HEAT PUMPS PRESCRIPTIVE REBATES

INFORMATION SHEET
COLORADO

BUSINESS

Xcel Energy®

Our rebates help to offset the initial cost of energy-efficient equipment and quality installation. A high-efficiency heat pump could save your business money on future bills.

Please see the commercial heat pump rebate application for full list of rules and requirements.

Heat Pump Rebate Chart		
Equipment	**Criteria Heat Pumps**	**Rebate Amount**
Air Source Heat Pump < 5.4 tons	15+ SEER, 11.5+ EER, 9+ HSPF	$1,700
Cold Climate Air Source Heat Pump	18+ SEER, 11.5+ EER, 9+ HSPF	$2,200
Ground Source Heat Pump	14.1+ EER	$600/ton
Varibable Refrigerant Flow (VRF) Heat Pump	15+ SEER, 11.5+ EER, 9+ HSPF	$1,700
Dual Fuel RTUs		
< 5.4 tons	13.7+ SEER, 10.05+ EER	$1,150
5.4 - 11.3 tons	12.2+ SEER, 11.3+ EER, 3.0+ COP@47F or 15+ IEER and 3.0+ COP@47F	$2,230
11.4 to 19.9 tons	12.1+ SEER, 11.1+ EER, 2.9+ COP@47F or 15+ IEER and 2.9+ COP@47F	$3,520
20 to 63.3 tons	12+ SEER, 10.9+ EER, 2.8+ COP@47F or 14.1+ IEER and 2.8+ COP@47F	$6,280
63.3 and over tons	12+ SEER, 10.9+ EER, 2.7+ COP@47F or 14.1+ IEER and 2.7+ COP@47F	$16,760
Heat Pump (HP) Water Heaters		
Light Commercial HP Water Heater	2.8+ UEF	$600
Light Commercial HP Water Heater Tier 2	3.5+ UEF	$900
Commercial HP Water Heater over 30,000 BTU	3+ UEF or 4.2+ COP	$2,000
Smart HP Water Heater Adder	Demand Response Enabled	$200
Mini split heat pumps, water source heat pumps, and packaged terminal heat pumps are rebated at the distributor level with a pass down incentive.		

What is a heat pump?

Heat pumps utilize a small amount of energy to transfer heat from one location to another. They use the ambient heat or cool air from the ground, or water sources to heat or cool businesses and homes. Heat pumps employ a refrigerant to absorb heat from a low-temperature source. The heat pump system includes a compressor, evaporator, condenser, and expansion valve. The refrigerant courses through these elements, soak up and then distributing heat as it completes the process.

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There are several different types of heat pumps

- The most common type of heat pump, the air-source heat pump, utilizes the outdoor air to transfer heat between indoors and outdoors. They are often the most affordable easy to install heat pump unit, but extreme cold weather conditions could impact their performance, unless you purchase a low-temperature capable model.

Water-source heat pumps extract heat from sources like wells, lakes, or ponds. They require an independent water loop system.

Ground-source, or geothermal, heat pumps transfer heat from the ground. The most efficient and reliable type of heat pump, ground-source pumps generate consistent cooling or heating, regardless of the outside temperature. The downside of ground-source heat pumps is the higher upfront installation cost, and they require a separate water loop.

Heat pump benefits

Heat pumps have proven to be a more environmentally friendly options for both businesses and homes. Heat pumps have the following benefits:

- Heat pumps are better for the environment because they do not rely on fossil fuels, they utilize renewable energy sources, they continually cleaning the energy grid, and they will reduce the business's carbon footprint. Heat pumps transfer heat rather than generate it, which makes them more efficient than furnaces.
- Data shows that ground source heat pumps are three times more energy efficient than gas furnaces, and air-source heat pumps improve energy efficiency by 50%.*
- Heat pumps are multipurpose, generating heating and cooling, making heat pumps the more convenient option for businesses.
- Heat pumps can help to improve indoor air quality by reducing the amount of outdoor air that needs to be brought in to maintain a comfortable temperature.
- City and federal incentives may be available for customers which utilize heat pumps.
- Heat pumps are long-lasting, with a lifespan of 20-plus years.
- In Denver, Colorado, heat pumps help to align with and support the "Energize Denver" goals.

For more information about our programs and services for business customers, please contact your account manager or our Business Solutions Center at **855-839-8862**, or **EnergyEfficiency@xcelenergy.com**. Be sure to look at the program application for qualifying options.

*Sources: Heat Pump vs. Furnace: Which Heating System Is Right For You? - Trane®; Pump Up Your Savings with Heat Pumps | Department of Energy

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