

Commercial Unitary Incentives for Heat Pump Water Heaters

TECH Clean California is offering substantial incentives direct to contractors to support the installation of heat pump water heaters in California, including commercial and other non-residential projects. Incentives for non-residential customers are currently available in PG&E, SCE and SDG&E service areas. Incentives are available only to TECH Clean California-enrolled contractors. To learn more or sign up, please visit switchison.org/contractors/tech-clean-california

These incentives are only available in retrofit scenarios where a heat pump is replacing a non-heat pump system. Commercial heat pump water heater incentives are only available for electric customers of PG&E, SCE, SDG&E, and SMUD. SMUD customers must also be gas customers of PG&E. Please refer to the [Switch is On Incentive Search Tool](#) (incentives.switchison.org) for updates on commercial incentives by searching your zip code.

“Large Commercial” vs. “Small Business” Incentives

Whether projects qualify for large commercial or small business incentives is based on the installed equipment. Small business projects are those that install equipment that would otherwise qualify for residential TECH Clean California incentives but that are installed at a non-residential business or facility. Large commercial incentives apply to installations of larger commercial water heating systems that don’t meet the residential system criteria.

These two incentive categories also have different installation and enrollment requirements, but in all cases, projects must serve only a single non-residential customer.

Determine which pathway is right for you:

	Small Business	Large Commercial
Equipment Requirements	JA13 compliant and either : <ul style="list-style-type: none"> • NEEA Residential HPWH with EcoPort or • ENERGY STAR® Residential WH Version 4.0 (or later) Connected Product. 	Individually installed: <ul style="list-style-type: none"> • ENERGY STAR Commercial WH Version 2.0 (or later). Ganged-together*: JA13 compliant or ENERGY STAR Commercial WH V 2.0 (or later).
Installation Requirements	Contractor must set the heat pump water heater to follow a time-of-use rate schedule via the manufacturer app.	Installed and operated to shift 5kg CO2/kWh annually.
Enrollment Requirements	Customer must enroll on a time-of-use rate and in a qualified demand response program.	Customer must enroll in a qualified demand response program.

*Ganged-together refers to multiple heat pump water heaters that are plumbed together to serve as one system that meets the hot water needs of a facility.

Please note that for all project types, installations must include a thermostatic mixing valve (either integrated or added on).

Incentives

Customer Class	Unitary Heat Pump Water Heater Incentive	Low-GWP Kicker*	Max Incentive per Project
Small Business	\$3,100/unit	\$1,500/unit	N/A
Large Commercial	\$700/kWh**	\$200/kWh	\$50,000

*The low-GWP kicker applies to HPWHs that use refrigerants with a global warming potential (GWP) of 150 or less.

**Incentive dollar amount is per kWh of energy storage capacity. Large commercial incentive applicants must propose the energy storage capacity of an individual system for program review.

Please note, commercial projects are not eligible for electrical upgrade incentives at this time. Incentives can be stacked with other federal, state or local incentives or tax credits.

Resources:

To learn more about the details of the program and application requirements, visit techcleanca.com/incentives/commercial/.



These funds are available for **TECH Clean California-enrolled** contractors. To enroll into TECH Clean California, please scan the QR code for the Switch is On's enrollment form.

For any additional questions, please reach out to **TECH.info@energy-solution.com**.



This is a great time for Californians to make the switch to heat pump water heaters. Make sure you are ready to help customers make the switch.

Energy Costs and Energy Use: It's important for you to know that by switching to a heat pump you may or may not see savings on your energy bill. Please visit techcleanca.com/hpwh-energy-costs to learn more about the factors to consider when upgrading to a heat pump and how to help lower your energy bill.



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