NYS Clean Heat 2026-2030 Implementation Plan

Version 1

Jointly Filed By:

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Consolidated Edison Company of New York, Inc.

Niagara Mohawk Power Corporation d/b/a National Grid

New York State Electric & Gas Corporation

Orange and Rockland Utilities, Inc.

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Case 18-M-0084 and Case 25-M-0248

Contents

1. Introduction

Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation, (collectively, the "Utilities" or "Program Administrators") submit this Clean Heat Implementation Plan ("Clean Heat IP" or "Plan") in accordance with the New York State Public Service May 15 Order Authorizing Non-LMI Portfolios for 2026-2030 ("Non-LMI EE/BE Order").[1]

The 2026-2030 period marks a change in the meaning of the name "Clean Heat." In the years 2020-2025, Clean Heat described the Program Administrators' heat pump and building electrification programs across all customer sectors. However, as defined by the Non-LMI EE/BE Order, for 2026-2030 "Clean Heat" refers to the incentive program to support building electrification, including heat pumps, only for customers in residential one- to four-family homes.[2] Larger customers, those in the multifamily and commercial sectors, which includes small businesses and nonprofits, will receive incentives for heat pumps and other building electrification technologies through the Utilities' programs targeting those sectors.[3]

This Clean Heat Implementation Plan will be supplemented by a NYS Clean Heat Program Manual with more granular Program rules and specifications. These rules include incentive levels and caps, and equipment and project eligibility rules, as well as application, inspection, and program participation status processes. The Joint Management Committee ("JMC") plans to publish the initial Program Manual for January 1, 2026 in December 2025. Future updates to forward-looking implementation plans are discussed in Section 2.6.

The Non-LMI EE/BE Order set overall electric budgets and targets for the electric and gas portfolio and various funding allocation rules for each Program Administrator and their respective operating companies, among them an overall funding cap of 50% of the electric portfolio for incentives for building electrification.[4] The Non-LMI EE/BE Order created three Sub-Portfolios: Weatherization, Building Electrification, and Other EE, and allows Program Administrators the flexibility to move funding among Sub-Portfolios, consistent with the

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[1] Case 14-M-0094 et al., *Proceeding on Motion of the Commission to Consider a Clean Energy Fund,* Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (May 15, 2025) ("Non-LMI EE/BE Order").

[2] One- to four-family homes refers to residential buildings with four or fewer dwelling units.

[3] Non-LMI EE/BE Order, p. 33

[4] Non-LMI EE/BE Order, p. 25

Non-LMI EE/BE Order framework. Thus, Program Administrators designate the expected budget and targets from residential building electrification, which are presented in Section 3 of this Plan. Any changes to Program Administrators' plans for spending and energy savings acquisition from the residential building electrification projects will be captured in annual updates to this Implementation Plan.

This Plan is organized as follows:

- Section 2 presents the NYS Clean Heat Program Structure
- Section 3, with sub-sections for each utility Program Administrator, offers budgets and targets along with other company-specific implementation plans

2. NYS Clean Heat Program Structure

The Program Administrators have largely implemented Clean Heat under a common statewide framework since its establishment in the 2020 NENY Order.[5] This approach includes consistent equipment eligibility criteria, rules, and technical standards, contained in a common NYS Clean Heat Program Manual. Under practices adopted in 2020-2025, the JMC members updated Clean Heat Program Manuals twice a year, on March 1 and September 1. The Program Administrators will review this cadence with stakeholders and DPS Staff to determine whether revisions are necessary as a step in establishing a consistent cadence on which to publish the NYS Clean Heat Program Manual in 2026-2030.

2.1 Updates to the NYS Clean Heat Program Framework

Beginning in 2026, as directed by the Non-LMI EE/BE Order, the NYS Clean Heat program will offer incentives for projects in small residential one- to four-family homes. Residential electric customers in one- to four-family buildings are eligible to receive incentives from the Program Administrator in whose territory the building is located. Projects include the installation of eligible heat pump equipment, discussed in Section 2.1.3, that meet the criteria for sizing discussed in Section 2.1.4 and other relevant rules in the NYS Clean Heat Program Manual.

2.1.1 Weatherized Tier

To manage future costs to the electric grid, the Non-LMI EE/BE Order requires that Clean Heat integrate weatherization requirements. The Non-LMI EE/BE Order requires that as of

[5] Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative ("NENY Proceeding"), *Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025* ("2020 NENY Order") (issued January 16, 2020).

March 1, 2026, Program Administrators offer "significantly higher" incentives for projects that meet a weatherization level and include them in this Implementation Plan.[6] The level of weatherization for eligibility for the higher Clean Heat incentives, known as the "Weatherized Tier" is defined below.

Beginning March 1, 2026, projects in homes that meet any one of the following standards will qualify for the higher incentives of the Weatherized Tier:

- Built after 2010;
    - The 2010 New York Building Code mandated a blower door test for residential buildings for the first time, with performance to not to exceed 7 air changes per hour (ACH) when tested at 50 pascals pressure (ACH50).[7]
- Successfully participated in a weatherization program from a utility or NYSERDA with one of the contractor-installed tiered packages or other equivalent government program subject to the approval of the NYS Clean Heat Program Administrators. The list of approved programs as of the date of this Implementation Plan is given below:
    - Con Edison: Weather Ready;
    - NYSEG/RG&E: Home Insulation and Air Sealing Program;
    - NYSERDA: EmPower+ or Comfort Home (Good, Better or Windows Add-on);
    - Other government program (*e.g.*, Weatherization Assistance Program ("WAP"), county); and
    - The NYS Clean Heat Program Administrators expect to add the Regional Weatherization Programs to the list above following Commission action on the Regional Weatherization filings submitted under Case 25-M-0248 and subsequent launch of those programs in market.
- Receives a designation of "Heat Pump Ready Envelope" from the NYSERDA Virtual Energy Assessment ("VEA"). NYSERDA is planning to begin piloting VEA in the fourth quarter of 2025 with a full statewide rollout scheduled for 2026.[8]
- Receives a qualified home energy assessment by a certified contractor that certifies that a home has conducted air sealing, achieved minimum attic insulation level of R-38 (space permitting, or a maximum in other cases), and meets the air changes per

[6] Non-LMI EE/BE Order, p. 34

[7] 2010 ECCCNYS 402.4.2 https://codes.iccsafe.org/content/NYECC2010/chapter-4-residential-energy-efficiency 402.4.2.2 allows a visual inspection to serve as an alternative compliance pathway.

[8] Additional field testing and verification in early 2026 may be necessary before EE/BE programs, including Clean Heat, use VEA outputs to determine incentive eligibility. The Program Administrators will work with NYSERDA to determine when, and if, the outputs of the VEA are suitable for use as an electrification readiness screening tool.

hour at 50 pascal (ACH50) by home size and vintage given in the targets of Table 1 below.[9] The targets in Table 1 were informed by an assessment of recently completed weatherization projects in Weather Ready and Comfort Home. The NYS Clean Heat Program Administrators expect to update the framework and levels over time as the market for weatherization and building electrification projects matures. Certified home energy assessment contractor requirements will be defined in the NYS Clean Heat Program Manual in coordination with NYSERDA and the Regional Weatherization Programs.

Table 1: ACH50 criteria for Weatherized Tier Eligibility by Building Vintage and Square Feet (sq)

Building Vintage	<1,000 sf	1,000-1,999 sf	2,000-2,999 sf	3,000-3,999 sf	4,000+ sf
Pre-1979	18	14	11	9	8
1979-2006	16	12	9	9	7
2007[10] or later	12	7	5	5	4

Further, the Non-LMI EE/BE Order mandates that by March 1, 2028, Program Administrators adopt criteria for weatherization as a prerequisite to receiving Clean Heat incentives. These requirements are not included in this Plan at this time. Rather, the criteria for higher incentives in place in 2026 and 2027 will provide insight to Program Administrators to evaluate participation and refine program criteria for the change to a weatherization requirement in 2028. For example, NYSERDA plans to introduce a Heat Pump Ready Specification in early 2026, which the Program Administrators expect may become the basis for additional criteria to qualify for the Weatherized Tier.

2.1.2 Incentive Structure and Eligibility

Incentives will generally be structured as fixed dollar amounts based on the project type defined below. Incentive levels will be specified in the NYS Clean Heat Program Manual.

[9] The standards in Table 1 were informed by data from completed projects in the NYSERDA Comfort Home Pilot and the Con Edison Weather Ready Program.

[10] The 2007 demarcation matches that of Appendix G of the TRM V12 for Equivalent Full-Load Hours (EFLH), which is based on substantial code updates. Thus, Program Administrators' data is organized into groups of periods 1979-2006 and 2007 and later.

Program Administrators offer incentives either as direct payments to customers or to Participating Contractors or distributors and retailers for heat pump water heater midstream offerings. The NYS Clean Heat Program will set rules that dictate how the incentives are delivered to customers on a programmatic or technology-specific basis (*e.g.*, as an instant discount). Any Program Administrator-specific deviations from the statewide approach will be indicated in the Program Manual. Where incentives are passed from Participating Contractors to customers, the Program will require Participating Contractors to submit documentation such as invoices to prove the incentives were offered to customers. Specific application requirements and documentation will be specified in the Clean Heat Program Manual.

The Program administrators will plan to differentiate incentives for space heating by project type along four dimensions:

- Dwelling type and/or size (single family home, apartment, dwelling square footage);
- Technology type (air source heat pump ("ASHP"), ground source heat pump ("GSHP"), or heat pump water heater ("HPWH") (all defined below));[11]
- Interaction or disposition of the legacy fossil fuel heating system (*e.g.,* integrated controls or decommissioning); and
- Weatherized Tier vs. non-weatherized.

Program Administrators may include higher incentive levels for projects located in Disadvantaged Communities ("DACs").

Where they are available, incentives for desuperheaters paired with GSHP systems will be offered on a $/unit basis.

Program Administrators are considering additional incentive structures that will be further detailed in the NYS Clean Heat Program Manual, if they become program offerings at some future date:

- Contractor rewards upon successful completion of an eligible project or group of projects (*e.g.*, for exceeding target set by a Program Administrator for a set number of heat pump projects in the Weatherized Tier)
- Subsidized financing options
- A distinct tier for projects that connect to a shared geothermal loop in concert with a refined methodology to calculate energy savings

[11] Some Utilities may offer lower rates for GSHP projects in new construction. Such projects offer lower savings than those in existing buildings because compliance with the All-Electric Buildings Act dictates that using electric heat as a baseline.

The Non-LMI EE/BE Order posits that "in general," ratepayer funds should not be used to support new construction projects "given advancements in codes and standards targeting this market." [12] In line with this directive, Program Administrators will no longer offer incentives for ASHP and HPWH projects (as defined below) in residential new construction. However, the advancements in codes and standards are not sufficient to support GSHP projects across the state. Full-load GSHP in new construction in the Clean Heat Program have reported overall project costs roughly three times those of comparable ASHP projects since the start of 2023. Thus, as proposed in each of the Program Administrators' Non-LMI EE/BE Implementation Plans filed on July 14, 2025, new construction projects that deploy GSHP would be eligible for NYS Clean Heat incentives.

Incentives will also be subject to project-specific caps which will be further defined in the NYS Clean Heat Program Manual. For Clean Heat projects in the Weatherized Tier or located within a DAC, incentives shall not exceed 85% of project costs. Such a cap is consistent with the cap Con Edison uses as part of the Statewide Affordable Multifamily Energy Efficiency Program ("AMEEP"). [13] For projects that concurrently undertake a heat pump and weatherization project, total incentives should not exceed 85% of the total project costs, including the cost of the heat pump and weatherization project. For projects outside a DAC and not in the Weatherized Tier, incentives will be limited to 70% of project costs.

2.1.3 Equipment Eligibility

The NYS Clean Heat Program offers incentives to projects that deploy eligible heat pump technology for space and domestic hot water heating. Only products capable of heating and cooling homes efficiently at design conditions for the location where the heat pump will be installed will be eligible for incentives.

The NYS Clean Heat Program will establish a qualifying product list ("QPL") for each product type with clear eligibility criteria, specified and updated in the NYS Clean Heat Program Manual. In most cases, the program uses lists maintained by other sources. For ducted and ductless ASHP, the Program has historically used the Northeast Energy Efficiency Partnership ("NEEP") ASHP specification.[14] Program Administrators are currently reviewing the virtues of the Energy Star cold climate specification as an additional or complementary

[12] Non-LMI EE/BE Order, p. 36

[13] https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/LMI/Affordable-Multifamily-Energy-Efficiency-Program/AMEEP-Program-Manual.pdf

[14] https://neep.org/heating-electrification/ccashp-specification-product-list

listing source.[15] GSHP[16], HPWH,[17] and variable flow refrigerant systems ("VRF")[18] must meet or exceed the standards for their respective Energy Star product listings. Desuperheaters will be eligible when installed with a GSHP system that meets program criteria. The NYS Clean Heat Program has maintained, and will plan to continue to maintain, its own QPL for both integrated controls[19] and air-to-water ("AWHP"),[20] with criteria updated in the NYS Clean Heat Program Manual. The Program reserves the right to update QPLs as appropriate including creating their own lists or modifying or adopting those created by regional or national bodies.[21]

For the purpose of the NYS Clean Heat Program, eligible ASHP will meet the criteria for "cold climate ASHP" performance, sometimes abbreviated "ccASHP."

Hybrid heat pump-fossil fuel or electric resistance domestic hot water ("DHW") systems are not eligible for incentives under the NYS Clean Heat Program.

2.1.4 Project Sizing

As dictated by the Non-LMI EE/BE Order, to be eligible for incentives, space heating projects in residential buildings, defined as those with 1-4 dwelling units, must achieve full electrification, defined as the installation of a heat pump system that is capable of meeting the full design-day heating load of the space – the home or apartment for which it is receiving incentives. The electric heat pump system should be sized to maintain the indoor temperature required by building codes.[22] A project in a building with two or more dwelling units that pursues a Clean Heat project to cover the full load of one or more dwelling units, while leaving one or more units on a legacy fossil system, will be eligible to receive incentives for the areas of the building that it fully electrifies.

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[15] https://www.energystar.gov/products/heat_pump_water_heaters/key-product-criteria

[16] https://www.energystar.gov/products/geothermal_heat_pumps/key_product_criteria

[17] energystar.gov/products/water_heaters/residential_water_heaters_key_product_criteria

[18] https://www.energystar.gov/products/light_comm_heating_cooling/light_commercial_hvac_key_product_criteria

[19] https://visionelements.customerapplication.com/Framework/Ny_statewide/NYS-Clean-Heat-Integrated-Controls-Qualified-Product-List.pdf

[20] https://cleanheat.ny.gov/assets/pdf/NYS%20Clean%20Heat%20AWHP%20QPL%20-%20June-30-2025.pdf

[21] In addition to the bodies described above, the Consortium for Energy Efficiency ("CEE") maintains lists of products, which the NYS Clean Heat Program may adopt with sufficient notice and clarity to the Program Manual and this Implementation Plan.

[22] Non-LMI EE/BE Order, p. 84

Projects receiving incentives for water heating systems must also satisfy the full domestic hot water load under the project scope.

2.1.5 Midstream Heat Pump Water Heater Offering

In the 2020-2025 period, Program Administrators used both a midstream and downstream approach for incentives to support the installation of HPWH. Most Program Administrators expect to continue with a midstream model in the 2026-2030 period. Incentives through both the midstream and downstream framework are offered on a per unit basis and may also include a distributor or contractor bonus. Program Administrators will coordinate with NYSERDA's upstream partner network, Clean Heat Connect, to extend the reach of midstream and upstream offerings.

2.2 Implementation Structure

2.2.1 The Joint Management Committee

This section provides a description of the JMC, which serves as the coordinating body for NYS Clean Heat program administration. Established under the 2020 NENY Order, the JMC continues in this role for the 2026-2030 program period, providing a forum for coordination among Program Administrators and NYSERDA, operating in consultation with Department of Public Service Staff.

2.2.2 Membership Structure

The Joint Management Committee is comprised of representatives from each Program Administrator and NYSERDA. Each organization designates a Lead Representative to serve as their primary point of contact for JMC communications and decision-making. Any two members may serve as JMC co-chairs. By tradition, the JMC is co-chaired by one representative from the Program Administrators and one from NYSERDA. The utilities rotate co-chair responsibilities annually by agreement ensuring shared leadership and balanced oversight. The JMC also forms working groups on specific topics – such as technical matters, quality assurance/quality control, or marketing – to provide focused forums for technical and operational aspects of program administration.

2.2.3 Responsibilities

The JMC's primary role is to facilitate effective administration of the NYS Clean Heat Program under a common statewide program design while allowing for necessary variation among Program Administrators. The JMC serves as a place for Program Administrators to coordinate with each other and share program experiences including best practices. Major

changes to the NYS Clean Heat Program that affect all Program Administrators are vetted by the JMC.

The JMC's functions can be divided into program design and implementation, collaboration, communication, and market support.

- Program Design and Implementation
    - The JMC coordinates major programmatic design and implementation decisions among Program Administrators.
    - The JMC oversees the Program Administrators' Implementation Contractors and supporting consultants. The Program Administrators will align on processes to manage contractors, process applications, and issue payments.
- External Collaboration
    - The JMC plays a central role in fostering collaboration between the Program Administrators and other entities including:
        - Government entities including DPS Staff and NYSERDA;
        - Other market actors, including contractors, distributors, and manufacturers; and
        - Third parties including trade and advocacy organizations and Regional Clean Energy Hubs.
    - The JMC coordinates with weatherization programming including the forthcoming Regional Weatherization Programs and NYSERDA's Comfort Home and EmPower+ programs.
    - The New York State Technical Resource Manual ("TRM") Management Committee oversees updates to the TRM, which codifies the calculations Program Administrators use to calculate energy savings.
    - The LMI Order designates NYSERDA as the statewide administrator for Energy Efficiency and Building Electrification ("EE/BE") programs for the one- to four-family LMI segment.[23] The JMC will collaborate with NYSERDA to align, where practical, on program design and implementation matters, including contractor education and status.
- Program Communication
    - The JMC maintains and updates the Program Manual and other reference materials;
    - Engages stakeholders through regular communication regarding the Program, including regularly scheduled webinars; and

[23] LMI EE/BE Order p. 53

- Coordinates the development of the NYS Clean Heat Annual Report and updates to the NYS Clean Heat Implementation Plan.

- Market Support
  - The JMC collaborates on marketing, consumer education, and outreach efforts involved in the Program, including any led by NYSERDA;
  - Collaborates on workforce development, training and education efforts for contractors, including those led by NYSERDA that engage manufacturers and distributors of heat pump technologies; and
  - The Program Administrators, in conjunction with their implementors, will continue to educate the market on beneficial electrification technologies with approaches that include but are not limited to direct mailers, targeted email campaigns, audio streaming and in-store signage.

2.2.4 Program Support

The utility Program Administrators may contract with one or more external parties to provide logistical and implementation support to the JMC.

2.3 NYS Clean Heat Implementation Process

Since 2021, all of the utility Program Administrators use a common process to accept applications for incentives via a common statewide portal. The portal provides a consistent experience for contractors across the state, which is particularly valuable for those with customers in multiple utility territories. The Program Administrators plan to continue to use a common implementation process.

2.4 Marketing

During the 2020-2025 NYS Clean Heat Program period, the Program Administrators collaborated with NYSERDA to deliver a statewide consumer awareness, education, and marketing effort to encourage heat pump adoption. The JMC members intend to continue the marketing partnership with NYSERDA, consistent with the discussion and budgets in the Non-LMI EE/BE Order.[24] The Program Administrators also intend to conduct utility-specific marketing efforts for their customers.

NYS Clean Heat Program marketing efforts from both utility Program Administrators and NYSERDA have targeted customers and contractors to generate awareness, increase product education, and increase demand by broadly sharing program requirements,

[24] Non-LMI EE/BE Order, p. 52-54

incentives, and participation guidelines to encourage participation in the NYS Clean Heat Program.

Various marketing awareness tactics have been employed, including but not limited to email, social media, television, radio, paid search and other channels, attendance at public events, and partnerships. The NYS Clean Heat Program will explore the opportunity to leverage cross-promotional opportunities with relevant customer programs, including the forthcoming Upstate and Downstate Regional Weatherization Programs.

The Program Administrators will continue to leverage the customer-facing NYS Clean Heat Program webpages (cleanheat.ny.gov) to increase educational content and improve the web experience by offering customers relevant information on new technologies as well as product and customer benefits.[25]

The Non-LMI EE/BE Order directs the Program Administrators and NYSERDA to perform a review of the general awareness and education support provided to date, and to determine an appropriate level for the 2026-2030 program period and present those results to DPS Staff.[26] That review will be scheduled for Fall 2025.

2.5 Metrics and Savings

In the Non-LMI EE/BE Order, the Commission specified portfolio budgets, in dollars, and targets, in Lifetime MMBtu-e ("LMMBtu-e"), for each Program Administrator. The associated footnote in Appendix D explains that the targets do not net out increases in electricity usage from building electrification.[27] The TRM offers calculations and guidance for calculating energy savings for EE/BE measures. Savings reported under the NYS Clean Heat Program will be calculated in accordance with the measures as described in the TRM.

2.6 Program Reporting

The Non-LMI EE/BE Order directs DPS Staff to conduct a holistic review of EE/BE Program reporting, planning, and tracking requirements, and charges Staff to issue temporary guidance by December 1, 2025.[28] As part of the principles supporting the review, the Order describes Quarterly EE/BE Scorecards which will be the "definitive source of performance

[25] The Non-LMI EE/BE Order mandates that the Program Administrators and NYSERDA file a Joint Customer Platform Utility Integration Plan in November 2025 (p. 161). That plan will reflect the implementation approach of the NYS Clean Heat Program Administrators.

[26] Non-LMI EE/BE Order p. 54

[27] Non-LMI EE/BE Order Appendix D

[28] Non-LMI EE/BE Order p. 143-144

data." [29] In addition to the Quarterly Scorecards, pending further guidance, and in consultation with DPS Staff, the Program Administrators will plan to publish two documents annually: an Annual Report and an Annual Implementation Plan, consistent with other Sub-Portfolios and sectors of the EE/BE Portfolio.

The Annual Program Performance Report will be published in the spring and be retrospective. The Annual Program Performance Report will provide a comprehensive review of the prior year and performance during the 2026-2030 period. It will include key metrics related to participation and achievement with subtotals by the Program Administrator including progress against budgets and targets indicated by the Annual Implementation Plans. The NYS Clean Heat Program will coordinate to release the Annual Program Performance Report on the same cycle as the annual reporting from the Regional Weatherization Programs.

The Annual Implementation Plan will be published in the Fall and will be forward-looking to the following calendar year. The Implementation Plan will include the updates Program Administrators make to their Clean Heat budgets and targets, consistent with the flexibility granted by the Non-LMI EE/BE Order. The Annual Implementation Plan will also indicate key areas, if any, of program change for the following year.

2.7 Contractor Network

The NYS Clean Heat Program maintains a list of Participating Contractors eligible to submit projects and receive incentives on behalf of customers in the Program. All contractors participating in the NYS Clean Heat Program must meet qualifications and training requirements identified in the NYS Clean Heat Program Manual and must execute participation agreements with each Electric Utility in whose service territory the contractor plans to operate, to address unique legal terms and conditions. Program Administrators maintain and post a list of Participating Contractors who are eligible to install ASHP technologies and/or GSHP technologies in the NYS Clean Heat Program.[30]

The Clean Heat Program Administrators will coordinate with the Regional Weatherization Programs and may establish a list of certified professionals who can conduct energy audits to establish eligibility for the Weatherized Tier.

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[29] Id.

[30] An assessment of the existing Participating Contractor lists on the residentially facing consumer marketing website (cleanheat.ny.gov) maintained by NYSERDA, and the Program Administrator website (nyscleanheat-findacontractor.icfsightline.com/) maintained by ICF (Program Administrator Implementation contractor), will be conducted as part of the review outlined in the Marketing Section 2.4 above.

2.8 Project Lifecycles

Projects in the NYS Clean Heat program go through different lifecycles. The Program offers downstream incentives for space heating projects that pass through Participating Contractors. By contrast, incentives for HPWH are offered through a midstream model at distributors or large retailers, or downstream through Participating Contractors or self-install option.

2.8.1 Downstream Space and Water Heating Projects

In general, a downstream space or water heating project in the Clean Heat Program goes through the steps indicated below:

- Optional weatherization assessment and, if necessary or recommended, weatherization improvement;
- Participating Contractor and customer agree on a scope of work, ratified with a signed contract;

Program Administrators may offer Participating Contractors the option to submit a pre-approval, and some Program Administrators may require pre-approval for certain types of projects (as Con Edison does for GSHP projects);

- Participating Contractor performs the work on the customer premises;
- Contractor submits completion documents to the Implementation Contractor on behalf of the NYS Clean Heat Program, which may include customer invoice showing the customer incentive provided as an instant discount, if applicable;
- Program Implementation Contractor reviews documents and if necessary, requests amendments or further information or schedules a post-installation inspection (inspections may also be conducted after payment is issued); and
- When a project is approved, the program Implementation Contractor issues payment on behalf of Program Administrator.

2.8.2 Midstream Water Heating Projects

Most NYS Clean Heat Program Administrators plan to use a midstream approach to provide incentives for HPWH to encourage distributors and retailers to stock HPWH. Water heaters are often replaced on failure, and done so quickly, so midstream incentives are an important technique to help them reach final consumers. Under this model, once a qualifying HPWH is sold by a distributor or retailer, they would submit an application with supporting documentation to the relevant NYS Clean Heat Program Administrator.

2.9 Program Oversight

This section outlines the control and oversight processes that guide program delivery – including quality assurance protocols, methods for verifying energy savings, contractor qualification requirements, and a future program evaluation.

The Clean Heat Program maintains comprehensive quality controls through program design and implementation to maintain program integrity, ensure compliance with requirements, and support continuous improvement. These controls are embedded in many stages of program delivery, including application review processes and post-installation inspections.

2.9.1 Quality Assurance and Quality Control

Program Administrators, supported by their Implementation Contractor, review applications to confirm project, customer, and equipment eligibility to ensure alignment with program requirements. Projects are evaluated so that energy savings calculations are consistent with the methodology outlined in the latest version of the TRM. Program Administrators or their Quality Service Providers ("QSPs") or representatives perform in-field site inspections to confirm that heat pump installations meet established standards and requirements to deliver quality heat pump installations. Details regarding inspection requirements, assessment criteria and sampling rates will be outlined in the NYS Clean Heat Program Manual.

In addition to application reviews and inspections, Program Administrators also engage third party contractors to conduct Quality Assurance and Quality Control ("QA/QC") activities. These reviews help confirm that program controls are working as designed and provide insights that can inform process improvements or adjustments to program delivery.

2.9.2 Contractor Responsibilities

The Participating Contractor is solely responsible for ensuring that the heat pump system and system components are installed in accordance with manufacturer specifications and installation requirements, and in compliance with all applicable laws, regulations, rules, and standards, including requirements of the local Authority Having Jurisdiction ("AHJ"). The contractor is responsible for correcting all nonconformances observed in site inspections to the satisfaction of the program administrator. Contractors are also required to submit proof demonstrating correction of all observed nonconformances.

2.9.3 Participation Status Process

The NYS Clean Heat Program maintains a participation status process to monitor and oversee the Participating Contractor network. Program Administrators and their

Implementation Contractors meet to discuss Participating Contractors' performance, including through on-site and virtual inspections and project documentation reviews. During this process, Program Administrators may review project documentation related to participation in the Program to ensure compliance with Program requirements, including applications, photographs, and customer acknowledgement forms. Program Administrators may also use checklists and other assessment tools and methods to evaluate heat pump system design, the functionality of installations, and the status of compliance with the requirements of the Program, including requirements focused on integrated controls and decommissioning. Program Administrators or their representatives may make a reasonable number of visits to the system owner site before, during, and/or after installation of a heat pump system to assess overall compliance with Program requirements.

The Program Administrators have established an escalating series of participation status levels beginning with warnings and training up to suspension or removal from the Program. During the 2023-2025 period, Con Edison established a parallel and effective participation status for Participating Contractors in its territory. The NYS Clean Heat Program Manual will detail the disciplinary process.

2.10 NYS Clean Heat Evaluation

The Non-LMI EE/BE Order mandated that the Program Administrators will conduct a joint evaluation of the Clean Heat program, in consultation with DPS Staff. The Program Administrators will procure an independent evaluation contractor to assess gross energy savings values and program design elements consistent with the Commission's Evaluation Guidelines [31] and updates from DPS Staff. Based on the guidance of the evaluator, evaluation activities may include site visits, measurement and verification, desk reviews, billing analysis, and evaluation support for the Technical Resource Manual. Evaluation could also include process evaluation components to identify program improvement opportunities.

The Program Administrators will begin a process to engage an independent third-party evaluator at least one year after the introduction of the higher tier of incentives associated with weatherization. Therefore, Program Administrators expect an evaluation to be completed in 2028.

[31] See, CE-08 Gross Savings Verification Guidance. https://dps.ny.gov/system/files/documents/2022/11/ce-08-gross-savings-verification-guidance.pdf

2.11 Training and Market Support

Both NYSERDA and the utility Program Administrators play roles in offering training and market support to Clean Heat Participating Contractors. Training covers topics that speak generally to building science and HVAC system design or to the mechanics of participating in the NYS Clean Heat Program.

2.11.1 Clean Heat Connect

Clean Heat Connect describes both a website that hosts training and market support materials, as well as a network of upstream partners that helps disseminate, create, and refine those materials.

With input from the utility Program Administrators, NYSERDA has built and maintained the Clean Heat Connect website, which provides a centralized place for Participating Contractors to access training and business support materials. The plan is to continue to use Clean Heat Connect (https://cleanheatconnect.ny.gov) in 2026-2030.

In 2020-2025, the NYS Clean Heat Program required Participating Contractors who install ASHP to take a manufacturer-sponsored Sizing and Design training. The Clean Heat Connect website hosts on-demand options and a calendar with upcoming live options to support this requirement. While the forthcoming NYS Clean Heat Program Manual will specify training requirements for the 2026-2030 period, utility Program Administrators will work with NYSERDA to make training materials available through Clean Heat Connect.

Cleat Heat Connect also includes other trainings and resources that are not program requirements, but useful to Participating Contractors. For example, School of Clean Heat is a primer for successfully participating in Clean Heat with topics on the specifics of incentive design and the mechanics of submitting an application for incentives through the online portal. More technical trainings include those on subjects such as managing ducts, flare fitting, snow deflectors, or refrigerant regulation. Clean Heat Connect also hosts additional market support resources for contractors and market participants interested in building their clean heating businesses on topics that include pricing projects, stocking equipment and staffing. Over the 2026-2030 period, the Clean Heat Program Administrators plan to work closely with NYSERDA to craft strategies to share existing resources and enhance and create new resources as program needs evolve.

Clean Heat Connect also describes a network of heat pump distributors and manufacturers managed by NYSERDA in 2020-2025 who help bring knowledge, technical tools, and other business support resources to the contractors who install heat pumps statewide. The Clean Heat Connect network has helped NYSERDA to identify challenges faced by the heat pump

supply chain, promote participation in the NYS Clean Heat program, and drive quality installations. With input from the Clean Heat Connect members, NYSERDA has created tools and training resources, which members distribute to their contractor networks.

In 2026, NYSERDA plans to add a series of short videos to Clean Heat Connect covering a range of sizing and design topics such as:

- Proper data collection for and complete accurate Manual J heat load calculations;
- Reducing heating loads for smaller system design;
- Proper equipment selection; and
- Proper equipment placement.

2.11.2 School of Clean Heat

To support the successful participation of contractors in the New York State Clean Heat Program, Program Administrators will continue to deliver a comprehensive training initiative through a combination of live webinars and on-demand training videos known as School of Clean Heat. These resources are hosted on the program's School of Clean Heat webinar platform and cross referenced on Clean Heat Connect. They are designed to guide contractors through the application process, clarify program eligibility requirements, and facilitate compliance with both administrative and technical QA/QC standards. This initiative will be actively implemented and refined throughout the 2026–2030 program period.

The training modules will include but are not limited to the following:

Table 2: School of Clean Heat Training Module Topics

Training Module	Key Topics Covered
Application Submission Tutorials	Comprehensive guidance on completing and submitting Clean Heat applications, including program eligibility requirements and required documentation
Common Application Errors	Identification of common application submission errors and best practices for preventing and resolving them
Manual J Training	Guidance on selecting correct design temperatures, using accurate heating capacity data for system sizing, and meeting expectations for load calculation documentation
QA/QC Inspection Requirements & Disciplinary Standards	Review of inspection criteria, tips for passing inspections, and overview of the Disciplinary Process

Supplemental to and in coordination with the School of Clean Heat, the Program Administrators will continue maintaining, developing, and improving upon guidance documents, eligibility tools and other resources posted on cleanheat.ny.gov. The Clean Heat Calculator has been a useful eligibility and incentive sizing tool for contractors and will be adapted to changing program design. In coordination with market stakeholders, the Program Administrators will update or develop new materials that improve and simplify program participation such as the project guides and checklists, including the decommissioning checklist.

2.12 Coordination with Non-Pipes Alternatives ("NPA")

NPA Program Administrators implement NPA programs and projects through authorizations outside of the EE/BE proceeding. NPA are generally implemented to support gas system planning, including in gas-constrained areas, and may be designed to cut or eliminate load growth in an area to eliminate or defer the need for future investment in system capacity, as an alternative to installing or replacing gas mains, including Leak Prone Pipe ("LPP"), or as an alternative to installing or replacing gas services to customers' premises. NPA may rely on customers to reduce gas usage through energy efficiency measures, electrification of some of their home energy use, or electrification of the gas uses in a building including space and water heating, clothes drying, and cooking. There are cases where both NPA and Clean Heat are implemented by the same company, while in other places in the state, the NPA Program Administrator and the Clean Heat Program Administrator will be distinct entities. In both cases, the NPA and Clean Heat Program Administrators will coordinate the implementation of NPA with NYS Clean Heat in their territories. Customers who participate in NYS Clean Heat and the relevant NPA may receive additional incentives that cover up to 100% of the project costs subject to the rules of the NPA. Incentives from the NPA programs above those provided by the Clean Heat Program are charged to the budget of the NPA programs.

3. Utility-Specific Program Description

This section includes details specific to each Program Administrator, including the incentive budget that each has allocated to support NYS Clean Heat in its service territory, and the associated energy savings that it projects to achieve by year from 2026-2030. The Non-LMI Order grants the Program Administrators the flexibility to move funding among its building electrification offerings for residential customers (NYS Clean Heat) and other customer

segments,[32] within the limit that the total BE funding cannot exceed 50% of the Program Administrator's electric program EE/BE budget.[33]

The budgets presented throughout this section include incentive spending only. During the 2020-2025 period, NYS Clean Heat operated with a separately authorized Commission budget from the rest of the EE/BE Portfolio. However, the Non-LMI EE/BE Order introduced the Money-Out-the-Door ("MOTD") metric, which distinguishes program spending from other administrative costs, tracked at a portfolio level across the entire EE/BE budget for the 2026-2030 period. This focus on overall administrative costs argues against including them in this Clean Heat Implementation Plan and subsequent Clean Heat filings. Rather, non-programmatic costs will be reported as part of filings that cover the entire EE/BE portfolio.

The Non-LMI EE/BE Order mandates that Clean Heat "require minimum building weatherization levels as a pre-requisite to receiving incentives"[34] from the Program by March 1, 2028. Accordingly, most Program Administrators model this requirement as affecting spending and/or achievement in 2028.

3.1 Central Hudson

This section provides information specific to Central Hudson Gas & Electric ("Central Hudson") regarding its implementation of the NYS Clean Heat Program. Included herein are Central Hudson's program incentive budgets and targets, and details on customer offerings that may support program participation.[35]

[32] Non-LMI EE/BE Order, p. 114

[33] Non-LMI EE/BE Order, p. 25

[34] Non-LMI EE/BE Order p. 35

[35] Central Hudson's Preliminary Energy Efficiency and Building Electrification Implementation Plan was filed on July 14, 2025 in Case 25-M-0248. The preliminary Implementation Plan included initial budgets and savings targets which were subject to change based on further analysis in advance of the Clean Heat Implementation Plan. These targets have been updated to reflect updated incentives and lifetime savings values to foster consumer adoption of program measures. The budget figures shown represent incentive budgets for each year.

3.1.1 Budgets and Targets

Table 3: Central Hudson 2026-2030 Clean Heat Incentive Budgets and Targets

	2026	2027	2028	2029	2030	Total
Incentive Budget	$8,563,199	$9,120,020	$7,741,098	$8,707,859	$9,681,623	$43,813,802
Target (LMMBtu-e)	1,287,393	1,353,252	947,276	1,042,221	1,146,958	5,777,100

3.1.2 Coordination with Utilities in Neighboring Territories

Central Hudson works in coordination with NYSEG and National Grid where service territories may overlap and customers receive gas and electric service from different utilities to ensure consistency in program administration.

3.1.3 Marketing and Outreach

Central Hudson's marketing and outreach efforts include targeted direct mail, email campaigns, program information sheets, in-store point of purchase signage, newsletter inserts, printed, digital and radio advertisements, bill inserts and participation in public events.

Messaging focuses on environmentally beneficial electrification, weatherization benefits, and educating consumers on the benefits of converting from fossil fuel heating systems to cleaner and more efficient energy alternatives. Educational content continues to be developed and shared with partnering local contractors, who are encouraged to distribute the information to their customers. Employees who have knowledge of the NYS Clean Heat Program and incentives represent the company at conferences, county fairs, expos, trade shows and other events.

3.2 Con Edison

This section describes information specific to Consolidated Edison Company of New York, Inc. ("Con Edison") regarding its implementation of the NYS Clean Heat Program. Included herein are Con Edison's program budgets and targets, and details on customer offerings that may support program participation.

3.2.1 Budgets and Targets

Table 4: Con Edison 2026-2030 Clean Heat Incentive Budgets and Targets

	2026	2027	2028	2029	2030	Total
Incentive Budget	$50,058,600	$51,624,815	$23,287,545	$27,292,079	$32,020,456	$184,283,495
Target (LMMBtu-e)	6,268,325	6,276,541	2,409,599	2,741,591	3,123,100	20,819,156

3.2.2 Contractor Allocations

Con Edison has utilized contractor allocations since 2023, with refinements over time based on program performance and market feedback. This approach has helped balance funding among high and low volume contractors, supported the entry of new contractors into the program, and allowed contractors with a proven track record to expand their participation. With levels established quarterly, this approach has ensured fairness in access to funding and helps contractors plan their work with greater certainty.

Con Edison will continue using this approach for the 2026-2030 program period, with allocation levels informed by contractor quality assurance performance, project volume, and available budget. Details regarding contractor access to quarterly allocations will be provided in the NYS Clean Heat Program Manual.

3.2.3 SC1 Rate IV - Select Pricing Plan ("SPP")

SC1 Rate IV, known as of the date of this Implementation Plan as the SPP, is an optional residential electric rate that charges for delivery based on customers' demand (in kW) during peak and off-peak times, and charges for supply (in kWh) based on time of use. It is available to all residential customers and can be particularly beneficial to heat pump customers. From January 2023 through October 2024, 86% of heat pump customers on SC1 Rate IV saw a decrease in their total annual electricity bill compared to the standard residential rate (SC1 Rate I), with average savings of ~ $1,000 per year.

Con Edison has taken steps in 2024 and 2025 to make customers aware of the rate and make it easier for them to enroll, resulting in a fourfold increase in the number of heat pump customers who enroll on the rate each month (from an average of 10 in 2024 to 42 per month in 2025). These efforts included:

- Adding language on the Clean Heat Customer Acknowledgement Form making customers aware of SPP
- Adding information about SPP in program materials and FAQs
- Educating contractors on SPP so they can offer it as an option to customers

- Highlighting SPP in the series of welcome emails that customers receive after participating in Clean Heat
- Allowing customers to enroll via a webform, rather than requiring them to call or email

Con Edison, as part of the settlement of its currently approved rate plan, offers a Price Guarantee to 500 ASHP customers and 500 GSHP customers who enroll in SPP.[36] Under the Price Guarantee, customers who paid more in the first 12 months on SPP than they would have on SC1 Rate I are notified and credited the difference. Thanks to marketing efforts described above, as of August 22, 2025, Con Edison has enrolled 413 ASHP customers and 63 GSHP customers under the Price Guarantee. In its currently pending rate case, Con Edison proposed eliminating the cap, which will allow more Clean Heat participants to benefit from SPP risk-free in their first year.[37]

Con Edison is actively investigating additional strategies to increase awareness and conversion among customers with heat pumps. Efforts currently underway include:

- Simplifying and expanding the explanation of the rate on the Con Edison website and other materials, and highlighting its benefits for customers with heat pumps
- Sending customers targeted, seasonal emails promoting the rate

3.2.4 Service Adequacy

All Con Edison customers have a responsibility, as outlined in Con Edison's tariff, to communicate changes in load, so that the utilitycan provide safe, adequate electric service. Con Edison plans to integrate service adequacy requirements into the program design. Customers that are not service adequate must coordinate with Con Edison to complete any necessary upgrades. Con Edison will contribute data and field experience to the assessment the Commission requires DPS Staff to submit on this topic in the Non-LMI EE/BE Order.

3.3 National Grid

This section describes information specific to Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") regarding its implementation of the NYS Clean Heat Program.

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[36] Case 22-E-0064 et al., *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service*, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans With Additional Requirements, at 70 (July 20, 2023).

[37] Case 25-E-0072 et al., *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service*, Rebuttal Testimony of Con Edison's Customer Energy Solutions Panel at 5 (Filed June 24, 2025).

Included herein are National Grid's program budgets and targets, and details on customer offerings that may support program participation.

3.3.1 Budgets and Targets

Table 5: National Grid 2026-2030 Heat Pump Incentive Budgets and Targets [38]

	2026	2027	2028	2029	2030	Total
Incentive Budget	$26,839,236	$29,308,644	$20,252,376	$21,372,349	$22,553,745	$120,326,350
Target (LMMBtu-e)	2,267,686	2,494,455	1,815,963	1,943,430	2,079,103	10,600,637

3.3.2 Coordination with Utilities in Neighboring Territories

In addition to participating in the NYS Clean Heat Program model as a member of the JMC, National Grid is particularly focused on coordination with NYSEG/RG&E and Central Hudson in areas where the three companies share customers (*i.e.,* where one utility may be the gas service provider, and another, the electric service provider) to create consistency.

3.3.3 Marketing and Outreach

National Grid uses marketing awareness tactics, including email, paid search and other digital channels, and partnerships. National Grid expects to leverage cross-promotional opportunities with relevant customer programs, including the regional weatherization program. National Grid leverages the NYS Clean Heat Program web pages to increase educational content and improve the web experience by offering customers relevant information on new technologies, as well as product and customer benefits. Direct marketing efforts such as email and direct mail are key, particularly during shoulder seasons when customer attention to weather and savings is heightened.

[38] National Grid's preliminary EE/BE implementation plan for NMPC Electric and Gas programs was filed on July 14, 2025 in Case 25-M-0248, *In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios*. The preliminary EE/BE implementation plan included tentative budgets and energy savings targets for the NMPC Clean Heat program that were subject to change in this Clean Heat implementation plan filing. The 2026-2030 budgets and targets for the NMPC Clean Heat program in this Clean Heat Implementation Plan replace the tentative values in NMPC's preliminary EE/BE implementation plan. Savings targets have also been revised to reflect higher estimated incentives to motivate customer participation while maintaining the same total budget to comply with the Non-LMI EE/BE Order's maximum program budget allocation requirement for electrification programs.

3.3.4 Coordination in Priority Electrification Areas

National Grid supports New York State's carbon reduction goals and the Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY") and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") provide prospective customers, as well as existing customers looking to increase their gas service, with referrals to their respective electric service provider for information on electric heat pumps and alternatives to gas space heating or water heating.

To better align with other utility offerings and simplify the incentive structure, the Priority Electrification Area Kicker Incentives for National Grid customers listed in the April 2025 Program Manual will not be offered after 2025. National Grid will continue coordinating with gas utilities in priority electrification areas of its electric service territory to support the installation of electric heat pump technologies to help alleviate the reliance on gas supply.

3.4 NYSEG and RG&E

This chapter provides information specific to New York State Electric & Gas ("NYSEG") and Rochester Gas & Electric ("RG&E") under the NYS Clean Heat Program, including program incentive budgets and targets and program marketing and outreach.

3.4.1 Budgets and Targets

Table 6: *NYSEG 2026-2030 Heat Pump Incentive Budgets and Targets*

	2026	**2027**	**2028**	**2029**	**2030**	**Total**
Incentive Budget	$16,887,830	$16,898,890	$16,909,950	$16,921,010	$16,932,070	$84,549,750
Target (LMMBtu-e)	2,479,500	2,427,000	1,781,438	1,743,188	1,706,625	10,137,750

Table 7: *RG&E 2026-2030 Heat Pump Incentive Budgets and Targets*

	2026	**2027**	**2028**	**2029**	**2030**	**Total**
Incentive Budget	$6,463,780	$6,468,520	$6,472,470	$6,476,420	$6,481,160	$32,362,350
Target (LMMBtu-e)	947,250	927,000	680,063	666,000	651,938	3,872,250

3.4.2 Marketing and Outreach

To fulfill the directives of the 2026-2030 Non-LMI EE/BE Order and support the goals of the NYS Clean Heat Program, the NYSEG and RG&E will implement a marketing and outreach plan that accelerates adoption of beneficial electrification technologies across its non-LMI customer base.

Outreach Tactics

- Community-Based Marketing: Collaborate with the Regional Clean Energy Hubs ("Hubs") and other regional community organizations to coordinate Utility representation at customer facing events, informational sessions and virtual meetings. Maintain monthly meetings with the Hubs to keep community members informed on changes to the NYS Clean Heat Program.
- Multilingual and Inclusive Materials: Ensure accessibility for non-English speakers and persons with disabilities, in line with the Order's emphasis on equitable access.
- Co-branded Marketing: Partner with NYS Clean Heat contractors to amplify messaging and build trust. Materials to include, but are not limited to; utility branded lawn signs, social media advertisements, sell sheets and direct mail.

3.4.3 Coordination with Utilities in Neighboring Territories

NYSEG and RG&E coordinate with National Grid and Central Hudson in areas where the three companies share customers (i.e., where one utility may be the gas service provider, and another, the electric service provider) to create consistency among the contractor and customer base.

3.5 Orange & Rockland

This section describes information specific to Orange and Rockland Utilities, Inc. ("O&R") regarding its implementation of the NYS Clean Heat Program. Included herein are Orange and Rockland's program budgets and targets, and details on customer offerings that may support program participation.

3.5.1 Budgets and Targets

Table 8: Orange & Rockland 2026-2030 Heat Pump Incentive Budgets and Targets

	2026	2027	2028	2029	2030	Total
Incentive Budget	$5,185,388	$5,524,427	$5,868,126	$6,088,412	$6,463,756	$29,130,109
Target (LMMBtu-e)	556,114	587,009	617,904	617,904	617,904	2,996,834

3.5.2 Marketing and Outreach

To fulfill the directives of the Non-LMI EE/BE Order and support the goals of the NYS Clean Heat Program, the O&R will implement a marketing and outreach plan that accelerates adoption of beneficial electrification technologies across its non-LMI customer base.

O&R will participate in regional community outreach events, to promote heat pump incentives. O&R will also engage the market through email and digital and social media campaigns. Emails are sent to eligible customers to promote incentive amounts and educate customers on eligible heat pump technology. Contractors and distributors also receive relevant program information via email in addition to direct mail options, website, webinars and in-person contractor events. O&R additionally pursues opportunities to co-brand and collaborate with NYSERDA and other relevant stakeholders.