

Guidelines for Heating Systems Replacement

The Combined Residential Application determines program eligibility for incentives based on household income. Households identified as Tier 1, are considered low-income households and are eligible to receive incentives through EmPower New York. Tier 3 households are considered moderate income households and are eligible to receive incentives through Assisted Home Performance with ENERGY STAR®.

Eligibility Criteria

- Propane, Kerosene, Oil Heating Equipment
 1. Not eligible for incentives unless the home is in a no-heat situation during the heating season and the customer has been denied for the Heating Replacement Repair and Replacement benefit. See Section 5.9 of the Contractor Resource Manual for additional information.
 2. Customers should be informed on clean heating options through heat pump technology. See Section 5.10 of the Contractor Resource Manual, Heat Pump Installation Requirements, for additional information.
- Natural Gas Heating Equipment
 1. Replacement heating equipment must be a minimum of 96% efficient **and**
 2. Existing natural gas heating system must be 80% or less efficient **or**
 3. The home is in a no-heat situation during the heating season and the customer has been denied for the Heating Replacement Repair and Replacement benefit. See Section 5.9 of the Contractor Resource Manual, No Heat Guidelines, for additional information.
 4. For manufactured homes, the replacement heating equipment must be at least 95% efficient and the existing equipment must have an efficient level below 80%.
- Pellet Stoves
 1. The pellet stove offering is outlined in Section 5.8 of the Contractor Resource Manual, Pellet Stove Guidance.
- In addition to the above, please refer to Section 5.15, Eligible Measures and Accessories, for additional information on eligibility requirements.

Available Incentives:

- Incentives for heating systems, including no-heat projects, are subject to the program heating incentive caps for Tier 1 and Tier 3 projects referenced below.
 1. Tier 1 - \$4,000 per heating system
 2. Tier 3 - \$2,000 per heating system

- Costs above the measure or program caps must be paid directly by the household and may be financed through available NYSERDA sponsored loan options or private lenders.
- Incentives for the heating system conversion includes necessary distribution repairs, gas-piping inside the home, tank decommissioning and removal.
 1. Incentives shall not cover the costs of meter hookups, or any cost related to installing or upgrading gas lines before the meter.
- Participating Contractors with Tier 1 eligible rental units should also reference Section 7.6-Services to Rental Properties in the Contractor Resource Manual.

Project Documentation

- It is advantageous to the household if the sizing of the heating system takes into consideration shell measures installed through the program. All projects receiving an incentive must include documentation of attic and wall insulation levels and approximate square footage of un-insulated areas in addition to any required program documentation.

Considerations in Developing a Workscope

- When possible, heat pump technologies should be considered as an alternative for the replacement of a heating system.
- Participating Contractor must consider the household's ability to maintain the installed system according to manufacturer's recommendations, including filters, valves, etc. when proposing high efficiency equipment.
- A two-stage furnace installation may be considered in situations where insulation work will not be completed immediately after heating system installation.
- NYSERDA reserves the right to obtain additional bids for all proposed work.
- Contractor must consider options for the homes hot water heater. For example, but not limited to:
 1. Ensuring that an atmospheric water heater that is orphaned due to the installation of a high efficiency heating system drafts into a lined chimney and drafts properly according to the current BPI standards.
 2. Water heaters that are dependent on or connected to the heating system (side-arms, etc.) are considered part of the heating system and incentives for replacement are subject to the heating system caps.
 3. Incentives are available for Heat Pump Water Heaters (HPWH) and electric resistance hot water heaters



- a. Electric resistance hot water heaters should only be considered in the following instances:
 - A HPWH cannot be installed
 - The existing hot water heater is non-functional

Special Considerations for the National Fuel Gas (NFG) Conversion Program:

- National Fuel Gas is providing funding for heating system conversions to natural gas to a limited number of Tier 1 customers (60% SMI or less) in their utility territory. All program guidelines apply as above, with the exceptions noted below:
- Eligible customers must be a **property owner or renter**;
- Landlords must sign a Rental Property Energy Efficiency Services Agreement and will be responsible to pay 25% of the costs of the heating unit for each rental unit; and
- Participating Contractors must prioritize services to these households over other Tier 1 program referrals.
- Participating Contractors should call (716) 686-6123 (Monday-Friday 7am-6pm) or for after hour emergencies (800) 444-3130 for NFG offerings.