

Contractor Connect

for participating contractors

The latest:

Big Changes in 2024!

Hello contractors! Happy New Year!

We appreciate everyone that could join us at the in person and virtual update meetings we held last year. Minnesota Power is making some big changes in 2024. To be sure that we communicate these updates to everyone we will provide a summary here and will send a letter soon that provides an overview of all the program and incentive changes.

For those of you that were unable to attend either of our update meetings, you can find full recordings on our contractor HVAC Portal [here](#).

And as always, feel free to contact us if you have any questions.
Thank you!

Jon Sullivan and Chelsea Russell

Air Source Heat Pump (ASHP) Updates

Air Source Heat Pump rebates have played a big role in our energy conservation programs. Your efforts on explaining the benefits to customers has been critical in that success. We anticipate that Air Source Heat Pump adoption will continue to grow as

new funding becomes available which is why we made some updates to make our rebates simpler and aligned with federal incentives.

What has changed?

- **Cold Climate Air Source Heat Pumps: We no longer have existing heating requirements.**

In previous years our Cold Climate Ductless rebate required that the home had existing electric heat or was new construction. With the anticipated increase in interest, we wanted to remove that requirement to make it easier to understand rebate eligibility.

- **Cold Climate Air Source Heat Pumps: Aligned system requirements with 25C Tax Credit.**

For the prior three years we required systems be listed on the [NEEP Cold Climate Lookup site](#) to be eligible for our largest rebate. At the time this was the best resource for identifying systems that would operate best in our region. Now that the \$2,000 tax credit is available, we wanted to align our requirements to make it easier to identify equipment that qualifies for both incentives. The NEEP Cold Climate Lookup site is still very useful as it houses flags for tax credit eligibility – just look for a green check mark next to Federal Tax Credit Eligibility **North** on the product's NEEP listing.

ASHP Rebate Summary:

Product	Requirements	Rebate Amount
Air Source Heat Pump - Ducted	HSPF2 ≥ 7.8 (HSPF ≥ 9.2), SEER2 ≥ 15.2 (SEER ≥ 16)	\$400
	Must meet 2023 ENERGY STAR® specifications	
Air Source Heat Pump - Ductless	HSPF2 ≥ 7.8 (HSPF ≥ 8.7), SEER2 ≥ 15.2 (SEER ≥ 15.2)	\$400
	Must meet 2023 ENERGY STAR® specifications	
Cold Climate Air Source Heat Pump - Ducted	Must meet 25C Energy Efficient Home Improvement Credit heat pump requirements.	\$1,000
Cold Climate Air Source Heat Pump - Ductless	Must meet 25C Energy Efficient Home Improvement Credit heat pump requirements.	\$1,000

Ground Source Heat Pump (GSHP) Updates

Minnesota Power has seen an increase in Ground Source Heat Pump rebate participation. We are encouraged to see many customers take advantage of our MNGHPA Master Installer enhanced incentive and anticipate seeing continued growth with improvements to tax incentives. Our previous GSHP rebate addressed

space heating and cooling. However, we didn't recognize the potential domestic hot water benefits.

What was added?

- *GSHP Desuperheater: Minnesota Power now offers a \$400 rebate for Desuperheaters installed with GSHP systems.*

GSHP Rebate Summary:

Product	Requirements	Rebate Amount
Ground Source Heat Pump	Must meet 2012 ENERGY STAR® specifications; Requires existing electric heat or new construction; New and replacement systems are eligible; Max rebate up to 50% of the total installation cost.	Master System Installer certified through MNGHPA: \$1000/Ton
		Non-Master System Installer certified contractors: \$800/Ton
Ground Source Heat Pump Desuperheater	Must be new construction or replacing existing electric water heater.	\$400

NEW: Air-to-Water Heat Pump Rebate

Hydronic heating is extremely popular in our region. To date, the only electric option would be a traditional electric resistance boiler. Often Air Source Heat Pumps would then be used for supplemental heating and air conditioning. However, Minnesota Power has seen increased interest from customers who are looking for a higher efficient electric hydronic heating options. Air-to-Water Heat Pumps have been around for years, but awareness and availability has been limited. Recently, we have seen more manufacturers adding these systems and we think the timing was right to offer a rebate. You can find a list of qualified systems on our main website and HVAC portal.

Air-to-Water Heat Pump Rebate Summary:

Product	Requirements	Rebate Amount
Air-to-Water Heat Pump	Must have a 1.7 or greater Coefficient of Performance (COP) at an A5W110. Must be new construction/addition or replacing an electric heat source.	\$400/ton

Remaining Rebate Updates

What has stayed the same?

Product	Requirements	Rebate Amount
Smart Thermostat - Low Voltage	Thermostat allowing remote control from phone or computer. Must control an electric heat source. Limit one per household (Residential only).	\$50
Smart Thermostat - Line Voltage	Thermostat allowing remote control from phone or computer. Only controls electric heat sources.	\$50
Programmable Thermostat - Line Voltage	Non-internet connected thermostat enables pre-set heating schedules. Only controls electric heat sources.	\$20
Air Source Heat Pump Tune-Up	May be performed once every two years. Requires filter change and coil cleaning.	\$25

What has changed?

- **We have decreased the ECM- Circulator rebate to \$100 (previously \$200).** This change was informed by evaluating equipment we have incentivized over the years. Most of the ECMs we rebated were small and the rebate was disproportionally too high. This updated incentive is better aligned with the equipment we see.

Product	Requirements	Rebate Amount
ECM - Circulator Pump	Must be variable speed and < 1hp.	\$100

What is new?

- **Energy/Heat Recovery Ventilator (ERV/HRV):** ERV/HRV systems are becoming more popular with tighter homes in new construction and weatherization projects. These systems provide material energy savings to customers, and it warranted a rebate.
- **Smart Thermostat/Adapter- ASHP:** We offered rebates for low and high voltage thermostats, and these addressed most customer needs. However, we encountered several instances where customers wanted to add smart controls to their Ductless systems. Based on the requirements of our rebates, customers with multiple indoor units would only be eligible for one rebate per home. This rebate was created to address this scenario. This rebate applies to customers

that add Wi-Fi capabilities via an adapter or smart thermostats designed to control ductless systems.

New Rebate Summary:

Product	Requirements	New Rebate Amount
Energy/Heat Recovery Ventilator	Must meet ENERGY STAR® specifications and serve the entire conditioned space of the home. Home must have electricity as primary heating source.	\$300
Smart Thermostat/Adapter - ASHP Ductless	Specific for ductless heat pump systems allowing remote control from phone or computer.	\$50

What was removed?

- **ECM Replacement Motor rebates are no longer available.** This rebate applied to replacement ECM blower motors in existing furnaces. We saw very limited participation and with new furnaces coming standard with ECMs, the time was right to move away from incentivizing them. We are very open to feedback if you feel that this rebate is needed.

Contractor Incentive (Spiff) Updates

Minnesota Power offers Contractor Incentives as a thank you for promoting energy efficient products and rebates. We made some adjustments to recognize projects where multiple systems were installed. These incentives will apply for both Residential and Commercial installations.

- **\$100: Air Source Heat Pumps** (Ducted/Ductless)
 - \$25 for each additional condenser installed at a property.
- **\$300: New Ground Source Heat Pumps**
 - Replacement systems do not qualify.

Contractor HVAC Portal

You can find the following resources on our Contractor HVAC Portal:

<https://www.mnpower.com/hvacportal>

- Updated Residential and Commercial Rebate Summaries
- Updated Electronic and Printable Rebate Forms
- 25C Tax incentive lookup tools
- Recordings of our previous trainings and updates
- Contractor Lookup Tool information
- Cooperative Advertising Resources

You're Invited: 2024 Energy Design Concepts (EDC)

Minnesota Power is gearing up for its first Energy Design Concepts event in February. Formerly known as the Energy Design Conference, the event has been renamed and reimagined with a more focused agenda while continuing to emphasize energy efficiency best practices and new technologies.

In addition to Energy Design Concepts, Minnesota Power will also continue to support other training and will partner with similar conferences in our region.

The first **Energy Design Concepts** will take place on Feb. 20 & 21, 2024 at the Duluth Entertainment Convention Center. Andrew Oding, instructor with the Energy and Environmental Building Alliance, will present two days of advanced building science education.

- Feb. 20 – [EEBA Houses That Work, Andrew Oding](#)
 - Tuesday evening reception with BS* and Beers crew (*Building Science)
 - 4:30pm
- Feb. 21 – [EEBA Retrofits that Work, Andrew Oding](#)

Registration fee is \$120/day or \$\$200/both days. Continuing Education Credits are available. See website for more details: <http://www.duluthenergydesign.com/>

We hope to see you there! Click [here](#) to register for the 2024 Energy Design Concepts event!



Need help?

Contact Jon Sullivan, Tel: 218-393-5059/Email: jtsullivan@mnpower.com.

Or

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