

Subject Residential Heat Pump Grants

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## Overview

House File 2771 supplements rebates for the purchase and installation of heat pumps in residences whose homeowners have received or applied for a rebate under the federal Inflation Reduction Act. The state rebate is the lesser of \$4,000 or the total cost of the heat pump net of the amount of the federal rebate.

## Summary

Section	Description
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1	<b>[216.45] Residential heat pump rebate program.</b>
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**Subd. 1. Definitions.** Defines “eligible applicant” as a person who has received or applied for a heat pump rebate under the federal Inflation Reduction Act.

**Subd. 2. Establishment.** Establishes the rebate program in the Department of Commerce.

**Subd. 3. Application.** Requires an application and documentation that the applicant is eligible for the rebate and (1) has had an energy audit of the residence conducted within the past 18 months, (2) has installed the recommended amount of insulation and air sealing measures recommended by the auditor, if any, and (3) has purchased a heat pump of the recommended capacity.

**Subd. 4. Rebate amount.** Specifies that a rebate may not exceed the lesser of \$4,000 or the total cost to purchase and install the heat pump, net of the amount of the federal rebate.

**Subd. 5. Assisting applicants.** Requires the commissioner to contract with an energy coordinator to provide applicants information about the program, the application process, and contacts for certified contractors.

**Section** **Description**

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**Subd. 6. Contractor training and support.** Requires the commissioner to contract with an entity to develop programs to train contractors to install heat pumps to industry best practice standards.

**2 Appropriation.**

Appropriates \$14,000,000 in fiscal year 2024 from the general fund for the program, of which \$10,000,000 is for rebates, \$2,000,000 for an energy coordinator, and \$2,000,000 for a contractor training program.



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