

# Working Group Series for Participating Contractors and Industry Partners

## Session #17 | June 12, 2023 9:00am-10:00am

### Summary Report

*\*Note: This document is intended to be a supplement to the slide deck presented during the webinar on June 12<sup>th</sup> and posted to the Contractor Resources webpage.*

## Agenda

- Meeting Procedures
- Welcome
- Safety Message
- Joint Management Committee (JMC) updates and discussion
  - Reminders and announcements
  - Incentive level changes
  - Heat Recovery Chillers
  - Air-to-Water Heat Pumps
  - Attention Required application items
- Stakeholder Presentations
  - No submissions provided this quarter
- Resources, Support, and Next Steps

## Program Representatives

- JMC Co-Chairs: Julie Hawkins (National Grid), Will Xia (NYSERDA)
- JMC Members: Ray Cotto (Central Hudson), Toby Hyde (Con Edison), Jim MacMartin (National Grid), Nicole Williams (NYSEG, RG&E), Christopher Trenard (Orange & Rockland)
- Implementation Team (ICF): Kenn Latal, Tim Walsh
- Working Group Support Team (Concentric Energy Advisors): Ben Davis, Pieter Zwart, Clara-Ann Joyce

## Introduction

- As outlined in previous meetings, the intent of this Working Group Series is to create a forum for working meetings between participating contractors, industry partners, and other stakeholders with the NYS Clean Heat Program Administrators.
- The JMC wants to promote dialogue and discussion with a focus on transparency and communication. The intent is to drive toward solution development.
  - Emphasis here is on open communication with the industry. The JMC does want this to be a two-way process in terms of flagging and communicating issues.

## JMC Updates – Key Takeaways

*The following section provides a summary of key points from the content presented by the JMC.*

### **Sizing and Design Training Requirement**

- As previously announced, all Participating Contractors installing ASHP must complete a required sizing and design training. The deadline of June 1 has been extended for a final time to **June 30, 2023**.
  - After June 30, contractors who have not submitted proof of the training will have their OIT credentials disabled.
  - Training courses are available on the Clean Heat Connect website, which has a [calendar](#) of upcoming training courses and links to on-demand trainings. Certificates are to be submitted to ICF account managers or [nyscleanheat@icf.com](mailto:nyscleanheat@icf.com).

### **Additional Reminders**

- Contractors are reminded that customers are not eligible to receive incentives for both heat pump and gas space heating equipment for the same project. Projects that are scoped to provide new gas space heating equipment as well as heat pumps may not apply for incentives in both programs.
- Contractors are also reminded to make sure their contact information is up to date with the Program. Changes and updates can be submitted to [nyscleanheat@icf.com](mailto:nyscleanheat@icf.com).

### **Upcoming Incentive Level and Program Changes**

- On June 1, the JMC announced several program changes, including incentive reductions for Central Hudson, National Grid, NYSEG/RG&E, and O&R. Specific incentive amounts are laid out in the tables in the slides and linked [here](#). Program changes become active on September 1, 2023.
  - As the Clean Heat program moves through its midpoint review, allotted savings targets relative to budgets are increasing over time. Budgets are transitioning from aggressive initial adoption to a sustainable go-forward structure that focuses on efficiency of incentives.
  - Category 1 partial load incentives are being phased out to focus on full load and maximum efficiency.
  - Category 9 simultaneous space and water heating incentives are also being discontinued. The midstream HPWH incentive is still offered.
- For all projects, incentives will be capped at 50% of project costs. For custom projects, incentives will be capped at either 50% of project costs or \$700,000, whichever is less.
- Heat recovery chillers and heat pump chillers will become eligible as heat pump technology in custom categories for Con Edison, National Grid, and NYSEG as of 9/1. O&R is currently reviewing the addition of heat recovery chillers and heat pump chillers by 9/1.
  - Minimum efficiency requirements and eligibility standards are set forth in ASHRAE Standard 90.1-2022, Table 6.8.1-16.
- The Clean Heat JMC intends to make Air to Water Heat Pumps (AWHPs) eligible for program incentives as soon as possible, with a goal of allowing this measure by 9/1/23. The New York Technical Resources Manual (TRM) Management Committee anticipates adopting AWHP measures in July 2023.
  - Incentives for AWHP are in design

## Common “Attention Required” Application Issues

- ICF has provided more information on some of the most common reasons that application processing becomes delayed due to additional contractor outreach needed to clarify documentation or ask for missing items. These common issues and ways to resolve them are laid out in the presentation slides.

## Q&A

*Questions were asked both verbally and through the written Q&A function.*

**Question:** How can phased market transformation be achieved without a partial load incentive category available?

**Response:** The decision to phase out partial load incentives was made with program analysis and stakeholder input factored in. The intent is to focus incentive funding on measures that drive most comprehensively toward the program’s goals.

**Question:** If a project is quoted and sold before 9/1/2023, but not installed until after 9/1/2023, which incentive levels are applicable?

**Response:** A project must be installed before 9/1/2023 to be eligible for the current incentive amounts. Anything installed after 9/1/2023 will be subject to the announced incentive changes. There is a 30-day window (until 9/30/2023) to submit applications for installed projects.

**Question:** Where can contractors find the calculator tools?

**Response:** The calculator tools can be found on the Contractor Resources webpage at <https://cleanheat.ny.gov/contractor-resources>. Calculators for custom and prescriptive projects can be found under the Ground Source Heat Pump and Air Source Heat Pump drop-down sections.

**Question:** How can a full load rebate be utilized when paired with a gas furnace for air delivery?

**Response:** For existing gas furnaces, the full load integrated controls measure can be used, which would be programmed with the cold-climate heat pump as the primary heating source. Category 2 and Category 2a do not require decommissioning of the existing system. For new gas furnaces, customers/contractors cannot apply for both gas furnace and heat pump rebates on the same project.

**Question:** Is there more communication that can be done regarding the correct standard for pre-approval of heat pump chillers and heat recovery chillers?

**Response:** The JMC has gone through an exhaustive dialogue with stakeholders to identify AHRI 550/590 as the standard applicable to heat pump chillers and heat recovery chillers. Part of the actions being taken to roll out the changes announced on 6/1 is to add this information to the Program Manual, and language is in draft form leading up to 9/1. Please reach out to your account manager and/or utility representative to discuss details of a specific project.

**Question:** In some decommissioning projects, other work is being done on the property and another contractor may remove the legacy equipment (e.g., the plumber removes the boiler) before the heat

pump contractor has access. Is it required to submit photos of the legacy equipment before decommissioning?

**Response:** It is required to submit photos of the existing system for decommissioning. Please coordinate with other contractors on the site to get some type of proof.

**Question:** Will Con Edison be changing any incentives this year?

**Response:** At this time, Con Edison will not be changing any incentives.

**Question:** How should a building be categorized that houses commercial office space on the first floor and residential space on the second floor, with the whole building served by the same boiler for heating?

**Response:** If the whole building is being decommissioned, it depends on which space is larger. If the commercial office space is larger, it would be classified as an SMB project. If the residential space is larger, it would be residential.

**Question:** Once the current round of program funding ends, are there expectations that the program will be re-funded and continue beyond 2025?

**Response:** The JMC is awaiting the outcome of the Department of Public Service's NE:NY Interim Review regarding program goals, structure, and funding after 2025. Please monitor the NYS DMM site and [Case 18-M-0084](#) for updates.

## Resources, Support, and Next Steps

- The next PC&IP meeting is scheduled for Thursday, September 14<sup>th</sup> (9:00-10:00am)
  - All program-related inquiries can be submitted to [nyscleanheat@ceadvisors.com](mailto:nyscleanheat@ceadvisors.com)
  - All project-specific inquiries can be submitted to [nyscleanheat@icf.com](mailto:nyscleanheat@icf.com) or 844-212-7823
- For project inquiries, the first step should be to contact your account manager at ICF. If the account manager does not respond within three days, please contact [nyscleanheat@icf.com](mailto:nyscleanheat@icf.com) or reach out to the utility's Program Manager. Contact information is listed in the presentation slides.
- Links to additional program resources are included in the presentation slides.

The JMC thanks all attendees for their participation and engagement.