

### Installer Update–2024 #3 2024-10-13

We highlight below the status of a few policy-related items and the key activities of the HeatSmart Alliance since our July 2024 update.

***MA Building Codes and the EPA Refrigerant Phasedown:*** MA building codes currently prohibit the use of moderately flammable (A2L) refrigerants, yet most heat-pump manufacturers are switching to R-32 or another A2L refrigerant as the EPA phases out R-410A and other HFC refrigerants. The State Legislature ended the 2023 - 2024 session without passing a climate omnibus bill, which was to include a workaround to permit A2L refrigerants in homes and buildings until building codes could be updated. While we understand that the legislature is once again working on this, it's unclear when installers will be able to sell the new products. As of January 2026, the sale or installation of new equipment using R-410A will be prohibited. Even if the necessary legislation were put in place this month, installers would have only 14 months to make the transition. ***If you haven't already, please let your elected representatives know what additional delay would mean for your business and for the MA heat-pump market in general.***

***Alternative Energy Credits:*** Alternative Energy Credits (AEC's) are issued by the MA Department of Energy Resources (DOER) through their [Alternative Energy Portfolio Standard Renewable Thermal program](#). Under this program, residential and commercial building owners who install renewable thermal technologies such as air-source or ground-source heat pumps are eligible to receive compensation based on the environmental benefits provided. The number of AEC's available depends on equipment thermal capacity and efficiency, with a bonus for highly efficient thermal envelopes. Aggregators help home and building owners convert AEC's to cash payments. Small (residential-scale) heat pumps qualify for pre-minting, which means each system owner receives 10 years worth of AEC's in the first quarter they are qualified. Because AEC's are not provided through the Mass Save® program, a system does not have to be installed in a community that participates in Mass Save.

The DOER estimates that a typical 2,000 sq. ft. home would generate 120 AEC's for a qualifying air-source heat pump and 307 AEC's for a qualifying ground-source heat pump. According to one aggregator ([Joe Uglietto](#), President, Diversified Energy Specialists), AEC's are currently trading in the range of \$3 to \$4, down from \$25 in early 2020. Based on current values, AEC's might generate around \$300 to \$500 for an air-source heat pump (or around \$900 to \$1,200 for a ground-source heat pump). Some installers may decide that AEC's aren't worth the hassle for residential air-source heat pumps. Others may conclude that an extra few hundred dollars up front (thanks to pre-minting) may give them a competitive edge, particularly in non-Mass Save communities. Joe notes that there is no deadline relative to installation, leaving plenty of time for the installer and aggregator to apply.

Unfortunately, the DOER's list of eligible heat pumps is not an exact match with the Mass Save Heat Pump Qualified Product List. That said, Joe indicates that the information needed for the

application is pretty much the same as needed for the Mass Save heat-pump rebate application. Joe generally completes applications on behalf of the installers with whom he works, although some prefer to do it themselves. Joe does not recommend that homeowners attempt to submit applications on their own.

***We encourage installers to investigate this incentive and assist homeowners in securing these credits.*** Joe would be happy to talk to any heat-pump installer to explain the details. (We are not specifically endorsing Joe—other aggregators listed on the DOER website may be happy to talk with installers as well.)

***Proposed Changes to Mass Save Rebates:*** The Mass Save Program Administrators have proposed changes to the incentives available for residential heat pumps for 2025 to 2027. While these are still subject to approval by the MA Dept. of Public Utilities, the changes proposed in [The Massachusetts 2025 - 2027 Energy Efficiency and Decarbonization Plan dated Sept. 25, 2024](#) include (for market-rate incentives):

- Air-Source Heat Pump, Partial-Home Rebate:
  - *Tier 1—Replacing central AC:* Changing from \$1,250/ton to \$250/ton
  - *Tier 1—Replacing heat pump or previously unconditioned space:* Changing from \$0 to \$250/ton
  - *Tier 2—Other:* Remains at \$1,250/ton, but with a \$500 bonus for weatherization and a \$500 bonus if the heat pump is sized to meet the full home heating load (does not require disconnecting existing heating system)
- Tier 3—Air-Source Heat Pump, Whole-Home Rebate changing from \$10,000/home to:
  - 2025: \$3,000/ton, capped at \$10,000
  - 2026: \$2,700/ton, capped at \$9,000
  - 2027: \$2,500/ton, capped at \$8,000
- Heat Loan (0% Interest):
  - Reduced from \$50,000 (if heat pumps are installed) to \$25,000
  - Term changing from 7 years to 3 - 7 years (depending on income)
- Ground-Source Heat Pump, Whole-Home Rebate changing from \$15,000/home to:
  - 2025: \$15,000/home (no change)
  - 2026: \$13,500/home
  - 2027: \$12,000/home.

According to one source, Tier 1 is only applicable when there is no displacement of fossil fuel or electric-resistance heating. We hope that point will be clarified in the near future. If it applies to all homes having existing central AC systems, it could impact a large number of customers as it would lower the rebate from \$1,250/ton to \$250/ton for partial-home installations.

***Looking to Hire?*** The [Good Job Metro Boston Coalition](#) (GJMBC) is a federally-funded initiative to help build the regional clean energy workforce. GJMBC partner Franklin Cummings Tech is hosting a virtual student-employer meet greet on **October 17 from 12-1 pm**. The session will include an overview of opportunities for employers to engage with students and dedicated time for networking with students. Students enrolled in Franklin Cumming Tech's Practical Electricity,

HVAC & R, Building Energy Management, and Renewable Energy programs or business students with an interest in working for a clean energy company and [AACA](#)'s Weatherization and Building Energy Efficient Maintenance Skills programs will be attending the session. If you are interested, you can **register** here: [mapc.ma/fctmeetgreet](http://mapc.ma/fctmeetgreet). Please reach out to [ezehner@mapc.org](mailto:ezehner@mapc.org) with any questions.

**Progress Towards Our 2024 Goals (see table below):** Over the summer, we continued to coach homeowners to help them evaluate heat pumps, present an introduction to heat pumps to community groups, update our Heat Load Analysis tool, and otherwise continue our heat-pump promotional activities. The table below summarizes our progress for 2024.

**Progress by the Numbers–2024 Current Status**

Description	2024 Start	Current Status	2024 Goal
Grow No. of Members	109	138	150
Grow No. of Communities Represented	43	52	60
Present/Table at Events	–	28	35
Coach Homeowners*	–	119	200
Train/Mentor New Coaches**	–	27	30

\* Excludes homeowners coached through community-based coaching programs.

\*\* Includes coaches for community-based coaching programs—not just Alliance coaches.

**Question to Installers–Please Reply with your Suggestions:** The Alliance assists community-based, climate-focused organizations in MA by a) providing speakers for heat-pump educational events, and b) helping them establish local coaching programs. **Please provide us with contacts for the local organizations in your service area that might benefit from our support.**

If you have any other questions, comments, or suggestions, please do not hesitate to contact us.

Best regards,  
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**About us:** The [HeatSmart Alliance](#) is a volunteer organization whose mission is to accelerate the adoption of energy-efficient heat pumps in Massachusetts. We focus on air- and ground-source heat pumps, heat-pump water heaters, and weatherization. Our key organizational objectives are:

- Educate residents about heat pumps through community presentations, our website, and other channels
- Facilitate the growth of community-based heat-pump coaching programs
- Inform local, state, and federal government policies.

The Alliance does not accept donations or referral fees from manufacturers or installers.