HVAC Incentives

What's eligible?

Energy Efficiency

- **$80/ton** for energy efficient HVAC like-for-like equipment replacements such as unitary A/C and heat pumps.
- **$175/ton** for energy efficient cooling replacements AND/OR facility expansion and new installation with unitary A/C units that meet Advanced Tier efficiencies.
- **$250/ton** for energy efficient replacements AND/OR facility expansion and new installation with VRF and dual fuel heat pumps.

Requirements for Eligibility

- Eligible technologies are VRF heat pumps, unitary heat pumps, dual fuel heat pumps, PTACs and unitary A/C units.
- New heat pumps with backup electric resistance heat are only eligible when replacing existing systems with backup electric resistance heat.
- All Non-CEE Advanced Tier HVAC units must exceed deemed program efficiency requirement tables on pages 3 and 4. Any CEE Advanced Tier HVAC units must meet or exceed deemed program efficiency requirement tables on page 4. Equipment must exceed only one of the efficiency categories listed in the efficiency standards tables, based on the size of the unit.
- For VRF projects, grouped condenser tonnage can be used to calculate the incentive.

If equipment is installed PRIOR to Online Application:

- Application must be signed and submitted within 60 days of the HVAC unit(s) operational date based on required project documentation (warranty information, invoices, spec sheets, etc.) uploaded to the Online Application (OLA).

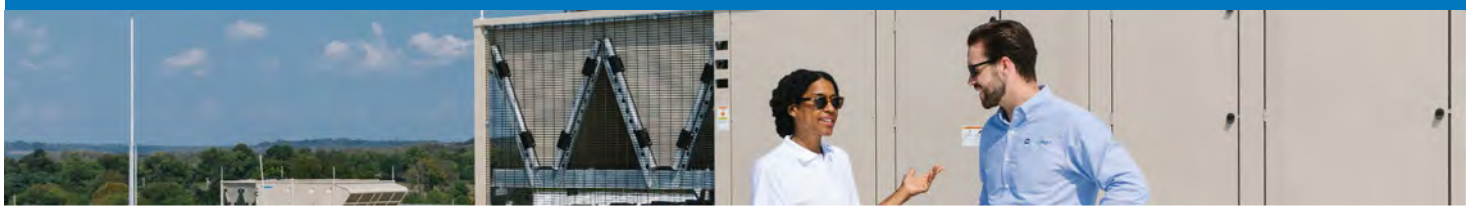
If equipment is installed AFTER Online Application:

- An estimated completion date will be entered in the OLA and the customer will receive application approval communication with an estimated incentive.
- Equipment may be purchased and installed prior to the approval communication.
- Spec sheets are required to be uploaded with the OLA.
- Once installed and fully operational, equipment invoices must be submitted within 30 days.

Rules & Guidelines

- Pre-approval IS NOT required before you purchase or install new HVAC units.
- Projects may require pre and post inspections.
- Incentives are capped at 70% of material cost.
- Projects must meet the Standard minimum incentive requirement of $150.00.
- Must submit complete lists of spec sheets, unit sizes and scope of work with the application.
- Invoices and equipment startup documentation required for project completion.
- Applications much be submitted by a member of the Preferred Partners Network (PPN) OR encourage your contractor to become a PPN member: https://energyright.com/business-industry/become-a-member/.
- The Department of Energy (DOE) has changed the way some HVAC systems are tested. New testing procedures for equipment less than 5-tons have a SEER2 designation. Applicants can meet either the SEER or SEER2 requirement where applicable.
- Additional program rules apply. For more information, please visit: https://energyright.com/business-industry/incentives/applying-for-incentives/.

HVAC Incentives



HVAC Replacement Scenarios

Energy Efficiency Replacement Scenarios

Existing Equipment	Recommended Replacement	Like for Like	New Install or Expansion	Eligible	Incentive Value ($/ton)
VRF Heat Pumps (w/ electric resistance heat backup)	VRF Heat Pumps (w/ electric resistance heat backup)	Yes	No	Yes	$80
VRF Heat Pumps (w/ electric resistance heat backup)	VRF Heat Pumps (w/o electric resistance heat backup)	Yes	No	Yes	$80
VRF Heat Pumps (w/o electric resistance heat backup)	VRF Heat Pumps (w/o electric resistance heat backup)	Yes	No	Yes	$80
Dual Fuel Heat Pumps	Dual Fuel Heat Pumps	Yes	No	Yes	$80
Unitary Heat Pumps (w/o electric resistance heat backup)	Unitary Heat Pumps (w/o electric resistance heat backup)	Yes	No	Yes	$80
Unitary Heat Pumps (w/ electric resistance heat backup)	Unitary Heat Pumps (w/o electric resistance heat backup)	Yes	No	Yes	$80
Unitary Heat Pumps (w/ electric resistance heat backup)	Unitary Heat Pumps (w/ electric resistance heat backup)	Yes	No	Yes	$80
Unitary A/C Units	Unitary A/C Units	Yes	No	Yes	$80
Unitary A/C Units	Unitary A/C Units (Advanced Tier)	Yes	Yes	Yes	$175
Unitary A/C Units (w/ electric resistance heat)	Unitary Heat Pumps (w/ electric resistance heat backup)	Yes	No	Yes	$80

Electrification Replacement Scenarios

Existing Gas Heat	Dual Fuel Heat Pumps	No	No	Yes	$250
Existing Gas Heat	VRF Heat Pumps (w/o electric resistance heat backup)	No	No	Yes	$250
New Installation or Expansion	VRF Heat Pumps (w/o electric resistance heat backup)	No	Yes	Yes	$250
New Installation or Expansion	Dual Fuel Heat Pumps	No	Yes	Yes	$250

Ineligible Replacement Scenarios

VRF Heat Pumps (w/o electric resistance heat backup)	VRF Heat Pumps (w/ electric resistance heat backup)	Yes	No	No	-
Unitary Heat Pumps (w/o electric resistance heat backup)	Unitary Heat Pumps (w/ electric resistance heat backup)	Yes	No	No	-
Unitary A/C Units w/Gas Heat	Unitary Heat Pumps (w/ electric resistance heat backup)	Yes	No	No	-
Existing Gas Heat	VRF Heat Pumps (w/ electric resistance heat backup)	No	No	No	-
New Installation or Expansion	VRF Heat Pumps (w/ electric resistance heat backup)	No	Yes	No	-

HVAC Efficiency Requirements

TVA EnergyRight for Business & Industry

VARIABLE REFRIGERANT MULTI-SPLIT HEAT PUMPS

Size (Btu/h)	System Type	Minimum Efficiency Levels					
		SEER	SEER2	IEER	COP*	HSPF	HSPF2
< 65,000 Btu/h (single-phase)	Multi-split System	14	13.3			8	6.8
≥ 65,000 Btu/h and < 135,000 Btu/h				14.1	3.4		
≥ 135,000 Btu/h and < 240,000 Btu/h				13.5	3.3		
≥ 240,000 Btu/h and < 760,000 Btu/h				12.5	3.2		

UNITARY HEAT PUMPS

Size (Btu/h)	System Type	Minimum Efficiency Levels					
		SEER	SEER2	IEER	COP*	HSPF	HSPF2
< 65,000 Btu/h (single-phase)	Split System	14	13.3			8	6.8
	Single Package	14	13.3			8	6.7
≥ 65,000 Btu/h and < 135,000 Btu/h	Split System & Single Package			14.1	3.4		
≥ 135,000 Btu/h and < 240,000 Btu/h				13.5	3.3		
≥ 240,000 Btu/h and < 760,000 Btu/h				12.5	3.2		

PACKAGED TERMINAL HEAT PUMPS & AIR CONDITIONERS (PTHP/PTAC)

Capacity (Btu/h)	Minimum Efficiency Levels	
	EER	COP
6,000	11.9	3.3
7,000		
8,000	11.6	
9,000	11.3	3.2
10,000	11	
11,000	10.7	3.1
12,000	10.4	
13,000	10.1	3.0
14,000	9.8	
15,000	9.5	2.9
16,000		
17,000		
18,000		

All Non-CEE Advanced Tier HVAC units must exceed deemed program efficiency requirement tables on pages 3 and 4. Any CEE Advanced Tier HVAC units must meet or exceed deemed program efficiency requirement tables on page 4.

Equipment must exceed only one of the efficiency categories listed in the efficiency standards tables, based on the size of the unit.

All equipment must meet AHRI standards (210/240, 320 or 340/360), be listed by a Nationally Recognized Testing Laboratory (ETL, UL, etc.), and use a minimum ozone depleting refrigerant (e.g., HCFC or HFC).

*Many heat pumps list two COP ratings: one which applies to an outdoor temperature of 47° Fdb and 43° Fwb and another which applies to an outdoor temperature of 17°Fdb and 15°Fwb. The COP stanard listed in the table applies only to the COP rating at an outdoor temperature of 47°Fdb and 43°Fwb.

HVAC Efficiency Requirements

TVA EnergyRight for Business & Industry

UNITARY A/C UNITS

Size (Ton)	Size (kBtu/h)	System Type	Minimum Efficiency Levels		
			SEER	SEER2	IEER
< 3.75	< 45	Split System	14	13.3	
< 3.75	< 45	Single Package	14	13.4	
≥ 3.75 to < 5.4	≥ 45 to < 65	Split System & Single Package	14	13.4	
≥ 5.4 to < 11.25	≥ 65 to < 135				14.8
≥ 11.25 to < 20	≥ 135 to < 240				14.2
≥ 20 to < 63.3	≥ 240 to < 760				13.2
≥ 63.3	≥ 760				12.5

UNITARY A/C UNITS - CEE ADVANCED TIER

Size (Ton)	Size (kBtu/h)	System Type	Minimum Efficiency Levels			
			SEER	SEER2	IEER	EER
< 5.4	< 65	Split System	18	17.1		13
< 5.4	< 65	Single Package	17	16.3		12.5
≥ 5.4 to < 11.25	≥ 65 to < 135	Split System & Single Package			18	12.6
≥ 11.25 to < 20	≥ 135 to < 240				17	12.2
≥ 20 to < 63.3	≥ 240 to < 760				14.5	10.8

All Non-CEE Advanced Tier HVAC units must exceed deemed program efficiency requirement tables on pages 3 and 4. Any CEE Advanced Tier HVAC units must meet or exceed deemed program efficiency requirement tables on page 4.

Equipment must exceed only one of the efficiency categories listed in the efficiency standards tables, based on the size of the unit.

All equipment must meet AHRI standards (210/240, 320 or 340/360), be listed by a Nationally Recognized Testing Laboratory (ETL, UL, etc.), and use a minimum ozone depleting refrigerant (e.g., HCFC or HFC).