Heat Pump Rebate Program Guidelines

Section 1: Program Description

The Town of Truckee is offering a residential heat pump rebate program to encourage installation of high-efficiency heating equipment in Truckee homes and reduce use of natural gas for space heating in support of the Town's adopted greenhouse gas emissions reduction goals. This rebate program supports installation of heat pump air conditioners as part of a dual-fuel system that utilizes gas or propane as a backup heat source, as well as a higher rebate amount for full heating system electrification.

Rebates will be available to eligible applicants on a first-come, first-served basis until funding is exhausted. The annual budget for this program will be determined by the Truckee Town Council.

Section 2: Applicant Eligibility

Owners of the following types of residential properties located within the Town of Truckee are eligible for this rebate program, provided all equipment meets the program criteria (see Section 3):

- Single-family detached homes
- Townhomes
- Condominiums
- Detached accessory dwelling units (ADUs)
- Mobile homes
- Small multifamily residential buildings with up to 4 units

Only equipment installed alongside an existing furnace or to replace an existing furnace in an existing residential building is eligible for this program. Projects considered new construction (including extensive remodels deemed as new construction), new ADUs, or new equipment installed in an addition are not eligible.

Each property is eligible for a maximum of two (2) rebates from this program.

Section 3: Rebate Program Details

This heat pump rebate program offers a base rebate available for installation of any qualifying heat pump unit, including systems installed alongside a gas or propane furnace as part of a dual-fuel system. A higher rebate amount is available for heat pump installations that fully electrify space heating systems by replacing an existing gas or propane furnace.

	Heat Pump Air Conditioning[1]	**Heating System Electrification (requires removal of a gas/propane furnace)**
Base Rebate Amount	$2,000	$3,000
Additional Rebate: Duct Leakage Testing and Mitigation	$1,000	$1,000
Maximum Total Rebate:	**$3,000**	**$4,000**

[1]Applies to heat pumps installed to replace existing A/C units or to add new cooling capacity as part of a dual-fuel system with a gas or propane furnace.

Additionally, to improve heating and cooling efficiency and encourage right-sizing of heat pump units, an optional additional rebate of $1,000 is available towards the cost of air duct leakage testing and mitigation. Eligible costs for this additional rebate include:

- Central system duct leakage testing (both before and after mitigation measures)
- Duct sealing and repairs or mitigation of other issues identified during duct leakage tests
- Duct replacement

This rebate program is designed to be used in combination with existing local utility rebates from Truckee Donner Public Utility District (TDPUD), when applicable, to increase the total amount of funding that may be available to eligible applicants. This includes the following currently available rebates for heat pump space heating and air duct measures:

- TDPUD Heat Pump HVAC System rebates: These rebates are available to TDPUD electric customers for installation of qualifying heat pumps, though the current guidelines require gas backup be limited to temperatures below 20F or full replacement of gas equipment.
- TDPUD/Town of Truckee residential building envelope rebates: These rebates are available to all TDPUD customers in the Town of Truckee, including water-only customers, for central duct leakage testing and air duct mitigation.

Equipment and applicant eligibility criteria may vary between Town of Truckee and TDPUD rebate programs. Applicants are responsible for verifying eligibility directly with the operator of each utility program.

Heat Pump Requirements:

- Equipment purchased prior to the rebate program start date of [date] or more than 90 days prior to the application date or contractor invoice are not eligible.
- Equipment must meet the following criteria:
    - Purchased new and not used
    - Air Conditioning, Heating & Refrigeration Institute (AHRI) Certified
    - Heating Seasonal Performance Factor (HSPF or HSPF2) of 8.5 or higher
    - Seasonal Energy Efficiency Ratio (SEER or SEER2) of 15 or higher

General Program Requirements:

- Equipment installation must comply with Town of Truckee Building Division standards, including obtaining any required permits.
- Applicant is required to provide documentation of conditions and equipment prior to replacement/upgrades. See Section 4: Application and the program application form for details. Failure to provide this may make the applicant ineligible for rebates.
- Applicant must agree to allow verification of completion of measures by Town of Truckee staff if requested.
- Total rebates issued, including any applicable utility rebates, may not exceed the cost of equipment and installation charges. Sales tax is not an eligible cost for reimbursement under this rebate program.

Section 4: Application Process

Applications are available online at [link] in both English and Spanish. The online application form can simultaneously generate application forms for the Town's rebates as well as overlapping utility rebates from TDPUD and Liberty Utilities, so that applicants only need to enter their information once to apply to all eligible incentive programs.

The application will require:

- Applicant contact information and property address.
- Building permit number(s) for all relevant permits.
- Utility account number(s) if applying for utility rebates.
- Detailed and dated sale(s) receipts with eligible equipment or materials clearly identified.
- Contractor invoice(s) with labor and materials itemized separately, with contractor name, address, and license number clearly identified.
- Equipment details including product specifications, manufacturer/model number of eligible product(s), and Air Conditioning, Heating, and Refrigeration Institute (AHRI) number.
- "Before" photo(s) of existing equipment that will be replaced, including equipment nameplate(s) if applicable with legible model numbers. For duct mitigation measures, include "before" photos of any ducts that will be repaired.
- "After" photo(s) of new installed equipment, including nameplate(s) of equipment with legible model numbers. For duct mitigation measures, include photos of any completed repairs.

It is recommended that interested applicants review the eligibility criteria and application information at [link] before beginning upgrades to ensure they are collecting all required documentation. Town staff will review each submitted application to verify it is complete and all required information and supplemental documentation is included and will follow up with the applicant to obtain any missing information.

Once an application is deemed complete, Town staff will begin processing the rebate application. If approved, a rebate check will be issued to the applicant. Applicants should expect a typical processing time of 6-8 weeks.

At this time, paper or PDF application forms are not available, but Town staff can assist applicants in completing the online application. Applicants requiring assistance with their application can contact the Keep Truckee Green Division at Sustainability@TownOfTruckee.gov or (530) 582-2928. While we will do our best to accommodate walk-in requests for assistance at Truckee Town Hall (10183 Truckee Airport Rd.), we recommend contacting Keep Truckee Green in advance to schedule an appointment to ensure staff availability.