

# Massachusetts Commercial Customer Electrification Offerings Frequently Asked Questions: For PEX Vendors

As of 5/23/2023

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## 1. Will there be an option to process C&I customer heat pump (HP) applications through InDemand?

Yes, all heat pump applications from Project Expeditors (PEXs) for National Grid projects, both prescriptive and custom, can only be processed through InDemand and can no longer be processed through the downstream prescriptive rebate vendor.

## 2. Will National Grid offer a financing option for heat pump projects?

On bill repayment (OBR) is currently an option for HP projects. To qualify for OBR, a HP project must meet the following criteria:

- a. Customer must meet credit worthiness requirement
- b. Customer must be a National Grid electric (not gas) customer heating with a delivered fuel (fuel oil, propane)
  - i. HP to HP is not eligible for OBR
  - ii. Electric Resistance to HP may be claimed through the standard energy efficiency process

Work with the sales representative to discuss eligibility. Customers also reserve the right to utilize third party financing firms for electrification and energy efficiency projects.

If a customer is interested in Energy Efficiency as a Service ownership model, National Grid has a partnership with Allumia. Contact Dalton Conner at [dconner@allumia.com](mailto:dconner@allumia.com)

## 3. Will National Grid require a weatherization assessment/project with heat pump projects?

Weatherization is crucial to ensure efficient heat pump operation. It is not required for a heat pump project to be incentivized, however electrification projects that include weatherization will receive a 10% bonus incentive (see below for details). Please be advised that prescriptive heat pump applications include questions regarding project/building weatherization status that must be answered for a rebate to be processed. The following is eligible for retrofit projects, (Major renovation falls under new construction guidelines and incentives).

- Heat Pump Only:
  - \$2,500/\$3,500/\$4,500 per ton for eligible units/projects up to 150 tons total project capacity (capacity = AHRI rated cooling capacity)
- Heat Pump with Weatherization (attic, wall, and/or air sealing):
  - \$2,500/\$3,500/\$4,500 per ton + 10% for eligible units/projects up to 150 tons total project capacity (capacity = AHRI rated cooling capacity)

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- PLUS incentives directly available for the weatherization itself. For buildings 8,000 square feet or less, there is a prescriptive rebate available learn more by clicking here. For projects 8,001 – 100,000 square feet, the Custom Express Weatherization Tool will be used to calculate savings. Final incentives are to be determined by the National Grid sales representative.

## **4. Will there be prescriptive incentives for heat pump alternatives for RTUs and PTACs/PTHPs, and water source HPs? If so, can the efficiency requirements be differentiated from standard VRF or mini-splits?**

Please see the Qualified Products List (QPL) for a complete listing of equipment eligible for incentives:

<https://www.masssave.com/cihpqpl>

National Grid can support prescriptive projects involving HP RTUs (under 5 tons) under the ASHP category so long as they are on the QPL. Currently the QPL includes a few RTUs. Units that are not listed on the QPL can be submitted via the custom pathway for potential incentive consideration. Work with the National Grid sales representative to review incentive eligibility.

PTACs/PTHPs could be eligible for custom pathway incentives if they pass the BCR screening. Rebates for eligible PTHPs became available at the point of sale at participating distributors 5/1/23 with a \$500/unit incentive shown on the invoice. If a project receives an incentive at the point of sale, no custom or other incentive for the project can be pursued.

## **5. What are the other electrification measures besides heat pumps?**

Additional electrification measures include heat pump water heaters, induction cooktops, heat recovery chillers, commercial battery-powered lawn equipment, and electric forklifts. Incentives for these electrification measures are available through instant incentives, the prescriptive pathway, and/or the custom pathway. See below for guidance.

- Heat Pump Water Heaters - Instant Incentive
  - Link- <https://www.masssave.com/saving/business-rebates/commercial-water-heaters>
  - Or utilize the custom pathway instead by opting out of the instant incentive at the point of sale.
- Induction Cooktops - Instant Incentive
  - Link- <https://www.masssave.com/saving/business-rebates/food-service-equipment/instant-rebates>
- Heat Recovery Chillers - Custom Pathway
- Commercial Battery-powered Lawn Equipment – Prescriptive Rebate
  - Link - <https://www.masssave.com/-/media/Files/PDFs/Business/rebate-forms/MassSave-Commercial-Lawn-Equipment-Rebate.pdf>
- Electric Forklift Replacing Propane – rebate coming soon

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## **6. Is National Grid considering incentivizing replacement of 20 ton or larger RTUs?**

Incentives for RTUs continue to be reviewed by the PAs. See answer #4 for additional details.

## **7. Will pre-approvals be offered for custom heat pump applications to make it easier to get customers on board?**

Yes, our tech team is currently working on a plan to allow for pre-approvals. Pre-approvals will be reviewed/approved on a case-by-case basis. Please reach out to the National Grid sales representative to discuss.

## **8. Will National Grid prepare a policy and procedure framework for electrification projects?**

Policy information for prescriptive and custom pathways is provided in the response to Question #10. Both prescriptive and custom heat pump applications should be processed through InDemand. A prescriptive heat pump application entry procedure is available upon request. Please contact [mathew.mccarthy@nationalgrid.com](mailto:mathew.mccarthy@nationalgrid.com) for a copy of the guide. For custom heat pump applications, work directly with the National Grid sales representative for processing.

If you do not have access to InDemand, please work directly with the National Grid deal team for all heat pump application processing.

## **9. Can National Grid define supplemental vs full conversion (also referred to as partial vs full displacement) policies for electrification projects?**

Partial displacement involves using a heat pump for heating and switching over from the heat pump to either delivered fuel or gas heating at a pre-determined temperature. Switchover temperatures are to be established during installation by the mechanical contractor and operated through an integrated control. Full conversion involves the replacement of all delivered fuels and/or gas heating equipment with a heat pump as the sole source for both heating and cooling. If a project consists of different phases, full displacement is possible if the entire zone/section of the building to be heated with the heat pump will fully offset the use of the existing heating system.

Please be advised that projects involving upgrading existing heat pump equipment with newer, more efficient HPs is not electrification and not eligible for the prescriptive HP incentives. If upgrading electric heating equipment results in electric savings, it is considered a standard EE measure via a custom analysis.

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## C&I

Prescriptive HP incentives are the same regardless of whether a project involves partial displacement or full displacement. To be eligible for incentives, all HP projects involving partial displacement require integrated controls for proper switchover. All incentivized heat pump projects are subject to post inspection through a randomized selection process.

## Residential

There is an incentive difference between partial and full displacement. Partial displacement heat pump projects incentives are typically \$1,250/ton and require integrated controls. Full displacement heat pump projects receive a flat incentive of \$10,000/home. More information can be found online at <https://www.masssave.com/saving/residential-rebates/air-source-heat-pumps>.

## 10. Can National Grid define Prescriptive vs Custom Full Conversion policies for HP projects?

The prescriptive and custom pathways are defined below. Please be advised for prescriptive projects if equipment is not listed on AHRI ([www.AHRIDirectory.org](http://www.AHRIDirectory.org)), the lead Sponsor of Mass Save will make the ruling on non-AHRI lab results. Any heat pump projects facilitated by a PEX Vendor (regardless of size) should be submitted directly into InDemand (Lead) or via a National Grid sales representative EEA (for Associate). As of 5/16/23, Nancy Doyon is the assigned EEA for all C&I heat pump projects. This is subject to change. Please consult the National Grid sales representative if you have any questions.

### Prescriptive Pathway

- Equipment must be listed on the QPL, [found here \(opens in Excel\)](#)
- Projects totaling 150 tons or less
- Only available for Air-to-air HPs, VRF HPs, and Ground Source HPs
- Meet all required efficiency levels

### Custom Pathway

- Used for all HP projects over 150 tons in total AHRI rated cooling capacity
- Project must meet internal National Grid cost-effectiveness criteria (i.e., BCR  $\geq$  0.5)
- Project must result in aggregate MMBtu savings – i.e., any reduction in natural gas, fuel oil, or propane must be greater than the increase in electricity usage on an MMBtu equivalent basis
- Project must not increase GHG emissions
- To be eligible for custom incentives, equipment must exceed code
- Used for all projects of any size not listed as eligible for the prescriptive pathway including:
  - Rooftop Heat Pump RTUs – larger than 5 tons
  - Air to water heat pumps
  - Water Source HPs
  - Other heat pump types not included in the QPL

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- Projects in which equipment will be in a cooling mode throughout the year (e.g., Industrial/Data Centers/Cannabis)
- Large (i.e., >120 gallon) HP water heater projects
- All industrial process electrification projects

## 11. Will there be co-branded marketing materials for approved HP vendors?

Customer facing marketing materials are in development. Please reach out to Mat McCarthy at [Mathew.McCarthy@nationalgrid.com](mailto:Mathew.McCarthy@nationalgrid.com) with any ideas for what would help you sell heat pump projects more effectively.

## 12. What are the requirements for using cobranded marketing materials?

If PEXs want to utilize cobranded marketing materials, a signed separate co-branding agreement is required. Please contact [mathew.mccarthy@nationalgrid.com](mailto:mathew.mccarthy@nationalgrid.com) for additional information.

## 13. Will National Grid offer heat pump auditor training opportunities?

Yes, trainings have been scheduled and will continue to be scheduled. The primary resource for upcoming trainings is [www.MAEEP.org](http://www.MAEEP.org). Please reach out to Mat McCarthy at [Mathew.McCarthy@nationalgrid.com](mailto:Mathew.McCarthy@nationalgrid.com) with any ideas for what would help you sell heat pump projects more effectively.

## 14. Are municipally owned electric company commercial customers eligible for electrification incentives?

Customers who receive electric service from a municipal electric company and natural gas service from National Grid can receive incentives for eligible electrification projects/equipment involving the replacement/displacement of natural gas. Similarly, customers who receive natural gas service from a municipal gas company and electric service from National Grid can receive incentives for eligible electrification projects/equipment involving the replacement/displacement of fuel oil or propane. Please reach out to the sales representative whenever uncertain of incentive eligibility requirements.

A statewide service territory map for electric and natural gas service can be found here:

<https://massgis.maps.arcgis.com/apps/MapSeries/index.html?appid=7c70397fcdb64c6f9c01fcfa8c2269d>

## 15. If a customer receives electric service from National Grid and uses delivered fuels (oil or propane) for heating, who would provide incentives and process the application if the customer converted to heat pumps?

National Grid

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**16. If a customer receives natural gas service from National Grid and a different Mass Save Sponsor for their electric service, who would process the application if the customer wanted to switch from natural gas heat to HPs?**

National Grid

**17. If a customer has a different Mass Save Sponsor for natural gas service and National Grid for electric service, which PA would process the application if the customer wanted to go from natural gas heat to HPs?**

The Sponsor providing the natural gas service would process the application if the existing heating fuel source was natural gas. If the customer (for whatever hypothetical reason) only has natural gas onsite for cooking/water heating, but is space heating with oil/propane, then the electric Sponsor would pay & process.

**18. If a customer has electric service from National Grid and uses electric resistance for heat, who would provide incentives and process the application if they switched to HPs?**

If the customer is using electric resistance heating, the Electric Sponsor would provide incentives and process the application. Existing heat pumps replaced with new, more efficient heat pumps should be routed through the standard EE custom pathway to determine eligibility for incentives.

**19. Are PEXs allowed to submit invoices for heat pump applications if they utilize a licensed heating/weatherization subcontractor or does the application need to come directly from the subcontractor?**

PEXs are allowed to submit heat pump applications. Any heat pump projects facilitated by a PEX Vendor (regardless of size) should be submitted directly into InDemand (Lead) or via a sales representative EEA (for Associate). As of 5/16/23, Nancy Doyon is the assigned EEA for all C&I heat pump projects. This is subject to change. Please consult the sales representative if you have any questions. The sub-contracted HVAC Installer shouldn't also submit to Energy Solutions (the downstream statewide C&I heat pump rebate processing vendor). The PEX must make the rebate submittal relationship clear when contracting with the customer and the subcontracting installer.

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**20. For the 10% weatherization bonus: if the building is under 8,000 SF and both weatherization and heat pumps go the prescriptive path, is there a way to get the 10% bonus or would a custom weatherization app be required?**

Yes –the 10 percent bonus can be applied regardless of the weatherization pathway/application type. Please contact the National Grid sales representative to confirm project eligibility for the 10% bonus. Also please alert the National Grid sales representative when submitting applications for 10% bonus eligible projects.

**21. Is there any update on preapprovals for HP projects? Can preapprovals include the 10% bonus?**

No update –we are still working on developing a formal preapproval process.

**22. I am working on a project at a church that has a residentially metered electric and natural gas account, is it eligible for the commercial heat pump rebate?**

No. If you encounter a church facility that is on a residential rate code for their electric (if oil/propane/electric resistance existing heat) or natural gas heating account, they are not eligible for the C&I heat pump rebates. They will have to participate via the residential program OR call the billing department to have their account changed to a commercial rate. If they opt to change their account, here are the #s they can call:

- Electric Rate Inquiries/Changes = 1-800-322-3223 (Monday-Friday, 7:00am-7:00pm)
- Gas Rate Inquiries/Changes = 1-800-233-5325 (Monday-Friday 7:00am - 7:00pm)

We don't know if there will be any cost differentials switching from one rate to the other. The customer will have to ask the billing department for a rate comparison.

Please contact ICF at [HVAC@masssave.com](mailto:HVAC@masssave.com) to review the program details as well as review the residential program information [found by clicking here.](#)

**23. Are multifamily projects eligible for heat pump incentives?**

Yes. The metering / rate code configuration at the site will determine the project incentive eligibility. Please contact RISE Engineering, who manages the multifamily program statewide to review the project scope: Matt Piccerelli at [mpiccerelli@RISEngineering.com](mailto:mpiccerelli@RISEngineering.com)

**24. Is there any update on preapprovals for HP projects? Can preapprovals include the 10% bonus?**

Please reference the QPL to ensure any products you plan to install are listed. Then work with the National Grid sales representative and EEA for the customer project to obtain an offer letter.