



## High Efficiency Air Source Heat Pump Grant Program Application

**Instructions:** Please complete this application along with appropriate supporting documentation (i.e. invoices and equipment specifications) and email to [grants@delaware.coop](mailto:grants@delaware.coop)

You may also mail applications to:

Delaware Electric Cooperative  
ATTN: Lucas Zlock, Manager of Energy Services  
14198 Sussex Highway  
Greenwood, DE 19950

Please contact us at [grants@delaware.coop](mailto:grants@delaware.coop) or 855-332-9090 for any questions.

### **GENERAL INFORMATION**

Delaware Electric Cooperative is offering grant funding for the replacement of air source heat pump systems with high efficiency alternatives.

1. Subject to availability of funds, grants for high efficiency air source heat pump systems, installed by qualified contractors and member-owners, are at the following rates:
  - a. Class A
    - i. Minimum SEER2 of 18.0
      - \$500 per ton not to exceed \$1,500 per dwelling for Class A systems installed with a Seasonal Energy Efficiency Ratio 2 (SEER2) of at least 18.0
    - ii. Minimum SEER2 of 20.0
      - \$750 per ton not to exceed \$2,250 per dwelling for Class A systems installed with a Seasonal Energy Efficiency Ratio 2 (SEER2) of at least 20.0
    - iii. Minimum SEER2 of 22.0
      - \$1,000 per ton not to exceed \$3,000 per dwelling for Class A systems installed with a Seasonal Energy Efficiency Ratio 2 (SEER2) of at least 22.0
  - b. Class B
    - i. Minimum IEER2 of 16.0
      - \$500 per ton not to exceed \$5,000 per dwelling for Class B systems installed with an Integrated Energy Efficiency Ratio 2 (IEER2) of at least 16.0
    - ii. Minimum IEER2 of 18.0
      - \$750 per ton not to exceed \$7,500 per dwelling for Class B systems installed with an Integrated Energy Efficiency Ratio 2 (IEER2) of at least 18.0
    - iii. Minimum IEER2 of 20.0
      - \$1,000 per ton not to exceed \$10,000 per dwelling for Class B systems installed with an Integrated Energy Efficiency Ratio 2 (IEER2) of at least 20.0

“Class A” means the class or classes of member-owners with an average monthly peak demand of less than 50 kW over the prior twelve months. Class A may include residential, lighting, small-commercial, irrigation and poultry accounts. “Class B” means all classes of member-owners with an average monthly peak demand of 50 kW or greater over the prior twelve months. Class B may include large-commercial, primary metered accounts and some poultry accounts. Please check with the Cooperative if you are unsure whether you qualify for Class A or Class B.

A “high-efficiency air source heat pump” is an advanced heating and cooling system that transfers heat between indoor and outdoor air using electricity, rather than generating heat through combustion. Designed to deliver significantly greater energy performance than standard systems, a high-efficiency ASHP achieves a higher Seasonal Energy Efficiency Ratio (SEER) of 18 or higher, or an Integrated Energy Efficiency Ratio 2 (IEER2) of 16 or higher. These systems operate effectively even in cold climates, providing reliable, year-round comfort while reducing energy consumption and greenhouse gas emissions. By maximizing heat exchange efficiency and utilizing variable-speed compressors and smart controls, high-efficiency ASHPs offer lower utility costs and a more sustainable alternative to conventional furnaces or air conditioners.

Funding is limited: For calendar year 2026, grants will be made first to existing systems that meet the conditions for grants and any monies left over will be used for systems yet to be installed. Grants will be paid on a rolling basis throughout the year in the order that completed applications are received. Under no circumstances will grants be issued for land acquisition in association with any project proposed in the Renewable Resource Program.

Once DEC has awarded grants equal to the total estimated 2026 fund allocation no further grants will be awarded for calendar year 2026. Applications not awarded a grant for 2026 will not be held until the next year. Grant funding and amounts may change from year to year and are not guaranteed.

The High Efficiency Air Source Heat Pump Grant Program is available to member-owners of the Cooperative receiving distribution delivery and energy supply service from the Cooperative. All eligible equipment and products must be installed in Delaware on an active Cooperative electric account and used solely for the energy requirements of Cooperative member-owners. Grants will not be provided for energy requirements in excess of a member-owners average annual consumption. In determining the average annual consumption, the Cooperative will average the prior two years of consumption for the account applicant. Should the account applicant be a new service or have had service for less than two years a comparable account may be used as a substitute for quantifying the average annual consumption.

All qualifying systems receiving a High Efficiency Air Source Heat Pump Grant must have a full 5-year warranty against component failure, malfunction and premature output degradation. The warranty must cover all components for which the program incentive is granted and cover the full cost of repair and replacement of all components of the system. For professionally installed systems the warranty must cover the labor to remove and replace defective components and systems. All qualifying systems must also have an AHRI Certificate.

Grant submissions for systems that are replacing existing HVAC equipment must include supplemental calculations for estimated annual energy savings in kWh.

Member-owners and contractors applying for a High Efficiency Air Source Heat Pump Grant must provide the following information to the Cooperative:

1. Completed Grant Application Form signed by both member-owner and contractor
2. The type of qualifying system
3. Copy of final sales invoice must include: final paid costs, itemized list of installed major system components and costs, labor cost, permits and fees costs, system size (kW for wind, square feet and gallons for solar hot water, tons for geothermal or air source heat pumps), and state the five (5) year parts and labor warranty (invoice must include actual price paid, itemized list of components, labor, permit fees, method of payment).

Upon receipt of the Grant Approval Request and supporting documents, the Cooperative will review and approve, as funding allows, the project described in the Grant Approval Request. The Cooperative will issue an approval letter to the applicant via mail or email. If all documents are not provided, the grant request may be delayed or denied. Grant requests that do not meet program requirements and those submitted in excess of available funds will be returned to the applicant with a denial letter via mail or email.

In the event grants cannot be paid immediately, each completed grant package will be placed in queue for payment by the Cooperative. As new funds are collected, the next approved package will be paid out. The contractor and member-owner are fully responsible for insuring that all forms and documentation have been supplied and the system meets all program requirements. The Cooperative may inspect the system(s) prior to final grant approval.

The Cooperative will ordinarily process the payment to the applicant, however; if the applicant so requests in writing and documentation reflects the installation cost to the applicant was reduced directly from the purchase price, the Cooperative will process the payment to the retailer, or installing contractor.

The Program funds are limited. The qualified contractor shall follow program guidelines to insure approval of funds. The contractor will also inform their existing customers of any and all changes to the Renewable Resource Fund program within seven (7) days of programmatic changes. If it is found that contractors are using unethical tactics to sell high efficiency or renewable energy systems, based on false or misleading information or claims about renewable energy systems or the Renewable Resource Program, the Cooperative may impose sanctions, up to and including suspension, as a participating contractor. If grant funds are not available for payment at the time of completion, completed projects will be placed in a queue.

Grant funds may be awarded to applicants that choose to act as the general contractor (self installation) for the installation of their renewable energy system. Member-owners who install their own systems or act as the general contractor shall adhere to any and all requirements as established by the Cooperative to be eligible for grants. Applicants must submit a signed warranty statement by the applicant stating that the workmanship is self-warranted for 5 years. The applicant must also submit the product warranties showing coverage for at least 5 years on the major components.

All qualifying systems must be installed in accordance with the standards and specifications of the manufacturers of the components in the system, in compliance with all applicable local electric and building codes, local ordinances and these guidelines. Where discrepancies, if any, exist with these guidelines and local codes, local codes shall govern.

Qualifying high efficiency air source heat pump systems must be sized in accordance with good heating, ventilation and air conditioning design practices for the occupancy, location and structure. Contractor shall provide an AHRI certificate for the system.

High-Efficiency Air Source Heat Pumps shall comply with applicable federal and industry performance rating standards. Equipment shall be rated and certified in accordance with AHRI Standard 210/240 (Performance Rating of Unitary Air-Conditioning & Air-Source Heat Pump Equipment), using the SEER2, EER2, and HSPF2 metrics for residential and light commercial systems (<65,000 Btu/h). Larger commercial air-source units (>65,000 Btu/h) shall be rated in accordance with AHRI Standard 340/360, using the IEER2 metric.

Minimum performance requirements shall be SEER2  $\geq$  18 for residential/light commercial systems and IEER2  $\geq$  16 for commercial systems.

All performance ratings shall be determined under test conditions defined by these standards and verified through the AHRI Certified® Product Directory or an equivalent third-party certification program. Equipment shall also meet or exceed all applicable ENERGY STAR® and DOE efficiency standards in effect at the time of installation.



**SYSTEM COSTS**

MATERIALS: \$ \_\_\_\_\_

LABOR: \$ \_\_\_\_\_

PERMITS/FEES: \$ \_\_\_\_\_

ENGINEERING/DESIGN: \$ \_\_\_\_\_

OTHER: \$ \_\_\_\_\_

TOTAL COST: \$ \_\_\_\_\_

**\*Attach Copy of Project Estimate, Purchase Order or Letter of Intent\***

**GRANT CALCULATION**

1. TOTAL SYSTEM COSTS.....\$ \_\_\_\_\_

2. INELIGIBLE COSTS.....(\$ \_\_\_\_\_)

3. OTHER INCENTIVES (source: \_\_\_\_\_).....(\$ \_\_\_\_\_)

4. SUM OF REDUCTIONS (add line 2 and 3).....\$ \_\_\_\_\_

5. TOTAL COSTS (line 1 minus line 4).....\$ \_\_\_\_\_

6. MULTIPLIER: (see grant limits below)..... tons x \$ \_\_\_\_\_ = \$ \_\_\_\_\_

7. LESS PRIOR GRANTS AWARDED/RECEIVED.....\$ \_\_\_\_\_

8. AMOUNT OF GRANT REQUESTED.....\$ \_\_\_\_\_

Grant Limits:

Class A (under 50 kW)

- Minimum 18 SEER2 - \$500/ton, up to \$1,500
- Minimum 20 SEER2 - \$750/ton, up to \$2,250
- Minimum 22 SEER2 - \$1,000/ton, up to \$3,000

Class B (50+ kW)

- Minimum 16 IEER2 - \$500/ton, up to \$5,000
- Minimum 18 IEER2 - \$750/ton, up to \$7,500
- Minimum 20 IEER2 - \$1,000/ton, up to \$10,000

**Declaration**

I understand and agree that: 1) the information provided in this form is true and correct to the best of my knowledge, 2) the site of installation is interconnected to the DEC electric system, 3) DEC and its agents provide no warranty for system components, installation, performance, or operation, 4) all warranties are provided by manufacturer's and installing contractor, and 5) the purchaser has received a copy of this form.

**Member-Owner**

**Installation Contractor**

**Signature:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Payment Preference**

Please indicate whether you would like to receive payment via mailed check or direct deposit.

If direct deposit is chosen, then please complete the ACH Authorization Agreement on the next page and email separately to [awaller@delaware.coop](mailto:awaller@delaware.coop). Do not send the ACH Authorization Agreement along with the grant application to [grants@delaware.coop](mailto:grants@delaware.coop).

Mailed Check \_\_\_\_\_

Direct Deposit \_\_\_\_\_