

Multifamily Incentives for Heat Pump Water Heaters

TECH Clean California is offering substantial incentives direct to contractors supporting the installation of heat pump water heaters in multifamily buildings throughout California. Incentives are available only to TECH Clean California-enrolled contractors. To learn more or sign up, please go to switchison.org/contractors/tech-clean-california.

These incentives are only available in retrofit scenarios where a heat pump is replacing a non-heat pump system, and can be stacked with other federal, state or local incentives or tax credits. Please note that 100 percent of multifamily incentives must be passed through to the property owner (the customer).

The following incentives will be available for qualifying heat pump water heater installations in multifamily buildings. For the purposes of project qualification, multifamily is considered to be any property with two or more dwelling units where units are owned by a property owner.¹ This includes multifamily unitary (where one heat pump water heater is installed in each unit), and multifamily central projects with one large central system or a single heat pump water heater with an integrated tank that serves two or more households.

Multifamily Unitary Incentives

Incentive Rate	Unitary Heat Pump Water Heater Incentive	Low-GWP Kicker*	≥ 55 Gallon Capacity Incentive
General Market	\$3,100	\$1,500	\$700
Equity	\$4,185	\$1,500	\$700

*The low-GWP kicker applies to heat pump water heaters that use refrigerants with 150 GWP or less

Multifamily Electrical and Pre-Electrification Upgrades

TECH Clean California is offering additional incentives to support electrical upgrades for all multifamily unitary customers and additional pre-electrification incentives for customers who are eligible for equity incentives. Please note, only costs for work done under the participant's license may be considered as part of eligible costs. See this Knowledge Base article for more information: frontierenergy-tech.my.site.com/contractorsupport/s/article/Electrical-Upgrades

Incentive Rate	Electrical/Pre-Electrification Upgrade Incentive	Incentive Cap
General Market	\$2,000	Capped at lesser between 50% of reported costs or \$2,000
Equity	\$4,000**	Capped at lesser between 100% of reported costs or \$4,000

**For equity customers, the \$4,000 incentive may cover a variety of other "pre-electrification" costs associated with a heat pump water heater installation

1. Individual homeowner units that are installing a unitary heat pump water heater, where the customer is the owner of the individual dwelling units, are considered single family. Any central heat pump water heaters serving two or more households are always considered multifamily.

Eligible electrical upgrade scenarios include:

- Replacement, upgrade, or relocation of a main service panel (up to 200 amps)
- Installation of a smart load center/circuit breaker
- Installation of a subpanel
- Upgrade of a behind-the-meter feeder and/or secondary disconnect/dwelling unit main disconnect

Eligible equity pre-electrification incentives can cover the above electrical work and any of the following:

- Relocation of the heat pump water heater
- Additional plumbing and wiring upgrades
- Venting alterations or additions of louvered doors
- Replacement, repair, or seal of flooring, walls, or ceiling in cases of leakage or improper venting

Multifamily Unitary Installation Requirements

- Multifamily unitary installations must meet the following requirements:
- All installations must include a thermostatic mixing valve that is properly installed and calibrated or integrated within the heat pump water heater.
- Heat pump water heaters must be programmed to shift energy usage from peak to off-peak hours.
 - This simply means setting the heat pump water heater to follow the customer's time-of-use rate via the manufacturer app. Installers must take a screenshot of this setup to upload to the claim form: frontierenergy-tech.my.site.com/contractorsupport/s/article/Unitary-HPWH-App-Processing-Checklist. More instructions available in this Knowledge Base article: frontierenergy-tech.my.site.com/contractorsupport/s/article/Heat-Pump-Water-Heater-Install-Requirements.
- Installed heat pump water heaters must be sized at a minimum to meet California Plumbing Code first-hour recovery rating.

Multifamily Unitary Project Requirements

Equipment Requirements	California Energy Commission (CEC) JA13 compliant and either NEEA Residential HPWH with EcoPort or ENERGY STAR® Residential WH Version 4.0 (or later) Connected Product.
Installation Requirements	Contractor must set the heat pump water heater to follow a TOU rate schedule via the manufacturer app. Unit must be sized at a minimum to meet California Plumbing Code first-hour rating requirement.
Enrollment Requirements	Property owner must enroll common area meter in time-of-use rate and demand response program if significant flexible load is available.*

*Demand response and TOU not required for occupants of rental properties with two or more units. For common areas that have significant flexible loads, property owners are required to enroll those electric accounts in a qualifying demand response program and TOU rate. Property owners must share with tenants a program-provided handout with education about demand response and TOU rates

Multifamily Central Incentives

Customer Class	Central Heat Pump Water Heater Incentive	Low-GWP Kicker*	Max Incentive per Project
General Market Multifamily Central	\$900/kWh	\$200/kWh	\$300,000
Equity Multifamily Central	\$1,000/kWh	\$200/kWh	\$300,000

*The low-GWP kicker applies to heat pump water heaters that use refrigerants with 150 GWP or less

There is a \$300,000 per-project incentive cap for residential central heat pump water heaters. A project is defined as a distinct central heat pump water heater system serving a distinct group of multiple households. There can be multiple central heat pump water heater systems that each serve their own group of households and that do not share common hot water supply piping across the systems. In this scenario, each system is considered an individual project.

Please note, there are no electrical upgrade incentives or pre-electrification incentives available for central heat pump water heater installations.

Multifamily Central Installation Requirements

Multifamily central installations must meet the following requirements:

- All installations must include a thermostatic mixing valve that is properly installed and calibrated or integrated within the heat pump water heater.
- Be installed and operated to shift $\geq 5\text{kg CO}_2/\text{kWh}$ annually.
- Include data monitoring equipment with two-way communication in accordance with program requirements.

	Equipment Requirements	Installation Requirements	Enrollment Requirements
Multifamily Central	Standard Central: Approved and included in CBECC *Individual or ganged-together: JA13 compliant or ENERGY STAR Commercial WH V 2.0 (or later)	Installed and operated to shift $\geq 5\text{kg CO}_2/\text{kWh}/\text{year}$. Must install data monitoring equipment with two-way communication.	Account(s) linked to central heat pump water heater must enroll in a qualified demand response program.**

*Individual or ganged-together central heat pump water heaters are unitary heat pump water heaters with integrated tanks that are installed individually, or plumbed together in parallel, to provide hot water to two more households, and do not include additional heat pump or electric resistance water heating equipment or storage tanks besides the unitary heat pump water heaters themselves.

**Demand response and TOU not required for occupants of rental properties with two or more units. Property owners are required to enroll the electric account(s) associated with the central HPWH in a qualifying demand response program. Property owner must share with tenants a program-provided handout with education about demand response and TOU rates.

Resources:

To learn more about the details of the program and application requirements, visit the following links:

- **Multifamily Resources Page (includes link to reservation form):**
techcleanca.com/incentives/multifamily-information/
- **Equipment Requirements:**
frontierenergy-tech.my.site.com/contractorsupport/s/article/Qualifying-Heat-Pump-Water-Heaters
- **Claim Form Fields:**
frontierenergy-tech.my.site.com/contractorsupport/s/article/Multifamily-Application-Fields
- **Multifamily Equity Definition:**
frontierenergy-tech.my.site.com/contractorsupport/s/article/Equity-Incentives-Qualification
- **Ecosizer overview:**
ecosizer.ecotope.com/sizer/annualsim/
- **Contractor Knowledge Base:**
frontierenergy-tech.my.site.com/contractorsupport/s/
- **Incentive Resources:**
switchison.org/contractors/incentive-resources/



These funds are available for **TECH Clean California-enrolled** contractors. To enroll into TECH Clean California, please scan the QR code for the Switch is On enrollment form.

This is a great time for Californians to make the switch to heat pump water heaters. Make sure you are ready to help customers make the switch.

For any additional questions, please reach out to TECH.info@energy-solution.com.



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