

Heat Pump Pilot Program

Chugach is pleased to offer the Heat Pump Pilot Program incentive to support the adoption of electric heat pumps by residential and small commercial members. This program is being offered as a rebate to members who install an approved heat pump system to provide heating and cooling for their home or business. The program may be most beneficial to members who do not have access to natural gas service or are interested in reducing their carbon emissions.

Incentive funds are limited, and members are encouraged to apply as soon as possible. Applications will be processed on a first come, first served basis. Members are encouraged to contact Chugach prior to applying to verify that funds are still available.

Residential Member Incentive

Chugach residential members may receive a maximum incentive of 15%, up to **\$900**, toward the total cost of an approved air-source heat pump system. The incentive will be provided as a cash rebate to the member upon verification that the system is installed, operational, and meets the installation and performance criteria outlined below.

Small Commercial Member Incentive

Chugach small commercial (Small General Service) members may receive a maximum incentive of 15%, up to **\$1,500**, toward the total cost of an approved air-source heat pump system. The incentive will be provided as a cash rebate to the member upon verification that the system is installed, operational, and meets the installation and performance criteria outlined below.

How do I apply?

Chugach encourages working with your preferred HVAC installer to ensure they can provide a heat pump system that meet the performance criteria described above. These criteria are subject to revision, so please ensure that the heat pump system you are purchasing is eligible for any tax credit or rebate program you are intending to use.

Application Process:

- 1) Install an eligible heat pump system.
- 2) Complete the online [Heat Pump Pilot Program Application](#) and upload the following:
 - a. 12 months of heating fuel use prior to installation
 - b. Invoice for equipment and installation (PDF or photos of receipts)
 - c. List of additional expenses
 - d. Photo of completed installation
 - e. Completed W-9 form if anticipating an incentive of more than \$600
- 3) If approved, Chugach will issue a rebate check to the applicant.

Documentation and Required Information

a) Minimum of one year of historical fuel usage describing the quantity, type, and general schedule of fuel consumption (e.g., natural gas utility bill, fuel oil delivery invoices) at the home or business for a minimum of 12 months prior to the heat pump installation. Chugach will evaluate eligibility on a case-by-case basis if historical energy usage data is not available. Historical data on home energy usage is required as part of the program to help inform subsequent phases of the Heat Pump Pilot Program.

* For performance criteria definitions please visit the [Energy Star Tax Credit Definitions](#) website

- b) Provide a copy of the invoice from manufacturer-approved installer for the installation and commissioning of the heat pump system.
- c) Provide a list of any additional expenses directly related to the installation of the heat pump system, including services provided by an electrician to perform supporting upgrades or modifications to the electrical system. Retain copies of receipts or other proof of the expenses, which may be requested.
- d) Provide a photo of the heat pump system installed and operating.
- e) Provide a completed W-9 form if anticipating a rebate of more than \$600. Chugach will provide a 1099-MISC form consistent with IRS requirements for income reporting.

Eligible Heat Pump Systems and Performance Criteria

Performance criteria for eligible equipment are intended to align with the criteria defined by federal incentive programs supporting air-source heat pumps to encourage the installation of a high-performance heat pump system rated for cold climates. Ground-source heat pumps may also be eligible for the Chugach Heat Pump Pilot Program and will be evaluated on a case-by-case basis. Eligible heat pump systems must be installed by a manufacturer-approved HVAC installer.

Ducted Heat Pump Systems: CEE Tier 1. Air-source heat pump systems with an Energy Star cold climate certified, and have an EER2 rating of ≥ 10 , including hybrid systems that include an air-source heat pump and natural gas furnace with automatic controls between the two systems. *

Non-ducted Heat Pump Systems: CEE Tier 2. Mini-split systems with SEER2 rating of ≥ 16 , EER2 ≥ 9 , and HSPF2 ≥ 9.5 , and COP of ≥ 1.75 at 5°F. *

Federal Incentive Amounts

Multiple federal incentive programs may be available to support the cost of a heat pump system and related energy efficiency improvements. Please refer to the state or federal agency facilitating these incentives and consult with a tax professional to ensure eligibility. The below information is a general reference and is not a definitive list of all incentives.

25C Energy Efficiency Home Improvement tax credit: 30% of total cost up to \$2,000 for heat pump system, no income limits

High-Efficiency Electric Home Rebate Program (HEEHRP): Up to \$8,000 for qualified heat pump system and supporting electrical and insulation upgrades with a maximum of \$14,000 per household. Income limited with full rebate available to households below 80% of median income, and 50% rebate available to households below 150% of median income.

The following resources provide more information on heat pumps and home energy rebate incentives:

[Department of Energy Home Energy Rebate Programs](#)

[Energy Star Air Source Heat Pumps Tax Credit](#)

[Alaska Heat Smart FAQ](#)