

**Efficiency Maine**

**Initiative for Electrification in New Affordable Multifamily Housing  
Funding Opportunity Notice (FON)  
FON-009-2025**

**Funded through the Inflation Reduction Act (IRA)**

*Revised December 3, 2024*



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## SECTION 1: OVERVIEW AND INSTRUCTIONS

### 1.1 Background

The federal Inflation Reduction Act (IRA) of 2022 includes \$391 billion to support clean energy and address climate change, including an allocation of \$8.8 billion to the U.S. Department of Energy (DOE) for state-administered rebate programs to support residential efficiency upgrades. Approximately \$72 million in formula funds is available to Maine through this IRA Home Energy Rebates program.

Under the federal IRA law, each state develops its own rebate program reflecting the needs and strategic priorities of the state, consistent with the IRA rules and requirements and subject to the DOE's approval. In general, Maine's plan prioritizes electrification of space heating, with special focus on low-income households in multifamily buildings and manufactured/mobile homes. Consistent with DOE program guidance, at least 40% of program benefits will be directed to Disadvantaged Communities.<sup>1</sup>

The Initiative for Electrification in New Affordable Multifamily Housing described in this FON is one of three initiatives under Maine's IRA Home Energy Rebates program. As its name implies, this program aims to advance Maine's electrification priorities in new construction multifamily buildings serving low-income residents. The program will be administered as a component of Efficiency Maine's Commercial and Industrial Prescriptive Initiatives (CIPI).

### 1.2 Eligible Entities

This program is intended to offer incentives for qualifying efficient HVAC heat pump systems in new construction of multifamily buildings that will serve low-income residents.

#### *Participant Eligibility*

Owners of multifamily buildings that are planned to be built within which at least 50% of the dwelling units will be reserved for low-income households, designated as:

1. Public Housing (housing owned and operated by Public Housing Authorities)
2. Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)
3. Privately-owned multifamily buildings that house residents receiving tenant-based assistance
4. Section 42 Low Income Housing Tax Credit (LIHTC)

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<sup>1</sup> A Disadvantaged Community is defined a census tract identified on the Climate and Economic Justice Screening Tool <https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>

Participants must have a restrictive covenant indicating that at least 50% of the building's dwelling units will be preserved for low-income residents (<80% of county Area Median Income [AMI]).

### *Building Eligibility*

- Single multifamily buildings with 18 or more dwelling units
- Campuses of multifamily buildings with 18 or more total dwelling units, where each individual building has at least six (6) dwelling units.

A dwelling unit is defined as a housing unit with a dedicated kitchen, sleeping area, and bathroom.

Eligible buildings may not include any fossil fuel space heating system(s). (This exclusion does not apply to water heating systems.) Supplementary electric resistance heating is permitted in spaces that cannot be served by heat pumps (e.g., a bathroom, storage room, or closet).

### **1.3 Incentives**

This FON provides incentives for qualifying projects to install whole-building efficient HVAC heat pump systems in new construction multifamily buildings. Eligible projects may receive 100% of the project costs, up to \$8,000 per dwelling unit, for qualifying whole-building HVAC heat pump equipment. Allowable project costs include the equipment/material costs (e.g., outdoor heat pump unit, indoor heat pump unit, HVAC line sets, HVAC controls, piping, refrigerant, and interior branch boxes) and installation/labor costs associated with the qualifying project.

Note that, though the Trust will indicate an anticipated incentive value when preapproving a project, the final incentive amount will be adjusted based on as-built project costs. Additionally, the total combination of all of a project's upfront funding sources (e.g., project rebates, grants, incentives, and loans) may not exceed the total project cost.

As described in section 3.4, the installation contractor is also eligible for an additional installation incentive of \$50 per dwelling unit if they *apply for and receive* the rebate on behalf of the participant.

### **1.4 Equipment Eligibility Criteria**

Eligible efficient HVAC heat pump equipment under this program includes:

- Mini-split heat pumps
  - Non-ducted and ducted (including vertical packaged terminal heat pumps)
- Variable refrigerant flow (VRF) systems
- Heat pump rooftop units (RTUs)

- Single package heat pumps (with through-the-wall outdoor air ducting)

The following tables outline the eligibility criteria for qualifying HVAC equipment.

**Table 1: Mini-Split Heat Pumps**

Equipment Type	Minimum Efficiency Criteria	Percent Heating Capacity at 5°F / 47°F
Heat Pump Split Systems (Non-Ducted)	8.5 HSPF2; 15.2 SEER2; 1.75 COP at 5°F	≥ 70%
Heat Pump Split Systems (Ducted)	8.1 HSPF2; 15.2 SEER2; 1.75 COP at 5°F	≥ 70%

**Table 2: Variable Refrigerant Flow (VRF) Systems**

Equipment Type	Cooling Capacity	Minimum Efficiency Criteria
VRF Air-Cooled Heat Pump	< 65,000 Btu/h	15.2 SEER2; 8.5 HSPF2 (non-ducted); 8.1 HSPF2 (ducted) Percent heating capacity at 5°F / 47°F ≥ 70%
	≥ 65,000 Btu/h – < 135,000 Btu/h	18.9 IEER; 3.4 COP at 47°F; 2.25 COP at 17°F
	≥ 135,000 Btu/h – < 240,000 Btu/h	18.0 IEER; 3.25 COP at 47°F; 2.07 COP at 17°F
	≥ 240,000 Btu/h	16.6 IEER; 3.25 COP at 47°F; 2.05 COP at 17°F

**Table 3: Small Single Package Heat Pumps (including Vertical Packaged Terminal Heat Pumps)**

Equipment Type	Minimum Efficiency Criteria	Percent Heating Capacity at 5°F / 47°F
Very Small Commercial Unitary Heat Pumps (Single Package)	8.5 HSPF2; 15.2 SEER2; 1.75 COP at 5°F	≥ 70%

**Table 4: Heat Pump Rooftop Units (RTUs)**

Equipment Type	Cooling Capacity	Supplemental Heating Type	Minimum Efficiency Criteria
Heat Pump Rooftop Unit	< 65,000 Btu/h	Any	15.2 SEER2; 8.5 HSPF2; 1.75 COP at 5°F
	≥ 65,000 Btu/h – < 135,000 Btu/h	ER or None	15.3 IEER; 3.5 COP at 47°F; 2.4 COP at 17°F
		Other	15.1 IEER; 3.5 COP at 47°F; 2.4 COP at 17°F
	≥ 135,000 Btu/h – < 240,000 Btu/h	ER or None	14.5 IEER; 3.4 COP at 47°F; 2.1 COP at 17°F
		Other	14.3 IEER; 3.4 COP at 47°F; 2.1 COP at 17°F

**Table 5: Single Package Heat Pumps (with through-the-wall outdoor air ducting)**

Equipment Type	Cooling Capacity	Minimum Efficiency Criteria
Splitless Single Package Heat Pumps	< 65,000 Btu/h	13.4 SEER2; 6.7 HSPF2

### 1.5 Funding Opportunity Notice (FON) Schedule

Efficiency Maine will accept applications for projects under this FON from September 18, 2024, through June 30, 2028, or until funding has been exhausted. Incentive reservations will be held for 24 months from execution of the final Incentive Agreement (i.e., contract) with Efficiency Maine.

## SECTION 2: PROGRAM APPLICATION PROCESS AND REQUIREMENTS

### 2.1 Project Approval Application Process

This program will include two application components:

1. Application A: Intent to Enroll
2. Application B: Project Design and Installation

Both application documents are available at [efficiencymaine.com/initiative-for-electrification-in-new-affordable-multifamily-housing/](https://efficiencymaine.com/initiative-for-electrification-in-new-affordable-multifamily-housing/).

### Application A: Intent to Enroll

The submission of Application A: *Intent to Enroll* will begin the project approval process. This application is available as a form on the program website. It includes basic applicant details and preliminary project information. The Efficiency Maine team administering the Commercial and Industrial Prescriptive Initiatives will review the Intent to Enroll. If the information in the application is complete and preliminary eligibility of the project is verified, Efficiency Maine will issue an approval of Application A with an estimated incentive amount. Notification of this approval decision will be sent to the email address included in Application A. This approval will be shared with MaineHousing if the participant is seeking project financing through MaineHousing.

### Application B: Project Design and Installation

Once the final project design is complete and contractors have been selected, the participant and installation contractor (Qualified Partner) will submit Application B: *Project Design and Installation*. This application is available on the program website. It includes specific information on HVAC system design, equipment, and configuration. The application must also include, where applicable, documentation of the following project requirements:

- Verification of participant eligibility, as outlined in section 1.2 (*Note: The Trust recognizes that documentation for this item may not be available at the time of Application B submission. In these cases, the Participant shall so indicate and, provided all other requirements are satisfied, the Trust may approve Application B subject to the requirement that necessary documentation be furnished as soon as it becomes available.*)
- An appropriate restrictive covenant, as outlined in section 1.2 (*Note: The Trust recognizes that documentation for this item may not be available at the time of Application B submission. In these cases, the Participant shall so indicate and, provided all other requirements are satisfied, the Trust may approve Application B subject to the requirement that necessary documentation be furnished as soon as it becomes available.*)
- Price quotes from the Qualified Partner for:
  - project installation (i.e., labor) that will be subject of the Efficiency Maine incentive

- material/equipment, including the make and model of each product used in the upgrade that will be subject of an Efficiency Maine incentive, the quantity of each, and the costs to the participant.
- Price quote from the supplier for material/equipment given to the Qualified Partner
- Manual J heating load calculation output
- Building layout or floor plan documentation with square footage
- Manufacturer's Selection Report (for VRF projects)
- Signed Qualified Partner Addendum (see section 3.3)

Application B will be reviewed for eligibility and completeness by the Efficiency Maine team administering Commercial and Industrial Prescriptive Initiatives. If approved, Efficiency Maine will make a formal incentive offer in the form of an Incentive Agreement (i.e., contract), emailed to the participant. This Incentive Agreement will include the approved scope of work, the project incentive amount pending project completion, and all relevant terms and conditions. If the participant wishes to accept this incentive offer, they must sign and return the Incentive Agreement. *(Note: If Application B is approved and an Incentive Agreement issued subject to submission of complete documentation as permitted above, the Participant may not commence project installation until the Trust receives all necessary documentation.)*

A fully executed incentive agreement will allow the participant and Qualified Partner(s) to proceed with the ordering, procuring, and installing equipment as stated in the approved scope of work.

### **2.3 Application Submittal Instructions**

Project applications must include all materials (appropriate attachments) as requested in section 2.2 and must be emailed to IRAmultifamily@efficiencymaine.com by the program participant or Qualified Partner. The email subject line should include “Initiative for Electrification in New Construction Multifamily Housing.” For questions throughout the process, participants are encouraged to speak with a Qualified Partner (using the locator tool described in section 2) or to contact the team that administers the Commercial and Industrial Prescriptive Initiatives at (207) 213-6247 or IRAmultifamily@efficiencymaine.com.

### **2.4 Application Standards**

By applying, the participant 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 a third-party vendor, installer, or energy service company (ESCO) may assist in



the preparation, submittal, and processing of an application on behalf of a participant. Nonetheless, Efficiency Maine considers the property owner to be the formal participant and requires them to be a direct party to the application. Efficiency Maine requires that it be able to have direct communication with the participant as necessary for review and evaluation of an application. Because no project approval or incentive award is guaranteed in advance of a final notice of award to the participant, no third-party vendor, installer or ESCO should make any firm commitment of incentive award funds until such notice has been issued. Incomplete applications will not be accepted for review.

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 application, during the pre-approval period.

## **SECTION 3: QUALIFIED PARTNER TRADE ALLIES**

### **3.1 Qualified Partner Overview**

Participants must use a Qualified Partner for installation of their HVAC project to be eligible for an incentive under this initiative. Qualified Partners are experienced contractors that work on energy efficiency projects and are registered with Efficiency Maine. These contractors carry the necessary licenses and insurance, and have been trained on Efficiency Maine program requirements and how to process incentive applications through Efficiency Maine.

### **3.2 Finding a Qualified Partner**

A Qualified Partner can be found by using the online locator at [efficiencymaine.com/at-work/qualified-partners/](http://efficiencymaine.com/at-work/qualified-partners/). To use the locator, simply enter your project ZIP code and desired radius before selecting “Heat Pumps and Cooling Solutions” in the “Services” menu.

If an installation contractor is not a Qualified Partner but wishes to become one, they can complete an application process online.

### **3.3 Qualified Partners – Standard Agreements and Addendum**

As a condition of participation in Efficiency Maine’s programs, all Qualified Partners must sign a standard set of terms and conditions and a code of conduct. Qualified Partners installing projects under this FON must also sign an addendum -- the Qualified Partner Agreement Addendum for the Initiative for Electrification in New Construction Multifamily Housing. This supplementary agreement reflects applicable federal requirements associated with the use of IRA program funds, including an acknowledgement that the Qualified Partner will adhere to the

provisions of Maine’s IRA Consumer Protection Plan. Participants should ensure that the Qualified Partner they select is made aware of this requirement.

### **3.4 Installation Incentives**

Qualified Partners installing projects under this FON are eligible for an installation incentive of \$50 per dwelling unit if they *apply for and receive* the incentive on behalf of the participant. Qualified Partners that do not spearhead the application process and receive the rebate (i.e., deduct it from the total project cost) are not eligible for this incentive.

## **SECTION 4: PROJECT COMPLETION PROCESS**

### **4.1 Project Closeout Documents**

Upon completion of installation and commissioning of the HVAC system(s), as outlined in the Approved Scope of Work, the participant and the installing contractor must sign and return the Customer Project Completion Form, project invoices, equipment commissioning report, to the IRAmultifamily@efficiencymaine.com email address. Efficiency Maine will conduct a final project review before moving on to a project post-inspection and processing the incentive(s).

#### Project Closeout Documents:

- Project Completion Form (Attestation of completed scope of work, provided upon the acceptance of an approved scope of work)
- Final project invoices for equipment and labor
- HVAC equipment commissioning report

### **4.2 Project Post-Inspection**

Once the final project review has been completed, the Commercial and Industrial Prescriptive Initiatives team will work with the participant and/or installation contractor to schedule an on-site post-installation inspection conducted by a member of the team. The inspection is meant to verify that the project was completed in accordance with the Approved Scope of Work. Provided no issues are found, Efficiency Maine will process the incentive payment upon completion of this inspection.

### **4.3 Customer Satisfaction Survey**

The participant must complete a Customer Satisfaction Survey after the project is completed. This survey will be sent to the participant no sooner than three (3) months after project completion and no more than 6 months after project completion. The survey can be received through an email invitation, by phone call, or through the U.S mail (with a prepaid postage return envelope).

#### **4.4 Building Occupancy Certificate**

The participant must provide Efficiency Maine with an approved building occupancy certificate *once it becomes available*. Efficiency Maine understands that participants may not receive this document until well after the project closeout process, and therefore does not require that it be furnished prior to the incentive payment.