

HeatSmart Newton



Incentives and Financing Guide



Revised 7/31/20

The clean heating and cooling technologies offered through HeatSmart Newton are eligible for thousands of dollars in incentives, tax credits and financing from the Massachusetts Clean Energy Center, Mass Save, the Massachusetts Dept. of Energy Resources, and the federal government.

Air Source Heat Pumps

Program Name	Description	Special Requirements
 <p>Electric Heating and Cooling Rebates</p>	<p>Ductless:</p> <p>Electric Heat (year-round only): \$1,250 per ton of capacity</p> <p>Oil/Propane Heat: \$1,250 per ton of capacity (with integrated controls or removal of existing system)</p> <p>Other (no integrated controls): \$250 per ton of capacity</p> <p>Ducted:</p> <p>Oil/Propane Heat: \$1,250 per ton of capacity (with integrated controls or removal of existing system)</p> <p>Other (no integrated controls): \$250 per ton of capacity</p>	<p>In 2019, Mass Save greatly expanded the rebates available for heat pumps. These expanded rebates are targeted towards residents who use heat pumps to displace high-cost heating fuels and use integrated controls to maximize efficient heat pump usage for heating throughout the winter. Ask your installer about the integrated controls package necessary to take advantage of these larger rebates. All models must meet Mass Save’s efficiency requirements.</p> <p>Once your installer has completed your installation, all you have to do is submit your rebate application and paid invoice online through the Mass Save website or by mail.</p>
 <p>0% Interest HEAT Loan</p>	<p>0% interest HEAT Loan of up to \$25,000 over a 7-year term for qualifying homeowners</p>	<p>In addition to qualifying for the loan:</p> <p>If you live in a 1-4 unit building, you will need to have completed a Mass Save home energy assessment in the previous 2 years. Sign up for an energy assessment as soon as possible to make sure you’ll be able to qualify.</p> <p>If you live in a 5 or more unit condo or apartment complex, you will need to meet the following requirements:</p> <ol style="list-style-type: none"> (1) Your unit must be individually metered for electricity and/or gas (2) An authorized representative of the building (e.g. building owner, condo board member, property manager) will need to enroll your building for a Mass Save Multifamily energy assessment.



Alternative Energy Certificates

The Commonwealth’s Alternative Portfolio Standard awards **Alternative Energy Certificates (AECs)** to owners of clean heating & cooling technologies. These AECs vary in price as they are determined by the price paid by electric utilities at a public auction held every quarter.

You will only be able to receive AECs if your heat pump system is the only or primary source of heat. The number of certificates you’ll receive will be based on two criteria: **(1)** the square footage of your home; **(2)** how efficient your home is; and **(3)** whether your heat pump is the sole source of heat.

After registering your system, you will be awarded AECs equal to 10 years’ worth of the heat your heat pump system is expected to provide. Depending on the number of certificates you receive, this incentive could be worth anywhere from **\$300 to \$2,400!**

Visit the HeatSmart website for more information on this incentive and eligibility requirements.

We strongly encourage you to contract with an AEC aggregator, who can sell your AECs on your behalf for a small fee. A list of potential AEC aggregators can be provided by your installer or found on the HeatSmart website.

If you wish to contract with an aggregator, you will need to provide all information required by your aggregator. That’s it! Once the auction occurs, the aggregator will send you a check based on the auction price.

If you do not wish to contract with an aggregator, you will need to register your system at <http://rt.masscec.com>. Note that utilities purchasing AECs tend to buy large quantities, and they may not purchase AECs for just your system.



Whole-Home Air Source Heat Pump Pilot

MassCEC’s whole-home pilot program provides rebates starting at **\$2,500** to homeowners who install air source heat pumps without supplementary or backup heating. If you complete a blower door test to get a better estimate of the heating needs of your home, you will receive an **additional \$500**.

All projects must be designed to serve as the sole source of heating in the building. Existing buildings and new construction (including gut renovation) projects are eligible, but existing homes must currently heat with gas to participate.

This rebate increases to **up to \$5,000** per ton of capacity if your home meets certain income-based criteria.

See Page 9 for more information.

Applications must be submitted and approved by MassCEC **prior** to starting project construction. Only 1-4 unit residential buildings are eligible.

In existing buildings, the home must currently heat with gas and the existing central gas system must be removed. In new construction projects, the site may not have any fossil fuel appliances (including domestic hot water, cooking, and dryers).

In both new existing buildings and new construction, non-fossil fuel backup heat may be left in place or installed (e.g. wood or pellet stoves, electric resistance heat), including in areas that are not able to be adequately conditioned by the heat pump. Existing buildings must have completed a **home energy assessment** within the past **4 years**.



ENERGY STAR Equipment Tax Credit

Qualifying air source heat pumps receive a tax credit of **\$300**. To qualify, ASHP systems must meet the following requirements:

Split systems: HSPF ≥ 8.5, EER ≥ 12.5, and SEER ≥ 15

Packaged systems: HSPF ≥ 8, EER ≥ 12, and SEER ≥ 14

Consult a tax professional for more information.




Complete [Form 5695](#) and follow the IRS [instructions](#) for Part II Nonbusiness Energy Property Credit.

If you have previously taken this tax credit or are installing multiple pieces of qualifying equipment you can only receive a combined tax credit of \$500.

Most systems installed by HeatSmart installers will qualify for this credit, though confirm with your installer that your installation is ENERGY STAR-certified.

To qualify, systems must be installed by the end of 2020.

Heat Pump Water Heater

Program Name	Description	Special Requirements
 <p>High-Efficiency Electric Water Heater Rebate</p>	<p>\$600 rebate for installing heat pump water heaters of 55 gallons or less</p> <p>\$150 rebate for installing heat pump water heaters over 55 gallons</p>	<p>This rebate is only available if you are replacing an existing electric storage tank water heater or building a new home.</p> <p>Once your installer has completed your installation, all you have to do is submit your rebate application and paid invoice online through the Mass Save website or by mail.</p>
 <p>0% Interest HEAT Loan</p>	<p>0% interest HEAT Loan of up to \$25,000 over a 7-year term for qualifying homeowners</p>	<p>In addition to qualifying for the loan:</p> <p>If you live in a 1-4 unit building, you will need to have completed a Mass Save home energy assessment. Sign up for a Mass Save home energy assessment through as soon as possible to make sure you'll be able to qualify.</p> <p>If you live in a 5 or more unit condo or apartment complex, you will need to meet the following requirements:</p> <ol style="list-style-type: none"> (1) Your unit must be individually metered for electricity and/or gas (2) An authorized representative of the building (e.g. building owner, condo board member, property manager) will need to enroll your building for a Mass Save Multifamily energy assessment.
 <p>ENERGY STAR Equipment Tax Credit</p>	<p>Qualifying heat pump water heaters receive a tax credit of \$300 for installing a certified heat pump water heater with a Uniform Energy Factor (UEF) of 2.2 or greater.</p> <p>Consult a tax professional for more information.</p>	<p>Complete Form 5695 and follow the IRS instructions for Part II Nonbusiness Energy Property Credit.</p> <p>If you have previously taken this tax credit or are installing multiple pieces of qualifying equipment you can only receive a combined tax credit of \$500.</p> <p>Most systems installed by HeatSmart installers will qualify for this credit, though confirm with your installer that your installation is ENERGY STAR-certified.</p> <p>To qualify, systems must be installed by the end of 2020.</p>

Am I eligible for a larger rebate from the Massachusetts Clean Energy Center?

To make clean heating and cooling more affordable for Massachusetts residents, MassCEC offers larger rebates for households that earn less than 120% of the state median income (for your household size). This rebate increases if you earn less than 80% of the state median income.

Similarly, larger rebates are also available for non-profit and state/municipal entities, as well as for projects in affordable housing developments. Air source heat pumps are also eligible for a larger rebate if you are replacing electric resistance heating.

For more details on these larger rebates, visit MassCEC website for more information.

Technology Name	Base Rebate	<120% of State Median Income	<80% of State Median Income
Air source heat pumps (whole-home)	\$2,500	\$3,750	\$5,000

How do I know if I qualify for a larger income-based rebate?

If you meet the income thresholds for your household size (in the table to the right), you can verify your income prior to submitting your rebate application by going to <http://masscecoverify.com/>.

Alternatively, if you receive a special low-income electricity rate or heating fuel assistance, you can submit a copy of your electric bill or fuel assistance letter with your rebate application. Additionally, if you have already been approved through Mass Save for larger income-based incentives, you can submit a copy of your letter of approval.

Household Size	80% of State Median Income	120% of State Median Income
1	\$49,813	\$74,720
2	\$65,140	\$97,710
3	\$80,468	\$120,702
4	\$95,795	\$143,692
5	\$111,121	\$166,682
6	\$126,449	\$189,674
7	\$129,323	\$193,984
8	\$132,196	\$198,294

***Note: These levels are updated annually. Visit <http://www.masscec.com/income-based-rebate-adders> for the most up-to-date income eligibility thresholds*