

Fossil Fuel Conversion Policy

As the Program adjusts to meet New York's electrification goals, fossil fuel heating and hot water system equipment incentives have been discontinued except in the situations outlined below. In further support of electrification, funds have been allocated for the safe decommissioning of above/underground fuel storage tanks for homes heated with fuel oil to switch to heat pump technology.

Eligibility Criteria

1. Households with existing propane, kerosene, and oil heating equipment are only eligible to receive incentives in the following situations:
 - a. Equipment is being replaced as part of a no heat situation (see [Program Manual](#) Section 5.9 for Tier 1 (Low-Income) and Tier 3 (Moderate Income) heating equipment caps).
 - b. Equipment is being replaced with an air source heat pump. When heat pumps are being installed and the existing heating system remains as a backup, NYSERDA will provide the contractor with a letter to the oil distributor and a warning tag for the oil inlet.
 - c. Equipment is being replaced with a ground source heat pump and meets cost effectiveness criteria
2. Households with existing natural gas heating equipment are not eligible to switch to heat pumps.
3. The full cost of installation for a fuel conversion must be submitted as part of the workscope submission for review and approval.
4. Fuel conversions of secondary heating systems are not allowed.

Fuel conversion projects not covered under this policy must be submitted to the program implementor and will be evaluated on a case-by-case basis. For additional information, please see Section 5.15 of the [Program Manual](#), Eligible Measures List.

Oil Tank Removal

Additional funding for both Tier 1 (Low-Income) and Tier 3 (Moderate Income) customers has been made available when the oil tank is being removed with the conversion of an oil-heating system to an ASHP/GSHP.

The measure will not be included in project level cost effectiveness calculations when proposed under these conditions.

Incentive Structure

Tank Location	Incentive Cap Low Income/Moderate Income	Incentive Information	Example
Above ground	\$2000/\$1,000	Tier 1 (Low-Income) (100%) Tier 3 (Moderate Income) 100% of the costs up to the Program Caps. Costs beyond caps are responsibility of customer.	<p><i>Below ground tank removal at cost of \$3600.</i></p> <ul style="list-style-type: none"> • <i>Tier 1 (Low-Income) : \$3600 incentive, no customer contribution.</i> • <i>Tier 3 (Moderate Income) : \$2,500 incentive, \$1,100 customer contribution.</i>
Below ground	\$5000/\$2500		

If you have any questions regarding this requirement, please reach out to Contractor Support at 800-284-9069 or support.residential@nyserda.ny.gov.