



Utility Rebates

2026 Trends - HVAC



Calculation Methodology



TIME PERIOD OF CHANGES

March 1, 2025 - March 10, 2026, when most calendar year programs have completed their changes



PROGRAM CHANGES

Filtered for changes in highest rebate value for each product category in each utility program over the time period



AGGREGATION

Aggregate values are computed as a percentage change, averaged across each aggregation type



ALL PROGRAMS

Utility impact is weighted by non-residential number of customers

Incentive Types

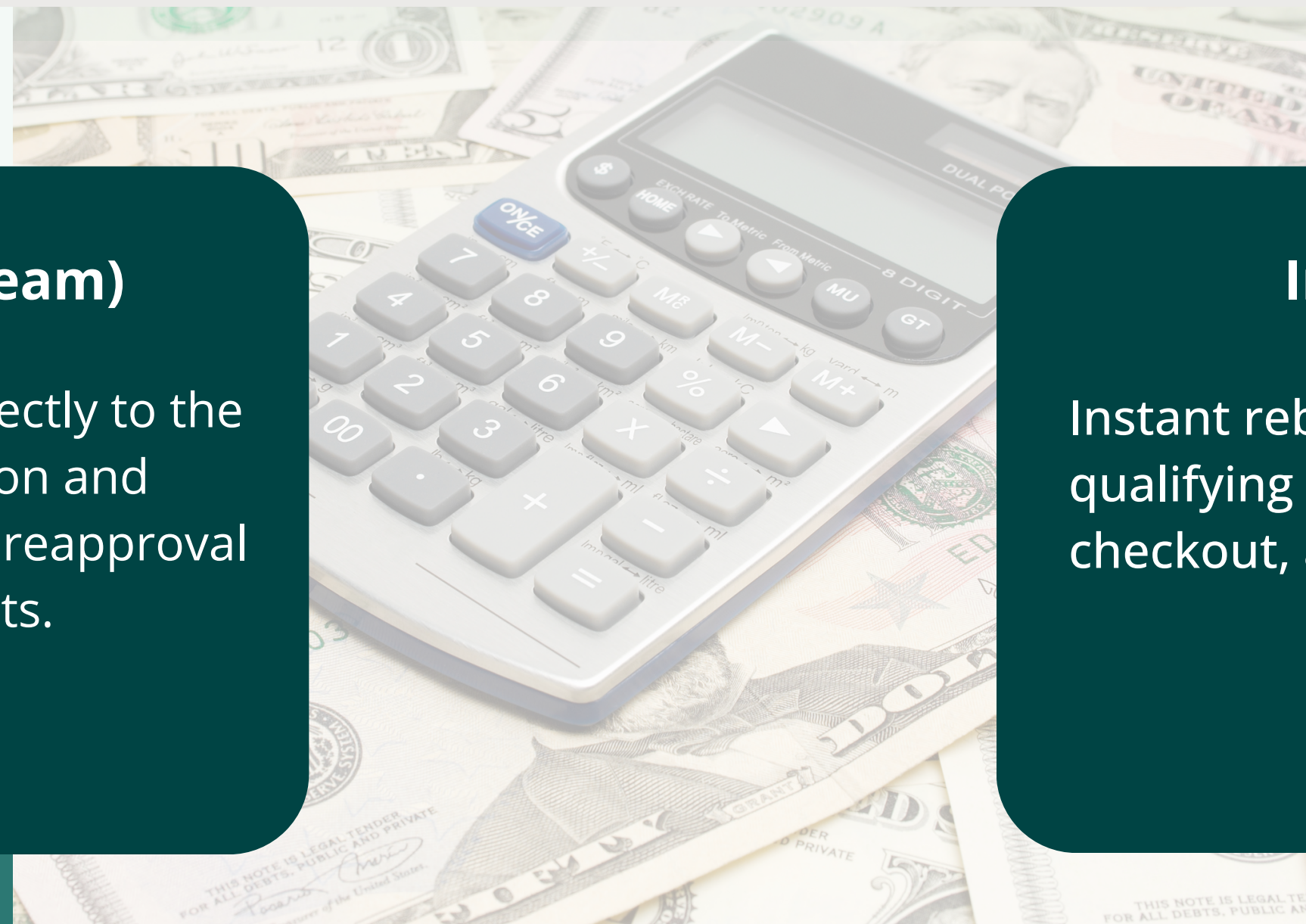
Our rebate analysis covers 2 common program types

Prescriptive (Downstream)

Prescriptive rebates are paid directly to the customer, requiring an application and receipts. Some programs have preapproval and post-inspection requirements.

Instant (Midstream)

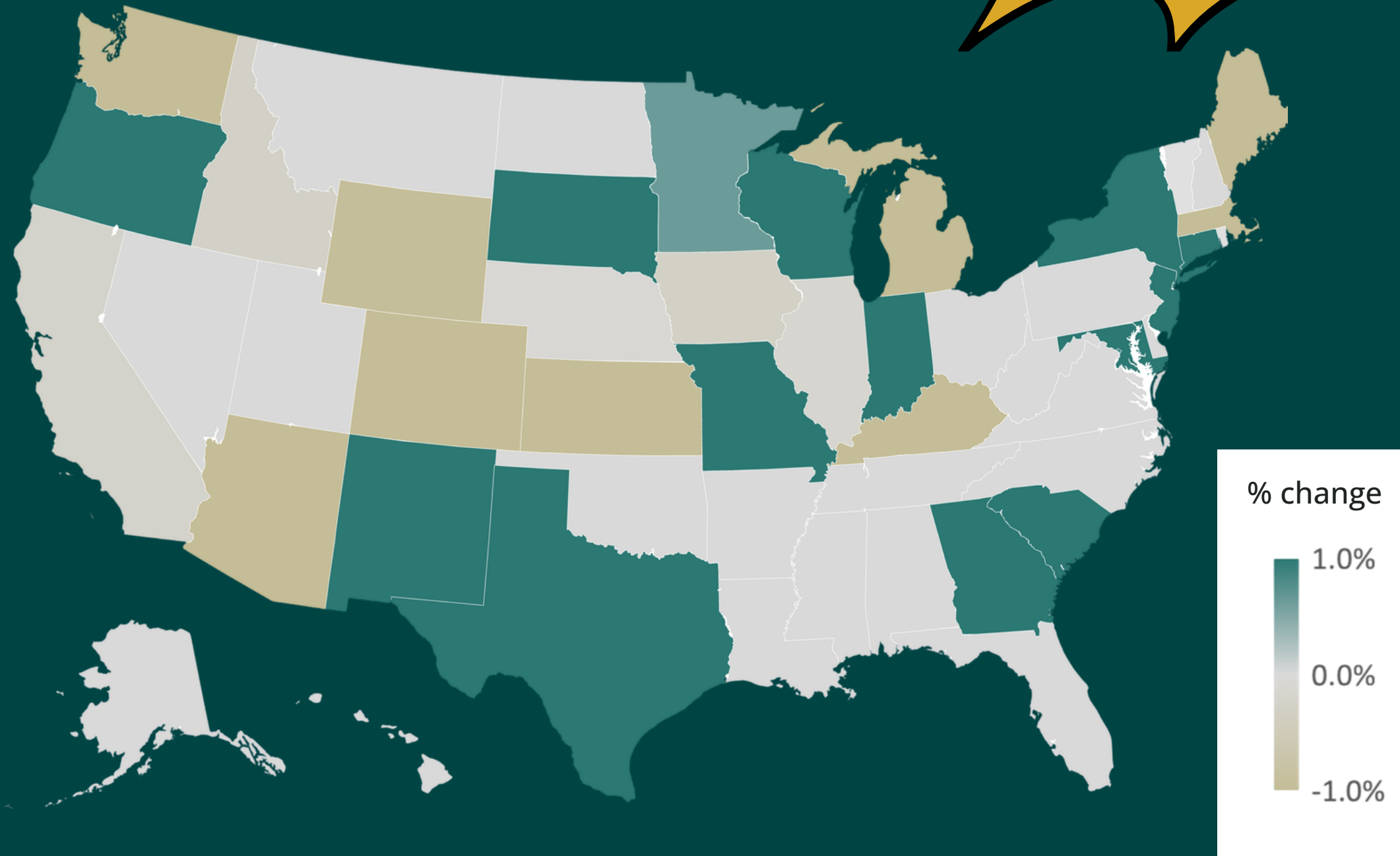
Instant rebates are received through a qualifying and participating distributor at checkout, alleviating paperwork.



+11.5% average
change among states

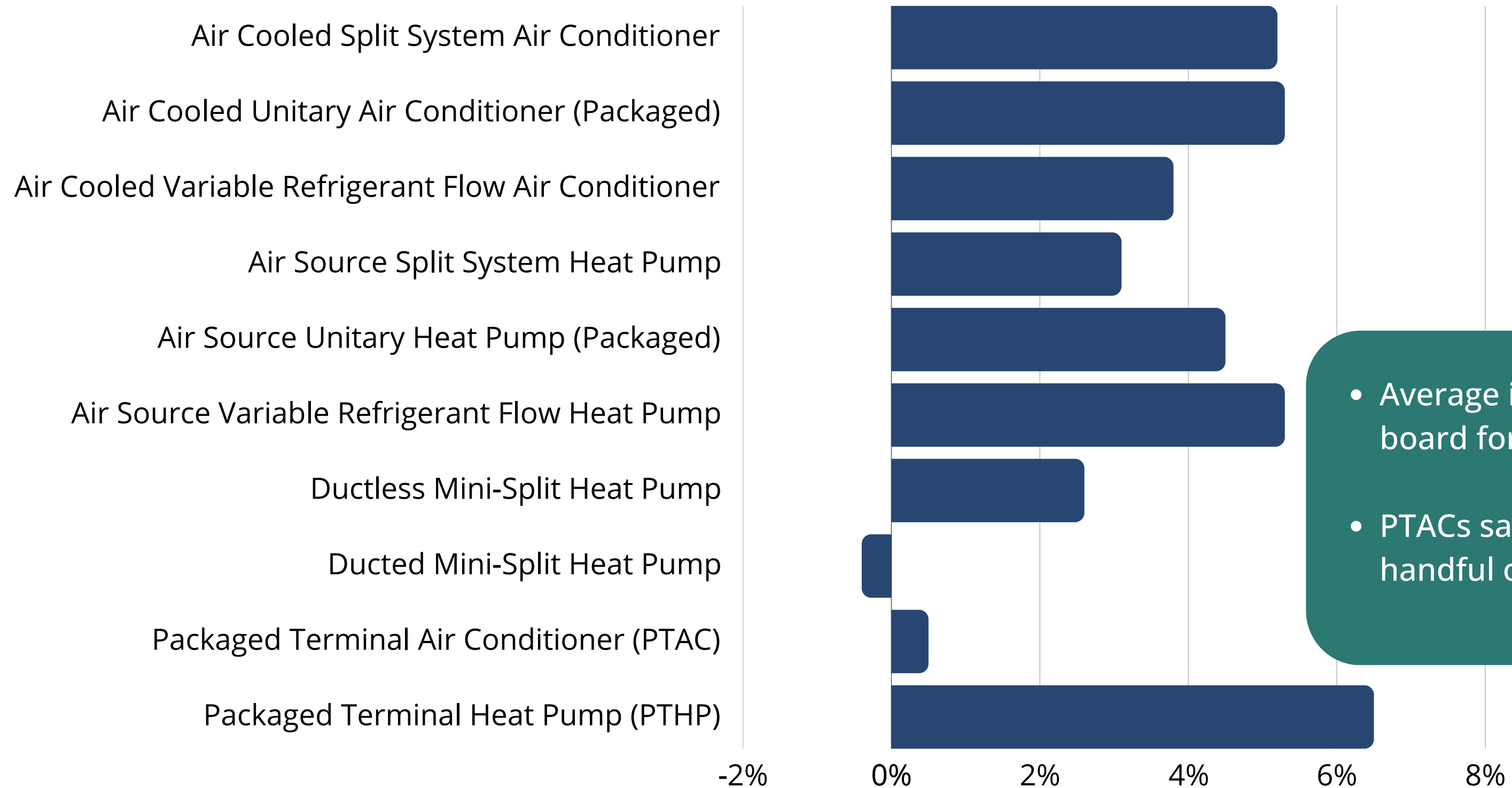
Prescriptive Trends by State

- Average of state change is 11.5%
 - Average of state increase is 40%
 - Average of state decreases is -4%
- Oregon and Connecticut lead the pack with large increases in incentives for heat pumps, many over \$1,000/ton
- No regional patterns, changes due to local regulatory environments
- Increases were higher for Heat Pumps vs Traditional AC



Representative of the shift of program changes across states.

Prescriptive Trends by Category



- Average increases across the board for most categories
- PTACs saw some decrease in a handful of small utilities

Trending Prescriptive Program

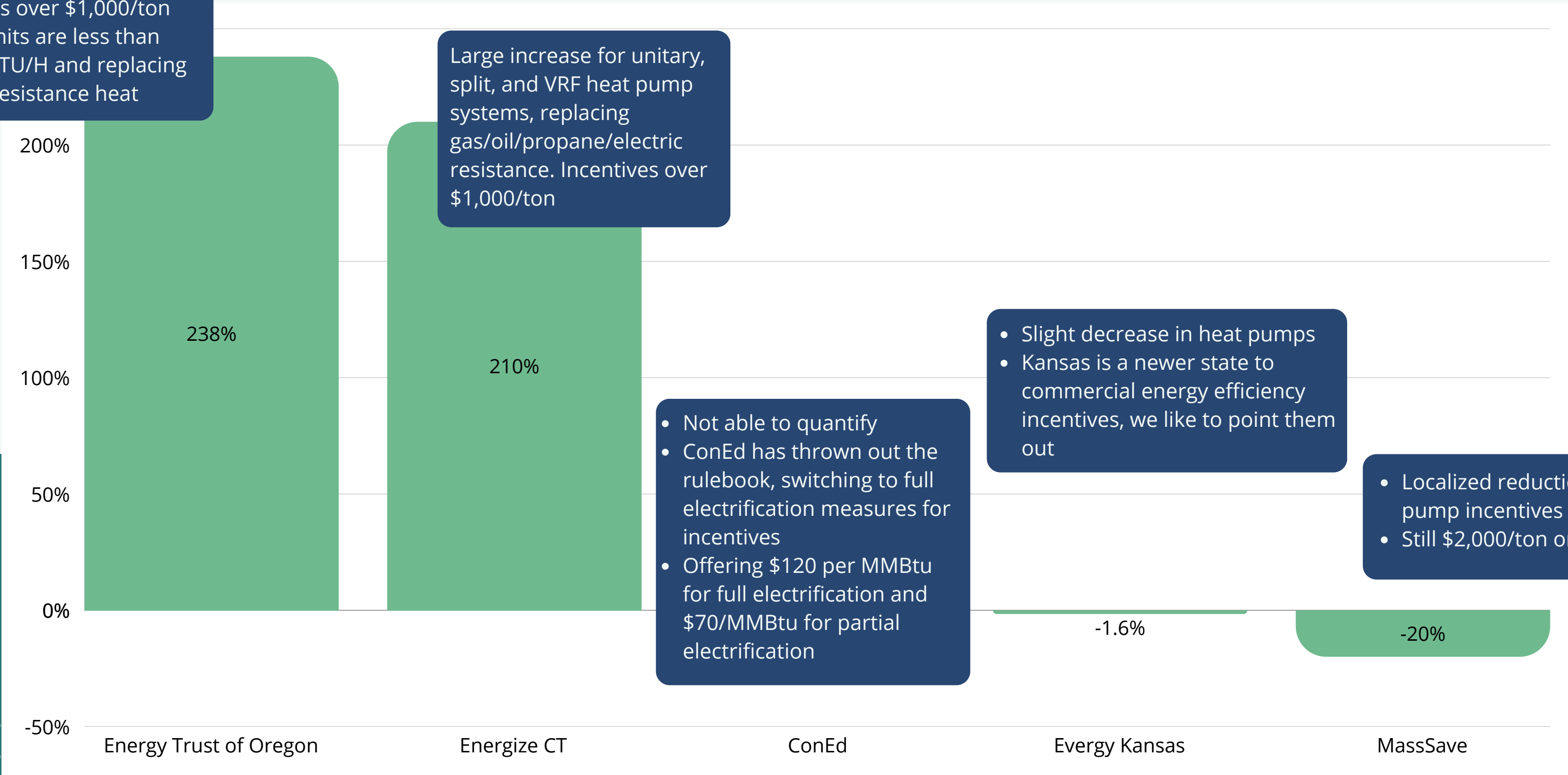
Huge increase to unitary and ductless heat pump with new rates over \$1,000/ton where units are less than 65,000 BTU/H and replacing electric resistance heat

Large increase for unitary, split, and VRF heat pump systems, replacing gas/oil/propane/electric resistance. Incentives over \$1,000/ton

- Not able to quantify
- ConEd has thrown out the rulebook, switching to full electrification measures for incentives
- Offering \$120 per MMBtu for full electrification and \$70/MMBtu for partial electrification

- Slight decrease in heat pumps
- Kansas is a newer state to commercial energy efficiency incentives, we like to point them out

- Localized reduction in heat pump incentives
- Still \$2,000/ton or greater



+9.5% average
change among states

Instant Trends by State

- PSEG is a big driver of HVAC increases in NJ in many categories
- ComEd changes in VRF incentives in IL
- The majority of positive incentive changes are in heat pumps
- Puget Sound Energy saw a small reduction in heat pump incentives

Unfortunately, utilities have not made many rates publicly available until recently, so that has limited the number of programs for which we can calculate annual changes.

Representative of the shift of program changes across states.
States in light grey currently don't have instant programs available.



Many programs and product categories saw increases, with Oregon & Connecticut seeing huge HVAC program increases. While ConEd is shifting completely to electrification incentives.

Utilities have not made many midstream rates publicly available until recently, so that has limited the number of programs for which we can calculate annual changes.



Downstream increases were higher for Heat Pump technology versus Traditional Air Conditioning.

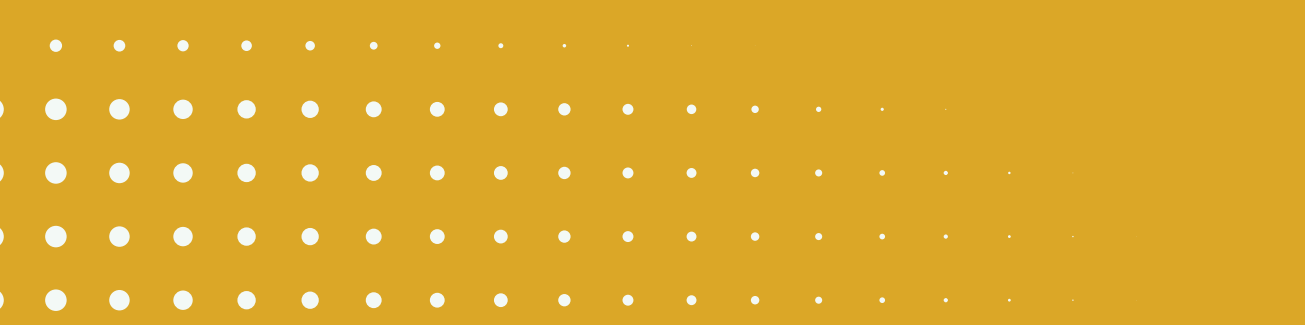
Key takeaways





Using Utility Rebates

Empower your sales and marketing teams

- 1.** Help customers make the best purchasing decisions by promoting the benefits of incentives
 - 2.** Expand sales territories by focusing on regions with the most lucrative utility rebates
 - 3.** Incorporate rebates into your marketing strategy across all mediums - incentives make for great educational content
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hello@utilitygenius.com



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Thank You