



Residential
High Efficiency Heat Pump

“Incentive or Loan”
Program Guidelines

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Residential High Efficiency Heat Pump Incentive Program

(Effective January 1, 2020)

High Efficiency Heat Pump - Incentives			
TYPE OF HEAT PUMP	INCENTIVE CRITERIA	WHO RECEIVES INCENTIVE	INCENTIVE AMOUNT
Ductless Mini-Split	15+ SEER, 12.5 EER, 8.5 HSPF	Homeowner	\$400
Ductless Mini-Split	Variable Capacity (inverter driven) *	Homeowner	\$600
Air Source	15-15.9 SEER, 12.5 EER, 8.5 HSPF	Homeowner	\$400
Air Source	16-17.9 SEER, 12.5 EER, 8.5 HSPF	Homeowner	\$800
Air Source	18+ SEER, 12.5 EER, 8.5 HSPF	Homeowner	\$1,200
Air Source	Variable Capacity (inverter driven) *	Homeowner	\$1,200
Geothermal – water-to air or water-to water (1 or 2 stages)	Any EER	Homeowner	\$2,400
Geothermal – water-to air or water-to water (variable capacity)	35+ EER, 5.0+ COP in GLHP - partial load column of AHRI or Energy Star certificate	Homeowner	\$3,300

* Provide documentation that shows manufacturer, model number and that states the equipment is “inverter driven”

- For Dealer (installation contractor) Only -			
Qualified Installation	Complete startup testing and review potential issues with customer	Dealer	\$50

An AHRI Certificate is required for all equipment that meets the requirements in table above. If an AHRI certificate is not attached to the application form, the maximum incentive will be \$100.

OR...

Apply for a low interest loan through the Nebraska Department of Environmental and Energy
“Dollar and Energy Savings Loan Program” for your new qualifying heat pump system.

Qualifying systems include:

- New Construction (only eligible for incentive – not the loan)!
- Conversions (to electric heat from a fossil fuel heating system)
- Upgrades (existing heat pump to a new heat pump)
- For air source heat pumps, the back-up fuel source can be either electric or fossil fuel.

Residential High Efficiency Heat Pump Program Guidelines

The following guidelines will generally apply. Exceptions will be handled on a case-by-case basis.

1. All heat pumps must be permanently installed in a residential single-family dwelling and primarily used for space heating. A mobile home must be on a permanent foundation.
2. Qualifying equipment is AHRI listed with an indoor and outdoor unit combination that meets the minimum requirement of 15.0 Seasonal Energy Efficiency Ratio (SEER), 12.5 Energy Efficiency Ratio (EER), and 8.5 Heating Seasonal Performance Factor (HSPF). This is the minimum efficiency level for both the homeowner and dealer (installing contractor) incentive.
3. An incentive payment will be paid to the owner of a residence after the equipment is installed and operating. The application form must then be signed by both the dealer and the homeowner. This form will then be submitted to the homeowner's electric utility.
4. The incentive payment to the homeowner will come directly from their local electric utility. The incentive payment to the dealer will come from NPPD as they will be paid once a month for the qualifying systems that have been submitted through the local electric utilities. Accompanying the check will be a report providing information about the qualifying system information, such as; customer name, address, and electric utility involved, etc.
5. Low Interest Loan - For homeowners who choose this option (instead of the incentive) – the program is administered through the Nebraska Department of Environment and Energy – Dollar and Energy Savings Loan Program. Qualifying equipment, in addition to the heat pump, can include: furnace (regardless of fuel source - electric or fossil fuel), programmable thermostats, and associated wiring, and ductwork that may be required with the installation with the new heat pump.

NOTE – homes built within the last 5 years are not eligible for the low interest loan, but they are eligible for the incentive.

Eligibility is dependent upon meeting the requirements of the Dollar and Energy Savings Loan Program (equipment minimums):

- Air source heat pump - 15 SEER, 12.5 EER, and 8.5 HSPF
 - Back-up furnace options:
 1. Electric – any model
 2. Natural Gas or Propane – 90% AFUE or more
 - Note – must install a new heat pump for a fossil fuel furnace to be eligible for this loan.
- Ground Water heat pumps – 16.2 EER and 3.6 COP
- Thermostats - Heat Pumps with electric back up (furnace) must be installed with a ramp-up type thermostat especially designed to bring on backup heat in stages

For more information go to www.neo.ne.gov (Dollar and Energy Savings Loan)

6. Multifamily structures that are separately metered will be considered residential, thus requiring separate applications. If they are master metered, they are eligible for incentives under the Commercial HVAC Program.

7. "New" refers to new construction with new equipment.
"Conversion" means that the primary source of heat had been a fossil fuel system.
"Upgrades" refers to the installation of new equipment in which the system being directly replaced is currently a heat pump.
8. In those cases where combinations of two or more heat pumps are installed in the same house, both or all are eligible for the full incentive amount. The dealer is also eligible for their incentive if the system qualifies and passes.
9. To be eligible for an incentive, a cottage/cabin must be heated during the winter months of October through May.
10. If electricity is the primary source of heat for a residence, the use of solar panels, wood stove or fireplace will not affect the eligibility for an incentive payment.
11. Additions and supplemental systems are not eligible for incentive payments unless they are large enough for their own dedicated heating and cooling system.
12. Package Terminal Heat Pumps (PTHPs) are not eligible.
13. "Dealer" is the term used in this document to identify the installing contractor. Most often this will be the heating and cooling contractor that performs the load calculation, sizes the system, and installs it.
14. Program is subject to the Terms and Conditions as outlined on the application and to the General Guidelines.

For program compliance questions or concerns, contact:

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