

**EFFICIENCY MAINE**

**COMMERCIAL & INDUSTRIAL PRESCRIPTIVE INITIATIVES**

**FUNDING OPPORTUNITY NOTICE (FON)**

**Assisted Housing Retrofits  
CIPI FON-018-2024**

**Opening: May 6, 2024**

**Application Deadline: November 30, 2024**

**Project Completion Deadline: November 30, 2025**



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## **SECTION 1: OVERVIEW AND INSTRUCTIONS**

### **1.1 Purpose**

Through this Funding Opportunity Notice (FON or “opportunity”) Efficiency Maine is seeking applications for energy efficiency projects involving heating, ventilation, and air conditioning (HVAC) and water heating in Maine’s assisted housing facilities. This initiative falls under Efficiency Maine’s Commercial and Industrial Prescriptive Initiatives (CIPI) and is referred to as the Assisted Housing Retrofits Funding Opportunity Notice. This initiative offers higher incentives than typically provided under the CIPI, with the intent to accelerate the conversion to whole building high-efficiency air-source heat pump HVAC equipment in assisted housing facilities across the state.

### **1.2 Eligible Facilities**

- 1.2.1 For the purposes of this FON, **“Assisted Housing Program”** means an independent housing with services program, an assisted living program or a program of housing and services provided by an assisted living program, residential care facility or private non-medical institution.

1.2.1.1 . **“Assisted Housing Services”** means the provision by an assisted housing program of housing, activities of daily living and instrumental activities of daily living, personal supervision, protection from environmental hazards, meals, diet care, care management and diversional or motivational activities.

1.2.1.2 For further information as it pertains to eligibility, refer to the Maine Department of Health and Human Services, Division of Licensing and Regulatory Services: 10-144 Chapter 113: Regulations Governing the Licensing and Function of Assisted House programs: Level II, Level III, and Level IV Private Non-Medical Institutions (PNMI).

- 1.2.2 Ineligible Buildings Spaces include:
- Long-Term Care facilities covered by the [Long-Term Care FON-011-2023](#).
  - Hospitals
  - Independent living facilities
  - 55-and-older living facilities
  - Adult day services facilities

Other facility types that are not eligible through this FON may qualify for other Efficiency Maine incentives. [Click here](#) for more information on other commercial and industrial incentives.

### **1.3 Funding Description**

This FON provides enhanced incentives for qualifying projects to upgrade HVAC systems in assisted housing facilities. The chart below has incentive information on the qualifying equipment and see section 2.9 for a description of the criteria used to determine which equipment (or “measures”) qualifies for these incentives.

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Single- or Multi-Zone Heat Pumps			
Zone	Min. HSPF	Min. HSPF2	FON Incentive
1	12.5	9.5 ductless/8.1 ducted	\$1,800/unit
2	10.0	8.5	\$2,200/unit
3			\$2,600/unit
Heat pump retrofit projects must be sized and configured, informed by the current heating system capacity or a Manual J calculation. The heat pump must be configured as the primary heating system. Buildings that heat with natural gas are not eligible. <b>Incentives are capped at 85% of invoiced project cost.</b>			

Energy Recovery Ventilators (ERV)		
Measure Code	Sensible Heat Recovery	FON Incentive
ERV	≥ 55% to < 65%	\$2.25/CFM
	≥ 65% to < 75%	\$2.50/CFM
	≥ 75% to < 85%	\$2.75/CFM
	≥ 85%	\$3.00/CFM
CFM is Cubic Feet Per Minute. <b>Incentives are capped at 90% of total material costs (without labor).</b>		

Variable Refrigerant Flow (VRF) Systems				
Measure Code	Measure	Cooling Capacity Btu per Hour	Criteria (SEER, IEER or HSPF2)	Incentive
VRF	Single-Phase VRF Air-Cooled Heat Pump <u>with or without</u> Heat Recovery	< 65,000	≥ 10 HSPF or 9 HSPF2	\$12.00/sq.ft.
	VRF Air-Cooled Heat Pump <u>without</u> Heat Recovery	≥ 65,000 and < 135,000	≥ 2.3 COP	\$15.00/sq.ft.
		≥ 135,000 and < 240,000	≥ 2.1 COP	
		≥ 240,000	≥ 2.1 COP	
	VRF Air-Cooled Heat Pump <u>with</u> Heat Recovery	≥ 65,000 and < 135,000	≥ 2.3 COP	\$18.00/sq.ft.
		≥ 135,000 and < 240,000	≥ 2.1 COP	
		≥ 240,000	≥ 2.1 COP	
VRF system must be configured as the primary heating system and will meet the required building heating load. <b>Incentives are capped at 90% of invoiced project costs.</b>				

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<b>Heat Pump Rooftop Units (Ventilation)</b>			
<b>Heating Section of Existing System (MBh)</b>	<b>Required Heat Pump RTU* Heating Capacity (MBh)</b>	<b>Minimum Required Efficiency Criteria (Heating)</b>	<b>Incentive per Unit</b>
60-80	24	8.5 HSPF or 7.2 HSPF2	\$5,000
81-120	36		\$8,000
121-160	48	2.0 COP	\$10,000
161-200	60		\$15,000
201-300	90		\$20,000
301-400	120		\$25,000
401-450	132		\$25,000

Heat Pump Rooftop Units must be sized and configured to serve the whole building, or whole zone. \*Heating Capacity at 17°F. RTU must be all electric including supplemental heat. **Incentives are capped at 85% of invoiced project cost.**

<b>Package Terminal Heat Pumps</b>		
<b>Measure Code</b>	<b>Heating Capacity Btu per Hour</b>	<b>FON Incentive</b>
PTHP	< 7,000	\$690
	≥ 7,000 and ≤ 15,000	\$720
	> 15,000	\$770

Incentives are capped at 90% of total material costs (without labor).

<b>Vertical Packaged Terminal Heat Pumps</b>		
<b>Measure Code</b>	<b>Heating Capacity Btu per Hour</b>	<b>FON Incentive</b>
VPTHP	< 7,000	\$1,100
	≥ 7,000 and ≤ 15,000	\$1,350
	> 15,000	\$1,600

Incentives are capped at 90% of total material costs (without labor).

<b>Heat Pump Water Heater Systems</b>		
<b>HPWH Integrated Storage - Gallons</b>	<b>Minimum Qualifying Efficiency Criteria</b>	<b>Incentive</b>
80	ENERGY STAR®	\$2,800
120	ENERGY STAR®	\$4,000
Split-system with 80 gallon minimum	ENERGY STAR®	\$4,000

Incentives are capped at 90% of total material costs (without labor).

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### 1.4 FON Schedule

Efficiency Maine will accept applications for the Assisted Housing Retrofits FON from May 6, 2024, through November 30, 2024, or until funding has been exhausted. The CIPI team will review the applications and issue incentive offers in the form of a pre-approval offer email to applicants who meet the criteria within this FON, and as funding allows.

FON Schedule	
FON Issue Date:	May 6, 2024
Rolling Application Period:	May 6, 2024 – <b>November 30, 2024</b>
<b>Project Completion Deadline:</b>	<b>November 30, 2025</b>

\*Or until funding has been exhausted

### 1.5 FON Informational Webinars

Efficiency Maine will conduct three webinar presentations to inform interested parties on the specifics of this FON. It is not mandatory, but recommended, that applicants attend. The webinar schedule appears below. To participate in a webinar presentation, register using the link for your desired date.

- Tuesday May 21, 2024, at 8:00 AM - [TO REGISTER, CLICK HERE](#)
- Thursday May 23, 2024, at 12:00 PM - [TO REGISTER, CLICK HERE](#)
- Wednesday May 29, 2024 at 8:30 AM - [TO REGISTER, CLICK HERE](#)

### 1.6 Project Development

Efficiency Maine offers a virtual building consultation service if you're not sure what energy efficiency solutions may exist in your building. If you wish to take advantage of this no-cost, no obligation service, [click here](#) and we will contact you to set up a time to discuss solutions best suited for your building.

### 1.7 Design Guidance for Air-Source Heat Pump (ASHP) Systems

Efficiency Maine requires all new ASHP systems to meet the whole building heat load requirements. The following guidance is provided to assist in properly designing ASHP systems to ensure building occupants are comfortable through Maine's heating season.

Step One: Calculate the Manual J heating requirement for each apartment OR determine the current heating system heating capacity. The whole building must be part of this calculation.

Step Two: Use the output of the Manual J or the current heating system heating capacity to design the new heat pump system:

- If using the current heating system heating capacity, the proposed ASHP design heating capacity at 5°F must be within 60% to 100% of the current heating system heating capacity.
  - If 5°F is not available, the heating capacity at 17°F shall be used.
- If using a Manual J calculation, the proposed design heating capacity at 5°F must be within 80% to 120% of the Manual J design load.
  - If 5°F is not available, the heating capacity at 17°F shall be used.

Step Three: Once you've determined an ASHP design that matches rated capacity to the capacity percent ranges, select ASHP equipment that meets the efficiency criteria as described in Section 2.8.

## **SECTION 2: PROJECT ELIGIBILITY**

### **2.1 Eligible High-Performance Heat Pump Projects**

An eligible heat pump retrofit project is limited to the heat pump solutions listed in section 2.7 for high-efficiency heat pumps. Heat pumps must meet the specified energy efficiency criteria, which an Efficiency Maine Qualified Partner (QP) can determine and **serve as the primary heating and cooling system for the whole building**. Efficiency Maine will confirm eligibility during a review of an application. The heat pumps must be installed and configured as the primary heating system and the existing system may be configured for supplemental heating, if necessary. Projects must be completed by a QP. A Qualified Partner can be found by using the locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting "Heat Pumps and Cooling Solutions" in the "Services" menu.

### **2.2 Eligible Variable Refrigerant Flow (VRF) System Projects**

An eligible VRF system retrofit project is limited to one of the systems listed in section 2.7. VRF projects must meet the specified energy efficiency criteria, which a QP can determine. Efficiency Maine will confirm eligibility during a review of an application. **The installed VRF system must be installed and configured as the primary heating system for the whole building**. Project incentives for this category will cover a portion of the project cost. Projects must be completed by a QP. A Qualified Partner can be found by using the locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting "Heat Pumps and Cooling Solutions" in the "Services" menu.

### **2.3 Eligible Heat Pump Rooftop Units (RTUs)**

An eligible RTU system retrofit project is limited to one of the systems listed in section 2.7. Replacing existing rooftop units (RTUs) with heat pump systems can significantly lower energy consumption while providing building ventilation, heating, air conditioning, and dehumidification. Project incentives for this category will cover a portion of the equipment cost. The replacement RTU must be all electric including the RTUs back-up heat. In addition, projects must be completed by a QP. A Qualified Partner can be found by using the locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting "Heat Pumps and Cooling Solutions" in the "Services" menu.

### **2.4 Eligible Energy Recovery Ventilator (ERV) Projects**

ERVs are often used to condition outside air that ventilates into a building, taking the load off a heating or cooling system and making them more efficient. For this FON, an eligible project is limited to the ERV solution and criteria listed in section 2.7. ERV projects must meet the specified energy efficiency criteria,

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which a QP can determine. Efficiency Maine will confirm eligibility during a review of an application. In addition, projects must be completed by a QP. A Qualified Partner can be found by using the locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting “Heat Pumps and Cooling Solutions” in the “Services” menu.


**2.5 Eligible Packaged Terminal Heat Pump (PTHP) and Vertical Packaged Terminal Heat Pump (VPTHP) Projects**

An eligible PTHP and VPTHP retrofit project includes the heat pump solutions listed in section 2.7. These heat pumps must meet the energy efficiency criteria, which an Efficiency Maine Qualified Partner (QP) can determine, and Efficiency Maine will confirm during a review of an application. In addition, projects must be completed by an Efficiency Maine Qualified Partner (QP). A Qualified Partner can be found by using the QP locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting “Heat Pumps and Cooling Solutions” in the “Services” menu.

**2.6 Eligible Heat Pump Water Heating Projects**


An eligible heat pump water heater retrofit project is limited to the systems listed in section 2.7. Replacing existing hot water heaters with heat pump systems can significantly lower energy consumption while providing domestic hot water needs. Project incentives for this category will cover a portion of the equipment cost. Projects must be completed by a QP. A Qualified Partner can be found by using the locator at <https://www.energymaine.com/at-work/qualified-partners/>. To use the locator simply enter your ZIP code and desired radius before selecting “Heat Pump Water Heaters” in the “Services” menu.

**2.7 Eligible Solutions**


<b>Single or Multi-Zone Heat Pumps</b>			
<b>Zone(s)</b>	<b>Minimum HSPF/HSPF2</b>	<b>Description</b>	<b>Example Image</b>
<b>1 to 3 Indoor Units</b>	<b>12.5/10.4 for single-zone 10.0/8.5 for multi-zone</b>	<p><b>High-Performance Mini-Split Heat Pump System</b></p> <ul style="list-style-type: none"> <li>• Incentives are capped at 85% of invoiced project cost.</li> <li>• System must serve as the primary heating and cooling system.</li> <li>• Heat pump retrofits must be sized and configured as a whole building system.</li> </ul>	<p>A mini-split heat pump outdoor unit.</p> 

Heat pump retrofit projects must be configured as the primary heating and cooling system, informed by the current heating system capacity or a Manual J calculation. Buildings that heat with natural gas are not eligible. **Incentives are capped at 85% of invoiced project cost.**




Variable Refrigerant Flow Systems				
Measure Code	Measure	Heating Capacity Btu per Hour	Criteria (SEER, IEER or HSPF)	Example Image
VRF	Single-Phase VRF Air-Cooled Heat Pump with or <u>without</u> Heat Recovery	< 65,000	≥ 10 HSPF or 9 HSPF2	
	VRF Air-Cooled Heat Pump <u>without</u> Heat Recovery	≥ 65,000 and < 135,000	≥ 2.3 COP	
		≥ 135,000 and < 240,000	≥ 2.1 COP	
		≥ 240,000	≥ 2.1 COP	
	VRF Air-Cooled Heat Pump <u>with</u> Heat Recovery	≥ 65,000 and < 135,000	≥ 2.3 COP	
		≥ 135,000 and < 240,000	≥ 2.1 COP	
		≥ 240,000	≥ 2.1 COP	


VRF system must be used as the primary heating system and provide heat to the whole building. **Incentives are capped at 90% of invoiced project cost.**


Heat Pump Rooftop Units (Ventilation)			
Heating Section of Existing System (MBh)	Required Heat Pump RTU* Heating Capacity (MBh)	Minimum HSPF/Heating COP at 17°F	Example Image
60-80	24	8.5 HSPF/7.2 HSPF2	
81-120	36	8.5 HSPF/7.2 HSPF2	
121-160	48	2.0 COP	
161-200	60	2.0 COP	
201-300	90	2.0 COP	
301-400	120	2.0 COP	
401-450	132	2.0 COP	


HSPF is Heating Seasonal Performance Factor, COP is the Coefficient of Performance. HSPF2 values are available for models manufactured after 1/1/2023. **Incentives are capped at 85% of invoiced project cost.**

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<b>Packaged Terminal Heat Pumps</b>				
<b>Measure Code</b>	<b>Cooling Capacity</b>	<b>Minimum Cooling Criteria* (EER)**</b>	<b>Minimum Criteria* Heating (COP)**</b>	<b>Example Image</b>
<b>PTHP</b>	< 7,000	13.0	3.3	
	≥ 7,000 and ≤ 15,000	11.5	3.3	
	> 15,000	10.8	3.3	
	*Retrofit only. Must replace existing packaged terminal air conditioners (PTACs). PTHP systems must have active (reverse cycle) defrost or be able to run in heat pump mode below freezing temperatures. **EER is Energy Efficiency Ratio. COP is the heating Coefficient of Performance.			
Incentives are capped at 90% of total material costs of the units (without labor).				

<b>Vertical Packaged Terminal Heat Pumps</b>				
<b>Measure Code</b>	<b>Cooling Capacity</b>	<b>Minimum Cooling Criteria* (EER)**</b>	<b>Minimum Heating Criteria* (COP/HSPF2)**</b>	<b>Example Image</b>
<b>VPTHP</b>	< 7,000	11.0	3.3 COP/ 6.3 HSPF2	
	≥ 7,000 and ≤ 15,000			
	> 15,000			
	*Retrofit only. VPTHP systems must have active (reverse cycle) defrost or be able to run in heat pump mode below freezing temperatures. **EER is Energy Efficiency Ratio. COP is the heating Coefficient of Performance. HSPF is Heating Seasonal Performance Factor.			
Incentives are capped at 90% of total material costs of the units (without labor).				

<b>Energy Recovery Ventilators</b>	
<b>Sensible Heat Recovery</b>	<b>Example Image</b>
≥ 55%	
<b>Incentives are capped at 90% of total material costs (without labor).</b>	

<b>Heat Pump Water Heater Systems</b>			
<b>Details</b>	<b>HPWH Integrated Storage</b>	<b>Minimum Qualifying Efficiency Criteria</b>	<b>Example Image</b>
Must be a retrofit project. Must be installed outside the thermal envelope of the buildings. Retrofit project baseline must be electric resistance, propane, or oil-fired water heater. Projects with a natural gas baseline or existing heat pump hot water heater are not eligible. Incentives are capped at 90% of total material costs (without labor).	80 gallons	ENERGY STAR®	
	120 gallons	ENERGY STAR®	
	Split-system with 80 gallon minimum	ENERGY STAR®	

### **SECTION 3: APPLICATION REQUIREMENTS**

Each applicant must submit the documentation listed below to be considered for incentives under this opportunity. This documentation must include an installation price quote obtained by the applicant from a Qualified Partner or from a licensed self-installer on the business’s staff. Material quotes must include the make and model of each product used in the upgrade, the quantity of each, and the costs to the customer. Installation quotes for lighting projects must also be provided. If multiple buildings within an assisted housing facility wish to participate in the FON, each building would be considered a separate project and therefore each building would require its own application and be subject to these requirements. The list of required documentation follows:

***HVAC and Water Heating Projects:***

- Attachment A: FON HVAC Project Application and Commitment Form
- Qualified Partner Installation Price Quote to Customer

**Additional documents for HVAC project applications:**

- AHRI Certificate
- Building layout or floor plan documentation with square footage
- Selection report (for ERV projects)
- Piping diagram or selection report (for VRF application)
- HVAC Solutions – Pre-approval Checklist for Qualified Partners

*\*Efficiency Maine reserves the right to request additional information as needed prior to project approval.*

**Applications that are incomplete will not be accepted by Efficiency Maine and will be returned to the applicant via email.**

## **SECTION 4: SUBMITTAL INSTRUCTIONS**

Project applications must include all materials (appropriate attachments) as requested in Section 3 and are to be emailed to [CIP@efficiencymaine.com](mailto:CIP@efficiencymaine.com) by the program applicant. The email subject line must include “CIPI FON-018-2024”.

For questions throughout the process, applicants are encouraged to speak with a Qualified Partner (using the locator tool described in section 2) or to contact the Program Team at (207) 213-6247 or [CIP@efficiencymaine.com](mailto:CIP@efficiencymaine.com).

## **SECTION 5: PROJECT APPROVAL AND INCENTIVE OFFER PROCESS**

The process to apply for a project incentive starts with obtaining pre-approval. This must be done prior to ordering, procuring, or installing any equipment or materials. By applying, the applicant is making a representation to Efficiency Maine that all information provided in connection with the application is complete and accurate at the time of submission. The intentional provision of any false or misleading information, or the intentional omission of material information, will result in the application being deemed ineligible. Efficiency Maine recognizes that, depending on the nature of a proposed project, third-party vendor, installer, or energy service companies (ESCOs) may assist in the preparation, submittal, and processing of an application on behalf of a customer. Notwithstanding the participation of a third-party vendor, installer or ESCO, Efficiency Maine considers the customer to be the FONs Applicant and requires the customer to be a direct party to the application. Efficiency Maine requires direct communication with the customer as necessary for review and evaluation of an application.

Because no project approval or incentive award is guaranteed, no third-party vendor, installer or ESCO should make any firm commitment of incentive award funds in advance of a final notice of award to the customer.

For applications received and accepted by the deadline listed in section 1.3, Efficiency Maine will review the data submitted to ensure accuracy. ***Incomplete applications will not be accepted for review and the***

***applicant will be notified in writing by email.*** Efficiency Maine reserves the right to conduct pre-inspections at project sites and/or to request additional information during the review process. A representative from Efficiency Maine may schedule site inspection visits through the point of contact listed in the FON Project Application and Commitment Form (Attachment A), during the pre-approval period.

Once Efficiency Maine completes its review, it will make a formal incentive pre-approval offer through an “Approved Scope of Work” emailed to the applicant and the installer. The Approved Scope of Work and Terms and Conditions will be sent to the applicant and will indicate the approved scope of work and project financials including costs and estimated payback and the approved project incentive pending project completion. Incentives received by the applicant may be taxable by the federal, state, and local government. A W9 will be sent with the Approved Scope of Work to ensure correct tax information of the applicant. If the applicant wishes to accept this incentive offer, the applicant, and the installer (QP) must sign the Approved Scope of Work and Terms and Conditions and return them with the completed W9 for the applicant via email to the contact listed in section 4.

## **SECTION 6: PROJECT COMPLETION PROCESS**

Upon completion of all work as outlined in the Approved Scope of Work (see section 1.3 for project completion deadline), the applicant and the installing contractor must sign and return the Customer Project Acceptance Form along with any material invoices to the email address listed in Section 4. Efficiency Maine will conduct a final project review and process the applicant’s incentive(s). Once the final project review has been completed, payment will be processed to the customer. Efficiency Maine reserves the right to conduct a post-installation inspection during the final project review. A representative from Efficiency Maine will schedule site inspection visits through the point of contact listed in the FON Project Application and Commitment Form (Attachment A). Efficiency Maine will conclude all approved incentive payments by December 30, 2025.