figure 9: Geothermal AHRI Certificate

Certificate of Product Ratings

AHRI Certified Reference Number : 205746251 Date : 11-19-2020 Model Status: Active
 Old AHRI Reference Number :
 Product : Water-to-Air and Brine-to-Air
 Model Number : 8VSHPG12**
 Brand Name : ICE AIR LLC

Rated as follows in accordance with ANSI/AHRI/ASHRAE/ISO Standard 13256-1 Water-toAir and Brine-To-Air Heat Pumps and subject to verification of rating accuracy by AHRI-sponsored, independent third party testing:

	Full Load	Part Load1	Part Load2	Part Load3
Air Flow Rate - Cooling:	500			
Air Flow Rate - Heating:				



GLHP (Ground -Loop Heat Pumps)

Cooling Capacity (Btuh)	13800/13800
Cooling EER Rating (Btuh/Watt)	20.10/30.10
Cooling Fluid Flow Rate (gpm)	3.00
Heating Capacity (Btuh)	9000/9000
Heating COP (watt/watt)	3.70/3.70
Heating Fluid Flow Rate (gpm)	3.00

www.ahridirectory.org

If equipment is being installed in non-standard temperatures, option B should be followed to calculate sizing ratio. The participating contractor will be required to submit manufacturer performance data at the specific design conditions. The AHRI method will apply in most circumstances.

If product is not AHRI rated, manufacturer performance-specific data may be used. For non-AHRI rated equipment, performance data should be provided at the same rated conditions as the applicable AHRI test method for the purposes of determining eligibility.

Appendix 2: Version History and Description of Revisions: Con Edison Clean Heat Program Manual

Date Filed	Version	Topic	Description of Change	Section/ Page
1/12/2023	1	N/A	N/A	N/A
3/1/2023	2	C&I Incentives	Clarification on incentive caps	Section 2.5
3/1/2023	2	New Construction	Clarification that expansion of building square footage will be considered “new construction”	Section 3.6.1
3/1/2023	2	ASHP incentives	Updated launch date for Program offering for previously incentivized partial load systems to convert to full load	Section 4.2.3
3/1/2023	2	System Eligibility for SMB Projects	Included definition of BH/square foot	Section 4.3.3.2
9/1/2023	3	Residential GSHP Incentives	Updated incentive rates for projects located in both DACs and non-DAC’s	Section 2.2
9/1/2023	3	Multifamily Incentives	Updated incentive rates and Category 10 eligibility	Section 2.3
9/1/2023	3	SMB Incentives	Updated incentive rates and caps	Section 2.4
9/1/2023	3	Non-Pipe Solutions Clean Heat Adder Incentives	Adder incentives for projects located within the NPS designated areas	Section 2.6
9/1/2023	3	System sizing	Clarification on full load project criteria & ASHRAE design temperature requirements	Section 3.2.1
9/1/2023	3	Air-to-water heat pumps	Introduction of AWHP incentive offerings	Section 3.2.3.7
9/1/2023	3	Heat recovery and heat pump chillers	Introduction of HRC/HPC incentive offerings	Section 3.2.7
9/1/2023	3	Heat Pump Dedicated Outdoor Air Systems (HP-DOAS)	Introduction of HP-DOAS incentive offerings	Section 3.2.9
9/1/2023	3	Partial load custom project eligibility	Updated eligibility criteria for Category 10 Custom Partial Load Space Heating Applications	Section 3.2.11
9/1/2023	3	Energy modeling	Updated modeling report requirements	Section 3.5.2
9/1/2023	3	Non-residential application requirements	Updated design drawing and permitting requirements	Section 4.3

Date Filed	Version	Topic	Description of Change	Section/ Page
9/1/2023	3	Midstream HPWH Retail Channel	Introduction of Midstream HPWH Retail incentive offerings	Section 4.4.2
9/1/2023	3	Field inspections and oversight	Updated residential inspection disciplinary process	Section 5
3/1/2024	4	Incentive Category Addition	Addition of incentive Category 2e <i>Air-to-Water Heat Pump</i> ("AWHP"), with revisions in numerous sections to reflect this addition	Sections 2-4
3/1/2024	4	Incentive Category Update	Category 5 renamed to Category 5 <i>Midstream HPWH</i> , and clarifications to category specifications	Sections 2-4
3/1/2024	4	Limited-Time 2024 Promotion Incentives	Addition of limited-time promotional incentives for Residential ASHP, Residential GSHP, Multifamily, SMB, and C&I sectors	Sections 2 & 4
3/1/2024	4	Incentive Category Addition	Addition of incentive Category 6a: <i>Prescriptive Domestic Hot Water</i> ("DHW") in the Multifamily sector	Sections 2.3, 4.3.2
3/1/2024	4	Financing	Removal of Con Edison Clean Heat Financing offering	Section 2.9
3/1/2024	4	Financing	Removal of reference to Companion Loans funded by New York Green Bank	Section 2.9.1
3/1/2024	4	Eligibility	Allow projects to receive incentives for replacement of non-cold climate heat pumps or non-full load heat pumps	Section 3.2
3/1/2024	4	Eligibility – Full Load Heating	Update definition of full load heating systems	Sections 3.2.1
3/1/2024	4	Design Temperature Tool	Reference added to new online tool to identify design temperature, available on Contractor Resources webpage.	Section 3.2.1
3/1/2024	4	Program Eligibility	Customers or projects participating in Utility Thermal Energy Network projects are not eligible for Clean Heat Program incentives	Section 3.2.4
3/1/2024	4	Eligibility	Addition of incentives and eligibility criteria for non-residential GSHP Thermal Conductivity Testing	Section 3.2.4
3/1/2024	4	Multifamily Eligibility	Allow buildings with up to 100 units to be eligible for category 2c and buildings of any size to be eligible for partial load custom projects in category 10	Section 4.3.2

Date Filed	Version	Topic	Description of Change	Section/ Page
3/1/2024	4	Eligibility	Clarification of NEEP listed eligible equipment in non-residential sectors	Sections 4.3.2 - 4.3.4
3/1/2024	4	Program Compliance	Revised SMB Documentation Requirements	Section 4.3.3.5
3/1/2024	4	Glossary	Glossary has updates to reflect Program updates.	Section 7
6/3/2024	5	Limited-Time 2024 Promotion Incentives Removal	Removal of Limited-Time Offers for Residential ASHP, Residential GSHP, Multifamily, Small Business & Nonprofit, Commercial & Industrial, and Non-Residential GSHP projects.	Sections 2 & 4
6/3/2024	5	Program Incentive Funding	Clarified Program Funding Availability	Section 2.1
6/3/2024	5	Water Source Heat Pump (WSHP) eligibility	Added WSHP Eligibility language	Section 3.2.11
6/3/2024	5	ASVRF eligibility	Revised ASVRF eligibility to recognize EPA cold climate criteria	Section 3.2.3.4
6/3/2024	5	Disciplinary Exceptions	Outlined Contractor Action for Falsified Documentation	Section 5.5
6/3/2024	5	Small-Medium Business Program (SMB) name change	Small-Medium Business Program (SMB) will be known as the Con Edison Small Business & Nonprofit Program "Small Biz"	
9/10/2024	6	Decommissioning Contractor Requirements	Effective October 15, 2024, Residential Contractors must provide the licensed plumber's name and license number on the project application in the Online Intake Tool. ("OIT")	Section 2, 4.2.3
9/10/2024	6	Non-Residential Ground Source Heat Pump ("GSHP")	Created a Subsection for Non-Residential GSHP Introduced new incentive prescriptive offering for new construction apartment projects.	Section 2.6
9/10/2024	6	Sound View Non-Pipes Alternative ("NPA") Program	Revised Section to reflect the end of Sound View NPA Clean Heat Incentive Adder.	Section 2.7
9/10/2024	6	Non-Residential Project Completion Documentation	Added requirement for Master Case ID ("MCID") to be provided with signed Preliminary Offer Letter for Small Biz, Multifamily, and Non-Residential GSHP projects.	Section 4.3.1
9/10/2024	6	Inspections	Updated to provide details on	Section 5.0

Date Filed	Version	Topic	Description of Change	Section/ Page
			revised inspection process.	
9/10/2024	6	Participating Contractor Disciplinary Process	Updated to provide details on revised participating contractor disciplinary process.	Section 6.0