



**Air-Source Heat Pump Program<sup>1</sup>**  
Program Opportunity Notice (PON) 3653  
**\$ 14,950,000 Available**

**NYSERDA reserves the right to extend and/or add funding to this Solicitation should additional Program funding become available.**

Applications accepted through March 31, 2020<sup>2</sup> by 5:00 PM Eastern Time, or until funds are fully committed, whichever occurs first.

**Program Summary:** NYSERDA's Air-Source Heat Pump Program ("the Program") will provide up to \$14,950,000 in incentives to Participating Installers for the installation of Program Qualified Air Source Heat Pump (ASHP) systems.<sup>3</sup> The New York State Public Service Commission has allocated funding for this program through the Clean Energy Fund (CEF) to expand the ASHP market in New York and to support installations for customers who pay (or will pay in the case of new construction) the SBC/CEF surcharge on their electricity bills.

Incentives are available per installed Program Qualified ASHP system and are available only to Participating Installers on a first-come, first-served basis. Incentives include those that may be retained by the Participating Installer as well as additional incentives that will be paid to the Participating Installer but must be credited to site owners. Complete Program requirements, incentive levels and additional descriptions can be found in the Air Source Heat Pump Program Manual (Manual).

**Participating Installer and Incentive Application Submission:** Participating Installer Eligibility Applications and Incentive Applications (including uploading any required attachments and documents thereto) must be completed and submitted online at <https://nyserda.ny.gov/ashp>. Incomplete or inaccurate applications will not be accepted. Faxed or e-mailed applications will not be accepted.

**Contact Information:** For all program questions, please contact Program staff at [products@nyserda.ny.gov](mailto:products@nyserda.ny.gov) or Kerry Hogan at (518) 862-1090 ext. 3509.

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings assigned to them in the Manual, which can be found as an attachment in this PON or online at <https://nyserda.ny.gov/ashp>.

<sup>2</sup> The NYS Public Service Commission has directed NYSERDA and the State's utilities to develop a common state-wide heat pump program. NYSERDA anticipates that the state-wide program will be available in 2020. Should launch of the state-wide program be delayed NYSERDA may extend the open date for this PON.

<sup>3</sup> NYSERDA may supplement or revise the funding available through this PON or any successor at any time.

All Contractual questions should be directed to: Nancy Marucci at [Nancy.Marucci@nyserda.ny.gov](mailto:Nancy.Marucci@nyserda.ny.gov) or 518-862-1090 ext. 3335.

If changes are made to this Solicitation, notification will be posted on <https://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities>.

**NYSERDA reserves the right to make changes in the incentive offering (including but not limited to amount, timing, recipient, structure, incentive caps and total budget available) at any time. NYSERDA will make reasonable effort not to decrease incentive level within the term of this Program. If it becomes necessary to change the incentive offering, NYSERDA will attempt to give reasonable notice to Program Participants. Program changes will be posted on the NYSERDA website and can be found at the following web page: <https://www.nyserda.ny.gov/FundingOpportunities/Current-Funding-Opportunities>.**

## **I. Introduction**

NYSERDA seeks to accelerate the adoption of ASHPs by working to develop supply chains and expand service networks so that they are available in the market and supported by key actors, such as ASHP installation contractors.

ASHPs offer customers improved performance over other code-compliant HVAC technologies, reduced energy bills and a lower carbon footprint, but have not been widely adopted in the state. While ASHPs have been used consistently in warmer climates as an efficient cooling system, recent advances in technology have been incorporated into new ASHP models allowing them to meet both the heating and cooling needs for customers in Northern climates. Market demand has begun to increase in New York, but action is needed to accelerate widespread adoption. Through PON 3653, incentives will be available to Program Installers to reduce the wholesale cost of the products and encourage sales, stocking, and service expansions.

The Program will provide up to \$14,950,000 in incentives for the installation of ASHP systems.<sup>4</sup> The New York State Public Service Commission has allocated the funds for this program through the Clean Energy Fund (CEF) to support installations for customers who pay (or will pay in the case of new construction) the SBC/CEF surcharge on their electricity bills.

Incentives are available per installed Program Qualified ASHP system and are available only to Participating Installers on a first-come, first-served basis. Incentives include those that may be retained by the Participating Installer; additional incentives will be paid to the Participating Installer but must be credited to site owners. Complete Program requirements, incentive levels and additional descriptions can be found in the Air Source Heat Pump Program Manual (Manual) which can be found as an attachment in this PON or online at <https://nyserda.ny.gov/ashp>.

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<sup>4</sup> NYSERDA may supplement or revise the funding available through this PON or any successor at any time.

## II. Program Requirements

### Eligible Applicants for Program Participation and Incentives

ASHP Installers interested in applying for eligibility to participate in the Program must complete and submit a Participating Installer Application, which can be found online at <https://nyserda.ny.gov/ashp>. Only Participating Installers are eligible to submit Incentive Applications.

### Eligible Project Requirements

To be eligible to apply for and receive any Incentives under this Program, the ASHP(s) identified in each Incentive Application must be listed on the [ccASHP Specification Listing](#) at the time of installation.<sup>5</sup> Each Incentive Application must demonstrate certain requirements, including, but not limited to, the following:

- All components installed as part of an ASHP system must be new; the use of used or refurbished equipment is not permitted under the Program.
- All ASHP systems, system components, and installations comply with all manufacturers' installation requirements, applicable laws, regulations, codes, licensing and permit requirements including, but not limited to, the New York State Environmental Quality Review (SEQR), the New York State Building Code, New York State Plumbing Code, the National Electric Code, Fire Codes and all applicable State, city, town, or local ordinances or permit requirements.
- All ASHP equipment, design, and labor warranties have been provided to the customer.
- Provide installation specific data (i.e., qualifying ASHP Manufacturer, Indoor and Outdoor Unit Model Numbers, Installation Address, Utility, Primary Fuel Type, Displaced Heating System).

Each ASHP that is referenced in an Incentive Application is subject to NYSERDA-mandated quality assurance and performance verification standards.

Additional information regarding these and additional Project application and Project eligibility and technical requirements are described in the Manual.

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<sup>5</sup> The Northeast/Mid-Atlantic Air Source Heat Pump Working Group (facilitated by the Northeast Energy Efficiency Partnership), developed this Cold Climate Air-Source Heat Pump (ccASHP) Specification intended to identify ASHPs that are best suited to heat efficiently in cold climates (IECC climate zone 4 and higher).

These requirements help to ensure quality and performance for ASHP installations, which are critical to enable market growth. However, NYSERDA encourages innovation in design and installation practices that improve performance and lower costs. If an applicant for an Incentive can substantiate to NYSERDA's satisfaction that a deviation from a specific Program requirement will maintain or improve ASHP performance at a similar or lower cost, NYSERDA will consider granting a waiver for that specific requirement. All waivers must be approved in advance of the submission of the specific incentive application.

## Becoming a Participating Installer

**Step 1 – Review Manual and Program Participation Agreement:** ASHP Installers must review the Manual and Participation Agreement identifying all Program procedures, terms and conditions.

**Step 2 – Confirm eligibility:** To be approved to participate in the Program, ASHP Installers must demonstrate that they meet the qualifications identified in the Manual.

**Step 3 – Submit Participating Installer Application and Agreement:** To enroll, Participants must submit all required documentation, including the signed Participating Installer Application and the Participation Agreement.

A list of Participating Installers is posted to NYSERDA's website at <https://nyserda.ny.gov/ashp>.

Once NYSERDA approves your status as a Participating Installer, you may begin installing qualifying systems and submitting Incentive Applications.

## Submitting Incentive Applications

**Step 1 – Confirm Project Site Eligibility:** All ASHP installation sites must currently pay or, in the case of new construction, will pay the SBC/CEF surcharge on their electricity bill. The charge will appear on the installation site owner's utility bill.

**Step 2 – Install the ASHP.**

**Step 3 – Apply for Incentive:** The ASHP must be installed by a Participating Installer, who submits the Incentive Application once installation is complete and customer has been invoiced.

**Step 4 – Receive Confirmation of Award:** NYSERDA will notify the Participating Installer on the status of each Incentive Application within thirty (30) Business Days of receipt, barring extenuating circumstances. If the Incentive Application meets all Program requirements and

funding is available, NYSERDA will issue an approval email to the Participating Installer with details on the Incentive amount.

**Step 5 – Receive Incentive Payment:** Incentives will be paid to the Participating Installer. Payment will be issued according to NYSERDA’s prompt payment policy (see Participation Agreement).

### **III. General Conditions**

**Proprietary Information** - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes.

The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501

<http://www.nyserda.ny.gov/About//media/Files/About/Contact/NYSERDA-Regulations.ashx>.

However, NYSERDA cannot guarantee the confidentiality of any information submitted.

**Omnibus Procurement Act of 1992** - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements. Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development

Division for Small Business 625 Broadway

Albany, NY 12207

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development

Minority and Women's Business Development Division 625 Broadway

Albany, NY 12207

**State Finance Law sections 139-j and 139-k** - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain new procurement lobbying requirements that can be found at

<https://online.ogs.ny.gov/legal/lobbyinglawfaq/default.aspx>. The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.

**Tax Law Section 5-a** - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. *See*, ST-220-TD (available at [http://www.tax.ny.gov/pdf/current\\_forms/st/st220td\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf)). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a perspective contractor prior to contacting and filed with NYSERDA. *See*, ST-220-CA (available at [http://www.tax.ny.gov/pdf/current\\_forms/st/st220ca\\_fill\\_in.pdf](http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf)). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

**Accessibility Requirements** - NYSERDA requires contractors producing content intended to be posted to the Web to adhere to New York State's Accessibility Policy. This includes, but is not limited to, deliverables such as: documents (PDF, Microsoft Word, Microsoft Excel, etc.), audio (.mp3, .wav, etc.), video (.mp4, .mpg, .avi, etc.), graphics (.jpg, .png, etc.), web pages (.html, .aspx, etc.), and other multimedia and streaming media content. For more information, see [NYSERDA's Accessibility Requirements](#).

**Limitation** - This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSERDA's best interest. NYSERDA reserves the right to disqualify proposers based upon the results of a background check into publicly available information and the presence of a material possibility of any reputational or legal risk in making of the award.

**Disclosure Requirement** - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also

disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

**IV. Attachments:**

- Attachment A – Air-Source Heat Pump Program Manual
- Attachment B – Air-Source Heat Pump Program Participation Agreement