

**CITY OF GUSTAVUS  
POLICY AND PROCEDURE**

**Temporary Incentive Program for Heat Pump Installation  
Amended January 13, 2025**

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**SCOPE AND APPLICATION**

This policy and procedure document enables pass through grant funding as incentives for installation of heat pump systems in Gustavus homes, businesses, agency offices, and City of Gustavus buildings. The source is funding from the National League of Cities Advancing Economic Mobility Rapid Grant Program for the period July 24, 2024, to ~~May~~January 31, 2025. Incentive awards will be made up to the total \$20,000 of grant funding awarded. The temporary incentive program will end when the grant funding period ends ~~January~~May 31, 2025. Note: Grant Period authorization was extended by NLC December 27, 2024.

**POLICY**

- A. The City of Gustavus envisions a distinctive community that prospers while and by protecting our natural resources.
- B. As an expression of this vision, the City supports electrification of heating of Gustavus homes, businesses, agencies and City buildings to reduce our community's carbon footprint and our contribution to a warming planet.
- C. The City accepts grant funding awarded in July 2024 to the City by the National League of Cities Advancing Economic Mobility Rapid Grant Program to enable an incentive program for heat pump installations for space heating and water heating in Gustavus.
- D. Upon receipt of the grant funds, the City shall advertise the program by physical postings locally, on its web page, and by other electronic means, in accordance with requirements of the granting agency.
- E. The advertised program shall offer incentive payments of \$500 per heat pump purchased for installation in Gustavus homes, businesses, agency offices, and the City of Gustavus to heat or to supplement heating ~~of~~or water heating in those structures electrically.
- F. An eligible applicant must be the owner or renter of a home, business, agency, or other facility in Gustavus and must install a new heat pump system for that structure, during the period of August 1, 2024, to ~~January 15~~May 20, 2025. The applicant must file for the incentive by ~~January~~May 20, 2025. Applicants may apply for incentive payments for more than one system and may do so on separate applications at different times. As the grant period nears its end, the City may award incentive payments, subject to remaining grant funding, to applicants who have ordered a heat pump system before ~~May~~January 20, 2025, but whose installation is pending receipt of a shipped system or installation by a contractor.
- G. Incentive awards shall be made on a first come, first served basis by application date and time until funding is exhausted, or the grant period has expired.

H. Incentive awards shall be limited to three heat pump systems per residence or business but the City of Gustavus may qualify for up to five systems for City facilities. The City may waive these limitations at the end of the grant program if funding remains.

I. This incentive program compliments the current heat pump installation program offered by the Alaska Power and Telephone Company to Gustavus customers. Terms and qualifications of the two programs may differ. Applicants are encouraged to apply to both programs independently.

J. Decisions made by the City program manager regarding application qualification and approval shall be final.

#### **PROCEDURE FOR GRANT ACCOUNTING**

A. Upon receipt of grant funds as a transfer to the City checking account, the City Treasurer will set up an accounting method to track incentive reimbursements and make payments from the checking account by check to approved applicants.

B. After completion of the program ~~January-May~~ 31, 2025, the City Treasurer shall return any unused grant funding to the granting agency in accordance with directions from the agency and close out the program accounting.

#### **PROCEDURE FOR PROGRAM APPLICATIONS AND AWARDS**

A. The City Administrator in coordination with the City Treasurer, shall manage this incentive program.

B. Incentive applicants shall file an application to the City Clerk by hard copy in person or by email using the form attached to this procedure and include receipts for the purchase of the heat pump and photos of the installed system outdoor compressor unit and indoor discharge unit(s). If by ~~January-May~~ 1, 2025, the equipment has not been installed due to shipping, contracting, or weather delay, the applicant shall submit proof of purchase or down payment receipts, confirmation of the order, and an explanation for the delay in installation.

C. Applications shall be reviewed by the City Administrator for compliance with program qualifications. The City Clerk shall stamp a file copy of the application with the date and time of the application on receipt. Applications that are incomplete in documentation or detail shall be returned to the applicant with instructions for completion and resubmittal.

D. The City Administrator shall forward approved applications to the City Treasurer for payment.

E. The City Treasurer shall issue a check to the applicant in the amount of \$500 per approved system within 10 days to the approved application.

F. Upon conclusion of the temporary incentive program, the City Clerk may remove this Policy and Procedure from the City website posting and remove posted physical program notices.

End of Procedure

**Application Form**  
**City of Gustavus**  
**Temporary Heat Pump Installation Incentive Program**  
**Funded by a grant from the National League of Cities**

**INSTRUCTIONS**

Please refer to the Policy and Procedure Document for the Temporary Heat Pump Installation Program for full details.

Apply using this form and submit it to the City of Gustavus Clerk by hard copy or by email, clerk@gustavus-ak.gov. The City Administrator, (administrator@gustavus-ak.gov 907-697-2451) in cooperation with the City Treasurer manages this program and is the point of contact for assistance. Applications must respond to the items below and must include a copy of the purchase receipt, photos of the installed outdoor compressor unit and the indoor discharge unit(s).

Per the Policy for this program, incentive payments of \$500 per unit will be made from grant funding up to a total of \$20,000 for the program. Incentive payments will be paid on a first-come, first-served basis until funding is exhausted or until the end of the agency's grant period ~~January-May~~ 31, 2025.

Heat pump systems must be installed or ordered during the period August 1, 2024, through January 20, 2025, for a Gustavus residence, business, or agency office. Systems that have been ordered during this period but are pending installation due to shipping delay or contractor availability may be eligible for the incentive at the end of the program if sufficient funding remains after payment for installed systems.

Name of applicant: \_\_\_\_\_ Email: \_\_\_\_\_

Entity, if business or agency: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Physical Address of installed system: \_\_\_\_\_ Gustavus, Alaska

Structure type (residence, business, etc.): \_\_\_\_\_

Describe unit installed (make, model, capacity):  
\_\_\_\_\_

Installer: \_\_\_\_\_

Installation date: \_\_\_\_\_ Application date: \_\_\_\_\_

If installation is incomplete due to shipping delay or contractor availability, please explain:  
\_\_\_\_\_  
\_\_\_\_\_

Attach photos of installed unit and proof of purchase. Program Administrator may choose to visit site to verify installation.