

# **New York State Clean Heat Program Program Changes Announcement**

Jointly Filed By:

Central Hudson Gas & Electric Corporation  
Consolidated Edison Company of New York, Inc.  
Niagara Mohawk Power Corporation d/b/a National Grid  
New York State Electric & Gas Corporation  
New York State Energy Research and Development Authority  
Orange and Rockland Utilities, Inc.  
Rochester Gas and Electric Corporation

June 1, 2022

**From: NYS Clean Heat Joint Management Committee**  
**To: NYS Clean Heat Participating Contractors, Industry Partners, and Stakeholders**  
**Date: June 1, 2022**  
**Re: Program Changes**

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The NYS Clean Heat Program is reaching out to announce program changes for implementation on September 1, 2022. Under current practice, the Clean Heat Joint Management Committee (JMC) announces major program changes on June 1 and December 1 of each year, with these changes to take effect on September 1 and March 1 of each year, respectively.

The program changes being announced today will become effective **September 1, 2022** and are listed below. For incentive level changes, please refer to the table of changes included in Attachment A, which is also available on NYSEDA's website at <https://saveenergy.ny.gov/NYScleanheat/resources/> and attached [here](#).

- Heat Pump Water Heater Midstream Incentive
  - All utilities will be adding a midstream distributor incentive for HPWHs.
- Incentives for Decommissioning and Integrated Controls
  - All utilities in the state will offer incentives for decommissioning and integrated controls for full load residential systems as of September 1, 2022.
  - National Grid and NYSEG/RG&E will be adding incentives for Category 2A - Integrated Controls and Category 2B - Decommissioning.
  - Central Hudson will be adding an incentive for Category 2A - Integrated Controls.
- Kicker for Gas-Constrained Areas
  - National Grid will be adding a kicker incentive for gas-constrained areas.
- Incentive Limitations
  - For all projects, incentives will be limited to 70% of project costs.
  - A \$1 million "soft" cap for incentives will be specified in the Program Manual. For projects that request incentives above \$1 million, the utility reserves the right to limit incentives to \$1 million or offer incentives at a custom rate.
  - Ground source projects in residential Category 3 will be offered incentives up to \$50,000.
- Preliminary Incentive Offer Letter (PIOL)
  - Utilities will be including a default incentive expiration date in the PIOL for non-residential projects. An applicant may request the utility's approval for an extension and adjustments may be made on a case-by-case basis.
- Non-residential refinements
  - Utilities may adjust incentive levels to differentiate projects in new construction versus existing buildings with specific incentive levels by heat pump technology.

Stakeholders are invited to attend meetings of the Participating Contractors and Industry Partners Working Group Series to hear more about these program changes. The next meeting will be held on **Thursday, June 9**. Details can be found on the NYS Clean Heat website under Working Group Series.

Please see <https://saveenergy.ny.gov/NYScleanheat/resources/> for further information. Stakeholders are also invited to provide feedback and inquiries at any time to the centralized inbox at [NYScleanHeat@ceadvisors.com](mailto:NYScleanHeat@ceadvisors.com).

As previously announced, the Con Edison Clean Heat Program remains in a pause and is not accepting applications for air source heat pump incentives at this time. Con Edison will update the market when it is ready to resume offering incentives for air source heat pumps.

The JMC extends its thanks to the manufacturer, contractor, and stakeholder community for all of the input and dialogue that continues to shape the program. We look forward to further collaboration and engagement as the program continues to evolve.

**Attachment A**  
**Table of NYS Clean Heat Program Incentive Changes Effective**  
**September 1, 2022**

# NYS Clean Heat Program Incentive Changes Announced June 1, 2022

## Central Hudson

Category	Description	Total Incentives			Participating Contractor Reward <sup>1</sup>		Distributor Reward <sup>3</sup>	
		Current	Effective 9/1/2022	Unit	Current	Effective 9/1/2022	Current	Effective 9/1/2022
2	ccASHP: Full Load Heating	\$500	\$500	\$/10,000 Btu/h	\$300/Project	\$300/Project	-	
2a	ccASHP: Full Load Heating with Integrated Controls	-	\$700	\$/10,000 Btu/h	\$500/Project	\$500/Project	-	
2b	ccASHP: Full Load Heating with Decommissioning	\$1,000	\$1,000	\$/10,000 Btu/h	\$500/Project	\$500/Project	-	
5	HPWH midstream *same customer incentive as retail \$1,000 – total incentive for midstream is \$1,100 to account for rewards		\$1,100*	\$/Unit	-	\$50/Unit <sup>2</sup>	\$50	\$50/Unit

Incentive Change
No Change

## National Grid

Category	Description	Total Incentives			Participating Contractor Reward <sup>1</sup>		Distributor Reward <sup>3</sup>	
		Current	Effective 9/1/2022	Unit	Current	Effective 9/1/2022	Current	Effective 9/1/2022
2	ccASHP: Full Load Heating <sup>2</sup>	\$1,000	\$1,000	\$/10,000 Btu/h	\$500/Project	\$500/Project	-	-
2a	ccASHP: Full Load Heating with Integrated Controls	-	\$1,200	\$/10,000 Btu/h	-	\$500/Project	-	-
2b	ccASHP: Full Load Heating with Decommissioning	-	\$1,400	\$/10,000 Btu/h	-	\$500/Project	-	-
	Kickers for constrained areas		Additional 25%	%/Project	-	-	-	-
5	HPWH midstream *same customer incentive as retail \$700 – total incentive for midstream is \$800 to account for rewards		\$800*	\$/Unit	-	\$50/Unit <sup>2</sup>	-	\$50/Unit

<sup>1</sup> A portion of the total incentive that may be retained by the Participating Contractor

<sup>2</sup> Contractors who receive this reward are not required to be Clean Heat Participating Contractors

<sup>3</sup> A portion of the total incentive that may be retained by the distributor

# NYS Clean Heat Program Incentive Changes Announced June 1, 2022

## NYSEG/RG&E

Category	Description	Total Incentives			Participating Contractor Reward <sup>1</sup>		Distributor Reward <sup>3</sup>	
		Current	Effective 9/1/2022	Unit	Current	Effective 9/1/2022	Current	Effective 9/1/2022
2	ccASHP: Full Load Heating <sup>2</sup>	\$1,000	\$1,000	\$/10,000 Btu/h	\$500/Project	\$500/Project	-	
2a	ccASHP: Full Load Heating with Integrated Controls	-	\$1,200	\$/10,000 Btu/h	-	\$500/Project	-	
2b	ccASHP: Full Load Heating with Decommissioning	-	\$1,400	\$/10,000 Btu/h	-	\$500/Project	-	
5	HPWH midstream *same customer incentive as retail \$700 – total incentive for midstream is \$800 to account for rewards		\$800*		-	\$50/Unit <sup>2</sup>	-	\$50/Unit

Incentive Change
No Change

## Orange & Rockland

Category	Description	Total Incentives			Participating Contractor Reward <sup>1</sup>		Distributor Reward <sup>3</sup>	
		Current	Effective 9/1/2022	Unit	Current	Effective 9/1/2022	Current	Effective 9/1/2022
2	ccASHP: Full Load Heating	\$700	\$700	\$/10,000 Btu/h	\$500/Project	\$500/Project	-	
2a	ccASHP: Full Load Heating with Integrated Controls	\$1,200	\$1,200	\$/10,000 Btu/h	\$750/Project	\$750/Project	-	
2b	ccASHP: Full Load Heating with Decommissioning	\$1,800	\$1,800	\$/10,000 Btu/h	\$1,000/Project	\$1,000/Project	-	
5	HPWH midstream *same customer incentive as retail \$1,000 – total incentive for midstream is \$1,100 to account for rewards		\$1,100*	\$/Unit		\$50/Unit <sup>2</sup>	-	\$50/Unit

<sup>1</sup> A portion of the total incentive that may be retained by the Participating Contractor

<sup>2</sup> Contractors who receive this reward are not required to be Clean Heat Participating Contractors

<sup>3</sup> A portion of the total incentive that may be retained by the distributor