

APPLIANCE STANDARDS AND INCENTIVES

A.K.A. “TWO-WAY AC”

HB24-1352

REPS. FROELICH & VELASCO; SEN. CUTTER

PART 1: Two-way AC standard

PART 2: Incentives

- Low-income incentives for two-way AC
- Contractor & homebuilder incentives (\$5,000+ for first 10 cold-climate heat pumps)
- Existing state tax credit clean-up

PART 3: Other

- Utility rate for heat pump heating
- ENERGY STAR for state-funded projects
- Windows efficiency

YOUR HELP IS NEEDED:

- Testify at Mar 21st hearing (2 mins, virtual or in-person)
- Send letter to House Energy & Environment members
- Participate in mini focus group w/ energy office (ASAP, date/time TBD)
- Send amendment suggestions to Christine
- Continue engaging with EEBC

CONTACT:

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APPENDIX SLIDES

(MORE DETAILS ON SEVERAL PROVISIONS)

TWO-WAY AC STANDARD APPLIES TO AC SYSTEMS THAT ARE:



“Typical” residential AC

- New
- Manufactured after Jan 1, 2027
 - Allows existing product stock to be sold
- Single-phase
- Air-cooled
- Single family, duplex, & townhome
- Permanently installed
 - Exempts portable units
- Not window units

STANDARD REQUIRES:



“Typical” residential AC

- Factory-installed reversing valve
- Controls that have the ability to set the heat pump as the primary heating source
- Winter considerations
- Customer info

WINTER PERFORMANCE



- **One of four options:**
 - Cold-climate heat pump
 - Non-cold-climate heat pump + electric resistance + signed affidavit acknowledging higher bills w/ electric resistance
 - Non-cold-climate heat pump + no backup + signed affidavit acknowledging heat pump may not cover full load
 - Backup furnace, wood stove, or fireplace
- **Printed info to customer:**
 - Explains the specific heat pump model's performance in cold temperatures
 - The applicability of any supplemental heat sources

\$5,000 BASE INCENTIVE (CONTRACTORS & HOMEBUILDERS)

- **Applies to cold-climate and ground source heat pumps without fossil backup**
- **\$5,000 per system, up to 10**
- **Reimbursed quarterly**
- **Assignable**
- **Available to nonprofits too**

\$1,000 BONUS INCENTIVES



- Labor-friendly (prevailing wages and apprenticeship programs)
- Woman- or minority-owned
- Installed in a disproportionately impacted community
- Trained/certified technicians
- Third-party commissioning
- Energy-efficient upgrades
- Onsite solar
- Passive House
- Participation in anonymized research & market development (provide the energy office with itemized invoice and description of the performance results, participate in a post-installation quality assurance check; and participate in at least one one-hour focus group session)

STATE HEAT PUMP TAX CREDIT CLEAN-UP

- Extend full amount to 2033 (no ramp-down)
- Higher amounts
- Per ton rather than fixed amount
- Allows ENERGY STAR cold-climate (not just regular ENERGY STAR)
- Removes requirement for whole-building & majority of heating load
- Adds cold-climate heat pumps to the technologies eligible for the larger credit
- Synchronizes definitions between tax rebate and sales tax exemptions