

# Contractor Connect

for participating contractors

The latest:

## 2025 HVAC Program Updates

Hello Contractors!

Thank you for making 2024 another successful year! You continue to be a pivotal partner in our rebate programs, and we look forward to working with you again in 2025. As we head into the new year, we have some updates to share regarding the **Cold Climate Air Source Heat Pump rebate requirements** as well as information about a **new program we are developing for income-eligible customers**. We hope you have a wonderful holiday season and a Happy New Year!

As always, please reach out with any feedback, suggestions, or questions.

Thank you,

Jon Sullivan and Chelsea Russell  
Minnesota Power/ALLETE

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**2025 Cold Climate Air Source Heat Pump Rebate  
Requirements**

Effective January 2025, the 25C Tax Credit heat pump requirements are changing. These changes will expand the number of qualified ductless air source heat pumps (ASHP) but will also raise the specification minimums for ducted systems, making them harder to qualify. Because of these increased minimums for ducted systems, Minnesota Power is seeking approval from the Department of Commerce to adjust our cold climate ducted ASHP specification requirements to ensure customers will continue to have similar access to our rebates as they have in the past. While we wait for formal approval, we will use the following criteria to determine eligibility. We will follow up with official rebate requirements once approvals are received.

#### Minnesota Power Cold Climate DUCTLESS Rebate Requirements:

Systems must meet the new 2025 25C Tax Credit minimums for HSPF2, SEER2 and COP @ 5°F.

This results in a decrease to HSPF2 compared to 2024 and should allow more systems to qualify for our Cold Climate rebate.

2025 Cold Climate DUCTLESS Requirements	HSPF2	SEER2	COP @ 5°F	Capacity: 5°F/47°F
Proposed Minnesota Power Rebate Requirements <i>These will be the specifications used while waiting for formal approval.</i>	≥8.5	≥16	≥1.75	NA
2025 25C Tax Credit Requirements	≥8.5	≥16	≥1.75	≥60%

#### Minnesota Power Cold Climate DUCTED Rebate Requirements:

Systems must meet the 2024 25C Tax Credit minimums for HSPF2, SEER2 and COP @ 5°F.

The HSPF2 and SEER2 minimums for the 2025 25C Tax Credit requirements for ducted systems are increasing. This will impact eligibility for some systems that Minnesota Power rebated in 2024. We have decided to carry over our 2024 requirements during the transitional grace period while we wait for formal approval from the Department of Commerce. This will ensure that the systems eligible for the cold climate rebate in 2024 will still qualify in 2025. However, **we recommend that moving forward you explore models that will qualify for the 2025 25C Tax Credit** so our mutual customers can receive Minnesota Power's incentive as well as the tax credit.

2025 Cold Climate DUCTED Requirements	HSPF2	SEER2	COP @ 5°F	Capacity: 5°F/47°F
Proposed Minnesota Power Rebate Requirements <i>These will be the specifications used while waiting for formal approval.</i>	≥8.1	≥15.2	≥1.75	NA
2025 25C Tax Credit Requirements	≥8.5	≥16	≥1.75	≥60%

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## New Program Coming in 2025: Eco Connect Direct Pay

Many customers in Minnesota Power's service territory who would benefit the most from energy-efficient upgrades are often unable to take part because of the high upfront cost of these technologies. Minnesota Power is excited to announce a new program opportunity that partners our Energy Partners Income-Qualified program with the Participating Contractor Network – Eco Connect Direct Pay – **to provide installations of energy-efficient equipment to eligible customers free of charge.**

The purpose of this program is to help income-qualified customers save money on their electric bills by helping them install energy-saving equipment such as Air Source Heat Pumps (ASHP), Heat Pump Water Heaters (HPWH) and programmable thermostats. Minnesota Power would cover the full cost of the installation, paying the contractor directly for the work they provide.

We are still designing this program, making sure to prioritize efficiency for all parties involved. We expect to reach out to find interested contractors in early 2025. Candidates for installation of energy-efficient equipment are identified via home energy audit. Contractors who opt-in to the Eco Connect Direct Pay network will have the opportunity to receive information on these candidates' properties and submit a bid on installation(s). Once a contractor is selected and the work is complete, Minnesota Power will pay the contractor directly.

We will follow up with more information about this opportunity, including how projects will be sent out, what the bidding process looks like, and how bids are selected in the future, but we wanted to make sure you're aware that the opportunity is coming.

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## 2025 Program Year Kickoff Virtual Meeting

We will be hosting a virtual 2025 Kick-Off meeting to discuss the changes coming in 2025 and to provide time for you to ask any questions. We will be holding this meeting on **Thursday, January 9th at 10am.**

More information and invites will come shortly.

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## Save the Date for Energy Design Concepts!

Energy Design Concepts (EDC) is back on **February 18-19, 2025!** The Energy & Environmental Building Alliance (EEBA) will be returning to the DECC in Duluth, MN for two days of training. For more information, including course descriptions, visit: [www.duluthenergydesign.com](http://www.duluthenergydesign.com).

Registration will open soon. Stay tuned to the website for more details. Continuing education credits will be available.



Need help?

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Or

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