New York State
Clean Heat Program
2025 Annual Report

Jointly Filed By:

Central Hudson Gas & Electric Corporation
Consolidated Edison Company of New York, Inc.
Niagara Mohawk Power Corporation d/b/a National Grid
New York State Electric & Gas Corporation
New York State Energy Research and Development Authority
Orange and Rockland Utilities, Inc.
Rochester Gas and Electric Corporation

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Executive Summary

Created by the January 16, 2020 *Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios through 2025* ("NE:NY") Order,[1] the New York State Clean Heat Program ("Clean Heat Program" or "Clean Heat") from 2020-2025 offered incentives for space and water heating heat pump technologies, in coordination with a portfolio of market development initiatives, to build market capacity and deliver building electrification solutions in a consistent manner throughout New York State. In 2025, the NYS Clean Heat Program supported, via incentives, the installation of a total of 16,898 heat pump projects. 77% of these projects were full-load space heating projects. Of these full-load space heating projects, over 95% were air-source projects and less than 5% were ground-source. The Clean Heat Program also supported 3,194 heat pump water heater ("HPWH") projects in 2025. In addition, outside of the Clean Heat Program, the Long Island Power Authority ("LIPA") supported 11,710 heat pump projects in 2025, for a total of 28,608 heat pump projects installed in 2025 across New York State.

In 2025, the NYS Clean Heat Program issued over $208 million in incentives and achieved over 1,285,000 MMBtu of energy savings. In doing so, as compared with the funding and achievement originally authorized in the 2020 NE:NY Order, Clean Heat delivered 143% of targeted savings[2] at 207% of the original budget for 2025.[3] Clean Heat 2025 savings achievement and spend includes budget transfers from electric portfolios and Continuity Funding Mechanisms for the Utilities,[4] which were not included in the 2020 NE:NY Order and were authorized in subsequent orders.

Since the NYS Clean Heat Program launch on April 1, 2020, cumulative program spend by the NY Electric Utilities has totaled over $1.28 billion and the Program has achieved 7,222,826 MMBtu of savings as of December 31, 2025.[5] As of the end of 2025, the Program has achieved over 203% of the 6-year (2020-2025) NE:NY MMBtu savings target and spent 281% of the combined 6-year incentive program budget. The actual spend and savings figures include additional budget transfers and Continuity Funding Mechanisms authorized after the 2020 NE:NY Order to fund NYS Clean Heat. In total, through subsequent authorizations, the NY Electric Utilities spent 90% of the total authorized funding of $1.41 billion for Clean Heat. Additional details on individual Utility performance can be found in Section 3 of this report.

Over the six years since its launch, Clean Heat has grown a pool of air source heat pump ("ASHP") and ground source heat pump ("GSHP") contractors. In 2025, Clean Heat enrolled 193 new Participating Contractors. As of the end of 2025, there were 1,698 contractors enrolled in the Clean Heat Program across New York State, reflecting a 10% increase from 2024 and a 126% increase from the first full year of the program in 2021. In 2024, the Upstate[6] Clean Heat Program initiated a policy to change a

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[1] Case 18-M-0084, In the Matter of a Comprehensive Energy Efficiency Initiative ("NE:NY Proceeding"), Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025 (issued January 16, 2020) ("2020 NE:NY Order")

[2] Unless otherwise noted, "savings" in this report refer to annual savings.

[3] 2020 NE:NY Order

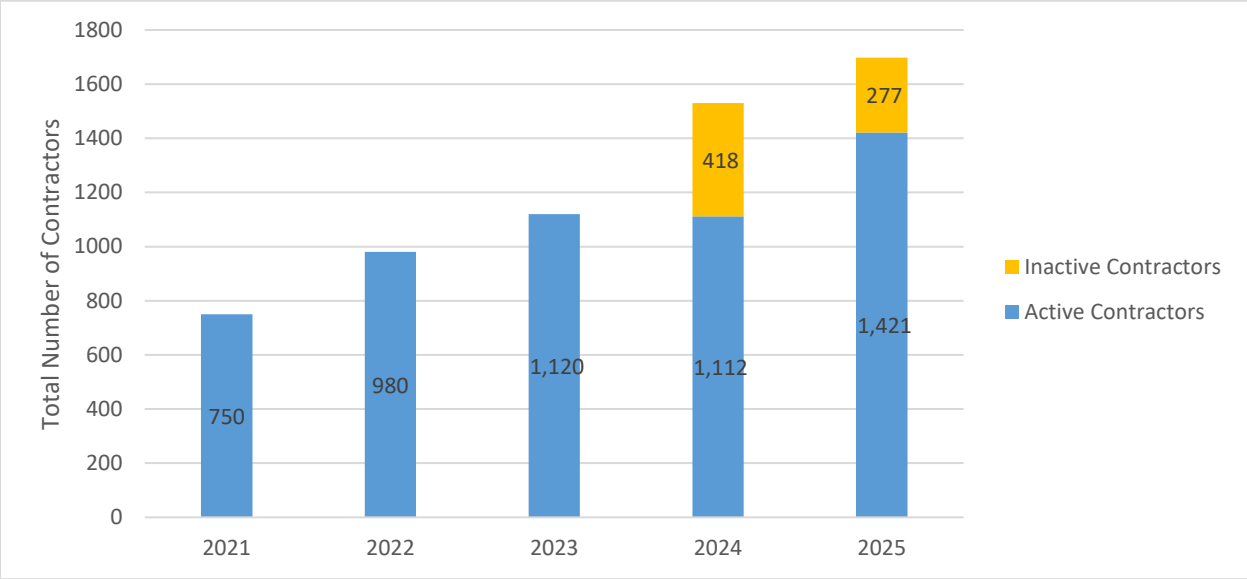
[4] See Sections 3.1, 3.2, and 3.4 for further detail.

[5] The prior heat pump achievement in Q1 2020 – as acquired by NYSERDA – was incorporated into the respective NY Electric Utilities' individual 2020 budgets and targets, pursuant to the 2020 NE:NY Order.

[6] In 2025 (and previously), for certain Clean Heat documents and Program components, there were distinctions between Clean Heat in the service territory of Consolidated Edison Company of New York, Inc. ("Con Edison") (referred to as "Downstate" in this Annual Report) and the other NY Electric Utilities' service territories (referred to

Participating Contractor's status to "inactive" if they did not submit any applications in the preceding 6 months. Figure 1 shows additional detail on contractors enrolled in the NYS Clean Heat Program by year. To complement this expansion and recruitment, the Program has increased efforts to provide education opportunities and other support to help Participating Contractors complete quality installations.

Figure 1. Clean Heat Participating Contractors as of Year End



NYSERDA helped train over 1,300 individuals across the heat pump supply chain in 2025, advancing the goal of growing a quality-oriented skilled labor force. NYSERDA's market development efforts included $38.9 million in spending across various initiatives in 2025. A summary is provided in Section 2, with specific program details provided in Section 4.

In May 2025, the Commission issued an Order that provided direction and authorized funding for the Clean Heat Program for 2026-2030 ("Non-LMI EE/BE Order").[7] The Non-LMI EE/BE Order changes the focus of the NYS Clean Heat Program. From 2020-2025, the NYS Clean Heat Program encompassed heat pump and building electrification programs across all customer sectors. In contrast, the Non-LMI EE/BE Order directed that the NYS Clean Heat Program support building electrification, including heat pumps, only for customers in residential one- to four-family homes for 2026-2030.[8] Larger customers, those in

as "Upstate" in this Annual Report). The "Upstate Utilities" refers to Central Hudson Electric and Gas Corporation ("Central Hudson"), Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric and Gas Corporation ("NYSEG"), Orange and Rockland Utilities, Inc. ("Orange and Rockland"), and Rochester Gas and Electric Corporation ("RG&E"). All the Utilities identified in this footnote are together referred to as "NY Electric Utilities" or "Utilities."

[7] Case 14-M-0094 et al., *Proceeding on Motion of the Commission to Consider a Clean Energy Fund,* Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030 (issued May 15, 2025) ("Non-LMI EE/BE Order").
https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7bF05AD596-0000-CB2A-93BA-002A02C52FA4%7d

[8] A project serving 1-4 dwelling units in a building with split unit ownership that has 5 or more dwelling units (i.e., typically defined as a "multifamily" building) is eligible for the NYS Clean Heat Program. For availability of utility incentives for heat pump projects in buildings of 5 or more dwelling units in other circumstances, please refer to

the multifamily and commercial sectors, which includes small businesses and nonprofits, will receive incentives for heat pumps and other building electrification technologies through the Utilities' programs targeting those sectors in 2026-2030.[9]

2025 Program Activities

The Joint Efficiency Providers[10] made modest changes to Clean Heat in 2025 consistent with its status as a mature, successful Program that has been in market since 2020.

Updates were codified in revisions to the NYS Clean Heat Program Manuals[11] and Implementation Plan[12], which are published on the Program website[13], and discussed in the Working Group Series for Participating Contractors and Industry Partners ("PC&IP").[14] The Joint Efficiency Providers made updates to the custom calculators to help market participants calculate savings and incentives on their projects.

In 2025, Clean Heat created a process to share incentive information with NYSERDA's EmPower+ Program to support efforts to avoid potential duplication of customer incentives.

The NY Electric Utilities made changes to incentive rates in 2025. Among those changes, National Grid and NYSEG increased their incentives for Categories 2, 2a, 2b, 2e, 3 and 5 while RG&E increased incentives for Category 5 projects. Con Edison concluded its limited-time offer, which was announced in December 2024 for residential and small business projects, in May 2025.

NYSERDA advanced numerous market development initiatives, as outlined in Sections 2.1.4 and Section 4.

<u>Transitions in 2026-2030</u>

The Joint Efficiency Providers are committed to improving the Clean Heat Program, consistent with Commission directives, in coordination with New York State Department of Public Service Staff and stakeholders.

The Non-LMI EE/BE Order, issued May 15, 2025, both provides Program structure for 2026-2030 and guidance for transitioning out of the 2020-2025 authorization. The Non-LMI EE/BE Order stipulates that in 2026-2030, Clean Heat will be the incentive program for building electrification for residential one- to four-family buildings. Larger multifamily and commercial buildings will be eligible to receive building electrification incentives from their electric utility. The Non-LMI EE/BE Order also allows Clean Heat

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utility-specific EE/BE Program implementation plans (see Case 25-M-0248 for individual filings). See Section 7, Glossary, for definition of "dwelling unit." See also, Case 25-M-0248, NYS Clean Heat 2026-2030 Implementation Plan, filed September 2, 2025.

[9] Non-LMI EE/BE Order, p. 33

[10] The Joint Efficiency Providers are defined as NYSERD and the NY Electric Utilities.

[11] NE:NY Proceeding, *NYS Clean Heat: Statewide Heat Pump Program Manual* ("Program Manual"), (initially filed on March 16, 2020 and most recently refiled April 1, 2025); *NYS Clean Heat Con Edison Heat Pump Program Manual*, (initially filed on January 12, 2023 and most recently refiled April 1, 2025) (together, "Program Manuals"). These revisions reflect materials for the 2020-2025 iteration of the Clean Heat Program.

[12] NE:NY Proceeding, *NYS Clean Heat: Statewide Heat Pump Program Implementation Plan, Version 9* (April 1, 2025) ("Implementation Plan"). The Joint Efficiency Providers' work in coordinating development of the NYS Clean Heat Program began in 2019, following the issuance of the Commission's NE:NY Order - NE:NY Proceeding, *Order Authorizing Accelerated Energy Efficiency Targets* (issued December 13, 2018) ("2018 NE:NY Order").

[13] https://cleanheat.ny.gov/

[14] https://cleanheat.ny.gov/resources-for-applications/. See "Working Group Series" subsection.

Program Administrators the ability to issue incentives for projects with applications submitted in 2025 in 2026, using funding from the prior authorization period. Final reporting of such projects will be included in the final Clean Heat Annual Report related to the 2020-2025 period, which will be published in 2027.

1 Introduction

Pursuant to the January 16, 2020 *Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios through 2025* ("2020 NE:NY Order"),[15] the New York State Energy Research and Development Authority ("NYSERDA") and the NY Electric Utilities (collectively, "Joint Efficiency Providers") file this New York State Clean Heat Statewide Heat Pump Program ("NYS Clean Heat Program", "Clean Heat" or "Program") Annual Report for 2025 ("Annual Report").

The NYS Clean Heat Program, which launched on April 1, 2020, provides customers, contractors, and other heat pump solution providers with a consistent experience and business environment throughout New York State. The NYS Clean Heat Program supports a consistent statewide heat pump program designed to achieve the State's ambitious heat pump goals and build the market infrastructure for a low-carbon future.

The NYS Clean Heat Program includes initiatives to advance the adoption of efficient electric heat pump systems for space and water heating applications throughout New York State. In the NE:NY authorization period 2020-2025, the NYS Clean Heat Program provided incentives to support customer adoption of eligible heat pump technologies, including cold climate air source heat pump ("ccASHP") systems, air-to-water heat pump systems ("AWHP"), ground source heat pump ("GSHP") systems, variable refrigerant flow ("VRF") systems, and larger-scale heat pump systems in commercial and multifamily buildings. Incentives were also provided for heat pump water heaters ("HPWH"), as well as their promotion and pricing by contractors and other heat pump solution providers. The Clean Heat Implementation Plan and the Program Manual[16] provided detail about the Program, including incentive structures and levels, eligible technologies, program rules and processes, and information for Participating Contractors.[17]

Through 2025, the Program was implemented in coordination with a portfolio of NYSERDA-led market development initiatives, which aimed to build market capacity to deliver affordable building electrification solutions. The market development efforts, which were described in Appendix 1 of the Implementation Plan, included support for training and qualification of contractors, processes to assure quality installations, marketing and education initiatives to help customers understand and select among options and to operate systems optimally, and research and demonstration initiatives.

The 2020 NE:NY Order and subsequent utility-specific adjustments provided funding for the Clean Heat Program for 2020-2025. Details on the subsequent utility orders are provided in the utility-specific subsections of Section 3.

This Annual Report also provides information on the closeout of funding for the 2020-2025 NYS Clean Heat Program. In the utility-specific subsections of Section 3, each of the NY Electric Utilities provides information on the 2025 Clean Heat Program encumbered amounts. As directed by the Non-LMI EE/BE Order, the utilities expect to close out all 2025 projects by December 31, 2026. These projects were committed under 2025 NYS Clean Heat program rules.

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[15] NE:NY Proceeding, 2020 NE:NY Order, p. 93.

[16] Since 2023, there have been two NYS Clean Heat Program Manuals: one for Con Edison and one for the Upstate Utilities.

[17] Both the Implementation Plan and Program Manual are revised, as necessary and with prior notice, on a separate schedule from this Annual Report.

In May 2025, the Commission issued its Non-LMI EE/BE Order, which provided direction and authorized funding for the Clean Heat Program for 2026-2030.[18] The Non-LMI EE/BE Order changes the focus of the NYS Clean Heat Program. From 2020-2025, the NYS Clean Heat Program encompassed heat pump and building electrification programs across all customer sectors. In contrast, the Non-LMI EE/BE Order directed that the NYS Clean Heat Program support building electrification, including heat pumps, only for customers in residential one- to four-family homes for 2026-2030.[19] The NY Electric Utilities, acting as the Clean Heat Program Administrators, filed a Clean Heat Implementation Plan consistent with the Non-LMI EE/BE Order guidance on September 2, 2025 and an initial Program Manual for the 2026-2030 version of the Clean Heat Program on December 12, 2025. Larger customers, those in the multifamily and commercial sectors, which includes small businesses and nonprofits, will receive incentives for heat pumps and other building electrification technologies through the Utilities' programs targeting those sectors in 2026-2030.[20]

[18] NE:NY Proceeding, Non-LMI EE/BE Order

[19] A project serving 1-4 dwelling units in a building with split unit ownership that has 5 or more dwelling units (i.e., typically defined as a "multifamily" building) is eligible for the NYS Clean Heat Program. For availability of utility incentives for heat pump projects in buildings of 5 or more dwelling units in other circumstances, please refer to utility-specific EE/BE Program implementation plans (see Case 25-M-0248 for individual filings). See Section 7, Glossary, for definition of "dwelling unit." See also, Case 25-M-0248, NYS Clean Heat 2026-2030 Implementation Plan, filed September 2, 2025.

[20] Non-LMI EE/BE Order, p. 33

2 NYS Clean Heat – Statewide Heat Pump Incentive Program

This 2025 Annual Report describes the activities, achievement, and spending for the NYS Clean Heat Program in 2025. With a new regulatory framework in place for 2026, the Annual Report discusses transition activities.

Statewide Clean Heat spending and savings achievement in 2025 as compared to the 2020 NE:NY Order[21] is summarized in Table 1. Cumulative statewide spend and achievement is presented in Table 2. Savings achievement reported in both Tables 1 and 2 is supported by additional spending and budget transfers authorized in subsequent orders (as is shown in the bottom two rows of Table 2).

Statewide Program Performance

Table 1. NYS Clean Heat Statewide Program Spend and Achievement 2025

Category	Spend ($)	Savings (MMBtu)*
2025 Actual	$208,259,424	1,285,203
2025 NE:NY Budget/Target	$100,372,042	896,085
Difference Between 2025 Actual and NE:NY Budget/Target	$107,887,382	389,118

Table 2. NYS Clean Heat Statewide Program Cumulative Spend and Achievement[22]

Category	Spend ($)	Savings (MMBtu)*
2020-2025 Spend/Achievement[23]	$1,277,995,273	7,222,826
2020 NE:NY Order 2020-2025 Budget/Target	454,318,220	3,566,594
Realized Through 2025 to 2020-2025 NE:NY Order Budget/Target	281%	203%
NE:NY 2020-2025 Authorized Budgets including Transfers[24]	$1,414,659,249	
Percent of 2020-2025 Authorized Budgets including Transfers Spent	90%	

** Equivalent Annual MMBtu, net of all energy savings and associated usage*

[21] NE:NY Proceeding, 2020 NE:NY Order, Appendix C; NE:NY Proceeding, Implementation Plan, p. 6. Similar tables are shown for each utility in Section 4.

[22] The prior heat pump achievement in Q1 2020 – as acquired by NYSERDA – was incorporated into the respective NY Electric Utilities' individual 2020 budgets and targets, pursuant to the 2020 NE:NY Order.

[23] This also includes transfers from electric portfolios and Continuity Funding Mechanisms. For more detail, please see Section 3.1 for Central Hudson, 3.2 for Con Edison and 3.4 for RG&E.

[24] Total authorized amounts by utility area: Central Hudson: $74,900,597; Con Edison: $1,105,599,511; National Grid: $114,045,586; NYSEG: $80,130,577; RG&E: $19,694,470; Orange & Rockland: $20,288,508.

Tables 3 and 4 show the number of heat pump projects that were installed and provided incentives in 2025 by program category.

Table 3. Projects Installed and Provided Incentives in 2025 by Electric Utility and Category

Category	Description	Central Hudson	Con Edison	National Grid	NYSEG	RG&E	ORU	Total by Category
1	*ccASHP: Partial Load Heating*	0	0	0	1	0	0	**1**
2	*ccASHP: Full Load Heating*	501	6	757	890	75	63	**2,292**
2a	*w/Integrated Controls*	11	64	31	47	16	22	**191**
2b	*w/Decommissioning*	479	8,269	297	448	62	154	**9,709**
2c	*ASHP MF Full Load Heating with Decommissioning*	0	250	0	0	0	0	**250**
2d	*ASHP SMB Full Load Heating with Decommissioning*	0	136	0	0	0	0	**136**
2e	*Full Load Air-to-Water Heat Pump, for Space Conditioning*	0	0	5	2	0	0	**7**
3	*GSHP: Full Load Heating*	68	103	185	127	75	9	**567**
4	*Custom Space Heating Applications*	4	175	51	22	19	14	**285**
4a	*Heat Pump plus Envelope*	0	23	19	3	6	0	**51**
5	*HPWH (up to 120 gal)*	342	754	1,501	393	137	67	**3,194**
6	*Custom Hot Water Heating Applications*	0	44	18	3	4	0	**69**
7	*GSHP Desuperheater*	12	0	48	50	15	0	**125**
8	*Dedicated DHW WWHP*	3	0	2	3	0	0	**8**
9[25]	*Simultaneous Install of Space & Water Heating*	0	0	0	0	0	0	**0**
10	*Custom Partial Load Space Heating*	0	10	3	0	0	0	**13**
Total Project Count[26]		**1,420**	**9,834**	**2,917**	**1,989**	**409**	**329**	**16,898**

[25] Category 9: *Simultaneous Install of Space & Water Heating* is indicative of a bonus incentive and is not included in Total Project Count.

[26] Total Project Count is the total number of customer heat pump projects installed and provided incentives in 2025. A single parcel (i.e., or customer) may have multiple projects. *See,* NE:NY Proceeding, NYS Clean Heat: Program Manuals *Glossary of Terms* for definition of Clean Heat Project. For instance, a customer may have a Category 2 space heating and a Category 5 water heating installation. Total project counts may also deviate from those reported in annual utility scorecard filings.

Table 4. Cumulative Projects Installed and Provided Incentives, Program to Date 2020-2025 by Electric Utility and Category

Category	Description	Central Hudson	Con Edison	National Grid	NYSEG	RG&E	ORU	Total by Category
1	*ccASHP: Partial Load Heating*	1,460	5,026	1,417	1,414	387	74	**9,778**
2	*ccASHP: Full Load Heating*	5,670	9,941	3,857	5,599	789	659	**26,515**
2a	*w/Integrated Controls*	34	2,395	94	112	36	120	**2,791**
2b	*w/Decommissioning*	2,473	31,606	1,059	1,539	277	542	**37,496**
2c	*ASHP MF Full Load Heating with Decommissioning*	0	468	0	0	0	0	**468**
2d	*ASHP SMB Full Load Heating with Decommissioning*	0	296	0	0	0	0	**296**
2e	*Full Load Air-to-Water Heat Pump, for Space Conditioning*	1	0	5	3	0	0	**9**
3	*GSHP: Full Load Heating*	466	628	865	1,000	391	84	**3,434**
4	*Custom Space Heating Applications*	38	628	631	74	33	36	**1,440**
4a	*Heat Pump plus Envelope*	1	71	76	23	9	2	**182**
5	*HPWH (up to 120 gal)*	2,874	2,085	4,747	2,534	1,826	229	**14,295**
6	*Custom Hot Water Heating Applications*	0	109	10	3	4	0	**126**
7	*GSHP Desuperheater*	84	107	254	317	113	23	**898**
8	*Dedicated DHW WWHP*	20	3	33	51	12	2	**121**
9	*Simultaneous Install of Space & Water Heating*	422	303	314	506	151	33	**1,729**
10	*Custom Partial Load Space Heating*	0	20	3	0	0	0	**23**
Total Project Count[27]		**13,543**	**53,686**	**13,365**	**13,175**	**4,028**	**1,804**	**99,601**

Each NY Electric Utility's individual performance is presented in more detail under its respective "Utility-Specific Progress" section.

[27] Total Project Count is the total number of customer heat pump projects installed and provided incentives in 2025. A single parcel (i.e., or customer) may have multiple projects. *See,* NE:NY Proceeding, NYS Clean Heat: Program Manuals *Glossary of Terms* for definition of Clean Heat Project. Cumulative totals from 2020 do not include projects that were funded under the prior NYSERDA program.

2.1 Summary of NYS Clean Heat Program in 2025

2.1.1 Program Administration Activities

The Joint Efficiency Providers conduct a range of activities to effectively implement the Clean Heat Program. The Program strives to make rules and communication clear, while being responsive to participant feedback and market developments.

Insights from activities in 2020-2025 will inform the revised Clean Heat Program in 2026.

A list of major 2025 activities follows.

Program Updates, Communication and Structured Engagement

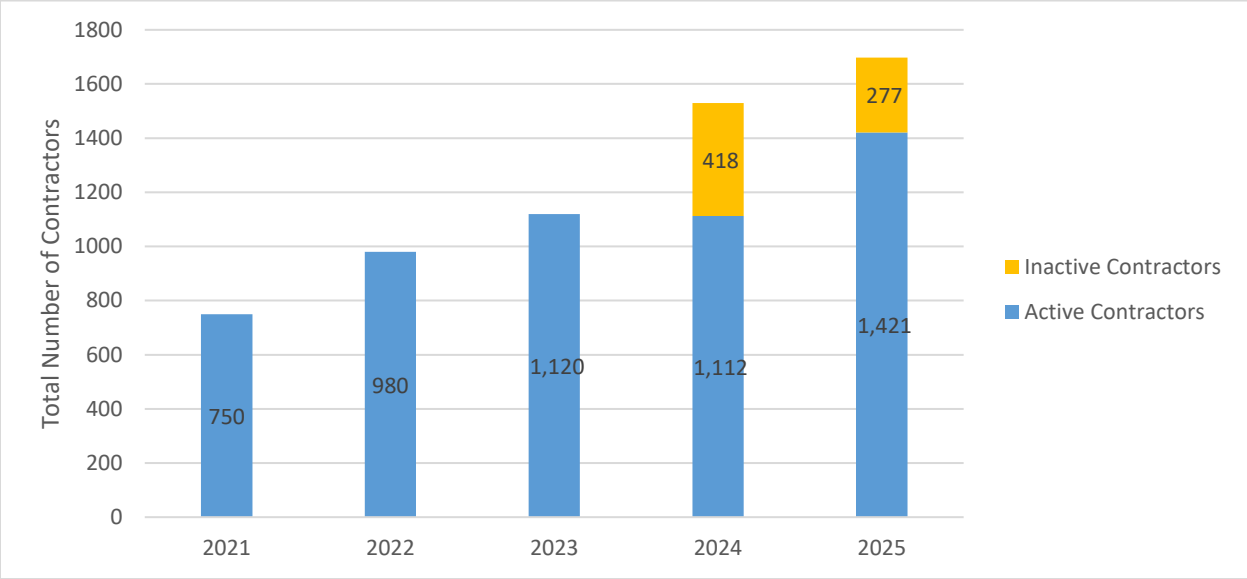
- Updates to the Program Manuals filed in April 2025 (Version 13 and Version 8 Con Edison)[28]
- Updates to the NYS Clean Heat Implementation Plan (April 1, 2025) to address NYSEG and RG&E Clean Heat funding transfer and Orange and Rockland updates to annual expenditures
- Continued support of the customer-facing NYS Clean Heat webpages, which achieved 1,120,984 users and 2,324,401 page views[29]
- Reorganization and streamlining of the contractor-facing NYS Clean Heat webpages[30]
- Continuation of the Working Group Series for Participating Contractors and Industry Partners. In 2025, meetings were held in April, June, September, and December with an average of 128 attendees per session.
- Increased marketing communications/interactions between the Utilities, Marketing Working Group, and the New York Department of Public Service ("DPS") in 2025. Marketing campaign performance (including learnings) and recommendations were discussed, as per the Non-LMI EE/BE Order requirement to review activities to date and determine a level of activity for the 2026-2030 program period.

Grow and Support the Clean Heat Contractor Network

- The Program processed enrollment applications and provided orientation to new contractors, increasing total enrollment from 1,530 to 1,698. Following the "inactive" policy instituted in March 2024, 418 contractors in 2024 and 277 contractors in 2025 were moved to "inactive" status for not submitting any applications in a 6-month period. Contractors can be reinstated at such time that they have project applications to submit. See Figure 2 below for additional detail on contractors enrolled in the NYS Clean Heat Program by year.

[28] *See,* NE:NY Proceeding, NYS Clean Heat: Program Manual
[29] https://cleanheat.ny.gov/
[30] https://cleanheat.ny.gov/contractors/

Figure 2. Clean Heat Participating Contractors as of Year End



- 46 registered statewide Clean Heat contractors achieved "Full" status – no limitations or conditions regarding participation – in 2025.
- The Clean Heat Joint Management Committee ("JMC") conducted 27 School of Clean Heat training webinars with 842 attendees and numerous one-on-one trainings with individual contractors. Recordings were posted for on-demand access and received 882 views in 2025.
- The Joint Efficiency Providers posted recorded trainings focused on various topics, which can be viewed anytime at:
    - https://www.gotostage.com/channel/605e6790b2d043e5b2d270c27c6b517d for Con Edison and
    - https://www.gotostage.com/channel/ac7f5f9bccc643a5a3a6c0841311f18e for the Upstate Utilities

2.1.2 Process Enhancements

As part of the effort to implement and oversee the NYS Clean Heat Program, the Joint Efficiency Providers updated their processes in 2025 as described in the list below.

QA/QC Process Enhancements

- Published an updated air-to-water heat pump field assessment checklist
- The Upstate Utilities released a revised decommissioning checklist to streamline the decommissioning process for Participating Contractors
- The Upstate Utilities instituted a contractor badging system within the Statewide Find a Contractor Tool

Statewide Heat Pump Technical Study

- Coordinated with the Technical Resource Manual Management Committee ("TRM MC") to incorporate the recommendations from the statewide heat pump technical study completed in Q3 2024. The improved Technical Resource Manual ("TRM") savings algorithms and

assumptions, elimination of prescriptive partial load rebates, and additional program guidance were added to the TRM v.13, effective January 1, 2026.

Enhancements to the Custom Savings and Incentive Calculators

- The Statewide Clean Heat Program Category 4 Calculator tool was updated to reflect the latest updates in the Program Manuals and changes were made to improve usability, correct bugs, and add new features. Main updates are in cadence with Program Manual updates, including April 15, 2025, and other intermediate updates are made as well (June 2025; July 2025; September 2025).
- The Category 6 Domestic Hot Water Custom Calculator was updated and re-published to add new features and fix bugs. The tool is updated in cadence with Program Manual updates, including April 15, 2025, and other intermediate updates are made as well (January 27, 2025; February 20, 2025; February 25, 2025; September 15, 2025).
- The Heat Recovery Chiller Custom Calculator was updated throughout the year (May 22, 2025; June 30, 2025; July 16, 2025; October 7, 2025; and November 1, 2025).

2.1.2.1 Planned Areas of Enhancement

The Non-LMI EE/BE Order mandates that Clean Heat become the Statewide Program to support Building Electrification in residential (i.e., 1-4 family) homes. It further set a requirement for systems supported by Clean Heat to be sized to meet the full load of the homes they serve, while introducing a Clean Heat Weatherized Tier to launch in 2026. The Clean Heat 2026-2030 Implementation Plan and 2026-2030 Clean Heat Program Manual reflect these requirements.[31]

2.1.3 Heat Pump Incentives

2.1.3.1 Key Accomplishments in 2025

Updates and changes to incentive offerings are detailed below.

- National Grid and NYSEG increased their incentives for Categories 2, 2a, 2b, 2e, 3 and 5
- RG&E increased their incentives for Category 5 projects
- Central Hudson, NYSEG, and RG&E completed a successful HPWH limited-time offer in Q4 2025
- Con Edison also implemented several changes specific to their service territory:
    - Limited-time offers to drive Program achievement for multifamily, commercial and industrial ("C&I"), small business and nonprofits ("Small Biz"), and residential GSHP
    - Changed per-apartment rates for residential GSHP projects

2.1.4 Market Development

NYSERDA Market Development activities were funded through the Clean Energy Fund ("CEF").

[31] See, 2026-2030 EE/BE Proceeding, *NYS Clean Heat 2026-2030 Implementation Plan, Version 1* (September 2, 2025) ("Clean Heat 2026-2030 Implementation Plan") and *New York State Clean Heat Heat Pump Program Manual Version 2* (March 5, 2026) ("2026-2030 Clean Heat Program Manual").

NYSERDA conducts a range of critical market development activities to help accelerate access to and adoption of heat pumps. A summary of highlights is included below, while additional details on the achievements are included in Section 4.

- In 2025, NYSERDA continued to deepen and broaden its relationships with critical supply chain actors, expanding the Clean Heat Connect Network by adding three manufacturer members to include 14 manufacturers and 15 distributors across 163 locations. The Network reached 771 individuals and 435 HVAC contractors through direct training with Network partners, reaching 900 contractors overall.
- Provided 11 new contractor-oriented tools and resources through the Clean Heat Connect Network in 2025; see Section 4 for more detail
- NYSERDA's Technical Assistance programs received 306 study applications in 2025. The studies identified and evaluated 2,008 electrification measures: 922 ccASHP measures, 273 VRF measures, 723 domestic hot water electrification measures, and 90 GSHP measures.
- NYSERDA's Residential Energy Assessments ("REA") program closed in December 2025. Based on a pilot exploring the advantages of both remote and virtual energy assessments, NYSERDA expects to move forward with a statewide Virtual Energy Assessments ("VEA") program in 2026. Homeowners continue to be able to access on-site energy assessment via the EmPower+ and Comfort Home programs.
- 3,710 New York homes were upgraded through Comfort Home in 2025. Cumulatively through 2025, load reduction projects completed through Comfort Home are projected to save 149,743 MMBtu in annual fossil fuel savings and 3,523 MWh in annual electricity savings.
- The Empire Building Challenge ("EBC") program has run 3 funding rounds, counts 27 program partners, and supports 19 demonstration projects of heat pump retrofits in large buildings in various stages of design and implementation. Since the program's inception, NYSERDA has generated 20 case studies to disseminate the principles and processes resulting from deep technical analysis and strategic capital planning conducted by program partners.
- The Large-Scale Thermal program completed three rounds of funding and closed in 2025. The Large-Scale Thermal program funded a variety of large building and campus projects, to develop construction-ready low-carbon heating and cooling solutions, including thermal energy networks, geothermal, waste heat recovery, and thermal storage.
- In 2025, NYSERDA issued PON 5982 "Enabling Innovative Clean Energy Building Solutions," funding 8 projects totaling $7.4 million focused on development and demonstration of near-commercial-ready technologies for clean heating and cooling, building envelope retrofits, intelligent grid-interactive building controls, low-GWP refrigerant applications, and leak detection and thermal storage.
- NYSERDA completed the second year of the Experience Clean Heat ("ECH") Initiative to "win the hearts and minds" of consumers, expanding by 75% to total 46 locations where consumers can enjoy personal experiences with heat pumps in common public spaces.[32] The initiative has achieved over 39 million impressions across its social media campaign, which reinforces the benefits of heat pumps and promotes peer-to-peer sharing of positive heat pump experiences. NYSERDA plans to collect and report on impact data by mid-2026 to evaluate the effectiveness of the initiative and validate any potential future investments in this approach.

[32] https://cleanheat.ny.gov/experience-clean-heat/

- In 2025, the NYS Clean Heat marketing campaign budget was reduced by 57% (compared to 2024) as planned. Broad-reaching and expensive marketing channels (primarily focused on building awareness) were reduced with a higher focus on targeted and digital channels. This shift overall reduced traffic to the website (cleanheat.ny.gov); however, user engagement increased (time on site, pages viewed per visit, visits to the Heat Pump Planner) and lower-level sales funnel actions (Find a Contractor and Find Rebates) were sustained despite the lower budget.

3 Utility-Specific Progress

3.1 Central Hudson

Table 5. 2025 Clean Heat Program Spend and Achievement

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$7,624,939	87,736
2025 NE:NY Budget/Target	$9,804,997	63,863
Difference Between 2025 Actual and NE:NY Budget/Target	($2,180,058)	23,873

Table 6. Clean Heat Program Spend and Achievement 2020-2025

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$70,326,781	774,106
Cumulative NE:NY 2020-2025 Budget/Target	$43,221,312	255,292
Share of NE:NY Budget/Target Realized Through 2025	163%	303%

Table 7. Central Hudson Clean Heat Program Spend and Achievement 2020-2025 with Authorized Funding Transfers

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$70,326,781	774,106
Cumulative NE:NY 2020-2025 Budget/Target with Authorized Funding Transfers	$74,900,597	338,048
Share of Adjusted NE:NY Budget/Target Realized Through 2025	94%	229%

3.1.1 2024 Program Performance

In 2025, Central Hudson exceeded its annual savings target, and also eclipsed 300% of its original cumulative program savings goal. Notably, Central Hudson exceeded this annual savings target while spending less than its original allotted annual budget for 2025. This cost-effective activity has continued through the additional authorized funds for the remainder of the Clean Heat program.

In 2025, Category 2b decommissioning projects accounted for 48% of annual program savings. Since its introduction to the Program in spring of 2022, full load decommissioning has accounted for a greater share of program savings each year. Moving forward, decommissioning projects remain a focus for

Central Hudson with continued workforce development centered on proper displacement of legacy fossil fuel systems.

Order Approving Additional Funding for Central Hudson's Clean Heat Program

In June of 2023, the Commission authorized additional funding for the Central Hudson program via previously authorized and unspent funds, reallocated future energy efficiency funds, and a Continuity Funding Mechanism after previous authorized funding sources are exhausted.[33]

Central Hudson received approval for the use of $3.9 million of previously collected, unspent funds, along with the transfer of $13.5 million of future non-LMI Energy Efficiency funds, $1.7 million of accrued interest from the Company's Clean Energy Fund, and $6 million in continuity funding, not to exceed $1 million per month. The Company's Clean Energy Fund interest and Continuity Funding Mechanisms were assigned a cost per unit target of $93.03/MMBtu. In total, the Order approved the use of just over $25 million in additional funds to support continued Clean Heat activity in Central Hudson territory. In addition, the Non-LMI EE/BE Order authorized an additional $5.9 million of continuity funding for the remainder of the Clean Heat program. Central Hudson utilized these additional funds to continue program activity through the end of 2025.

2020-2025 NYS Clean Heat Program Closeout

The table below shows estimated encumbered expenditures throughout 2026.

Table 8. Forecast Disbursement of Funding

	Forecast Disbursement of Funding (Encumbered Funding)				
Utility	**Q1 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Total**
Central Hudson	$1,883,422	$805,032	$724,249	$700,000	$4,112,703

[33] NE:NY Proceeding, Order Approving Funding for Clean Heat Program (issued June 22, 2023) ("Central Hudson Clean Heat Order")

3.2 Con Edison

3.2.1 2025 Program Performance

Table 9. Con Edison 2025 Clean Heat Program Spend and Achievement

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$157,966,790	832,893
2025 NE:NY Budget/Target	$52,915,488	249,162
Difference Between 2025 Actual and NE:NY Budget/Target	$105,051,302	583,731

Table 10: Con Edison Clean Heat Program Spend and Achievement 2020-2025 with Authorized Funding Transfers

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$1,017,064,346	4,532,338
Initial NE:NY 2020-2025 Budget/Target	$227,315,835	1,000,000
Cumulative NE:NY 2020-2025 Budget/Target	$1,105,599,511	N/A[34]
Share of NE:NY Budget/Target Realized Through 2025	447%	453%

After relaunching the Con Edison Clean Heat Program for ASHP in 2023, 2024 and 2025 were both years of stability. Con Edison achieved its cumulative 2020-2025 program targets under the originally authorized NE:NY funding in Q1 2022 and then paused accepting new ASHP applications in May 2022. In January 2023, as part of the relaunch, Con Edison began accepting new applications for projects installed within the approved budgets set forth under the Continuity Funding Mechanism. Con Edison supported almost 10,000 Clean Heat projects in 2025, which delivered 832,893 MMBtu of savings with total spending of $158.0 million. Since relaunching Clean Heat in 2023, the Company has supported almost 30,000 projects and delivered almost two million MMBtu of savings in total.

Con Edison continues to help catalyze a shift toward residential customers decommissioning their fossil fuel systems. In 2023, ASHP installations with decommissioning of existing fossil fuel heating systems accounted for approximately 92% of all residential ASHP projects acquired and rose to over 99% in 2024 and 2025.

[34] To facilitate the transfers that enabled the Company to relaunch Clean Heat in 2023, the Commission combined Con Edison's non-LMI EE targets with Clean Heat Program targets and removed annual targets in favor of a cumulative, 2020-2025 target. See, NE:NY Proceeding, *Order Approving Funding for Clean Heat Program* (issued August 11, 2022).

2025 Program Changes

Con Edison introduced a per-apartment rate for residential GSHP projects in buildings with 2-4 dwelling units. Con Edison also had limited-time offers in place that expired in the first half of 2025 for the following sectors: Residential GSHP, Multifamily, Small Biz, and C&I.

2020-2025 NYS Clean Heat Program Closeout

The table below shows estimated encumbered expenditures throughout 2026.

Table 11. Forecast Disbursement of Funding

	Forecast Disbursement of Funding (Encumbered Funding)				
Utility	**Q1 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Total**
Con Edison	$-	$66,179	$-	$-	$66,179

3.3 National Grid

Table 12. National Grid (Niagara Mohawk) Clean Heat Program Spending and Achievement 2025

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$21,639,732	162,902
2025 NE:NY Budget/Target	$17,118,933	280,647
Difference Between 2025 Actual and NE:NY Budget/Target	$4,520,799	(117,745)

Table 13. National Grid (Niagara Mohawk) Clean Heat Program Spending and Achievement 2020-2025

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$87,598,613	832,410
Cumulative NE:NY 2020-2025 Budget/Target	$84,398,834	1,112,681
Share of NE:NY Budget/Target Realized Through 2025	104%	75%

Table 14. National Grid (Niagara Mohawk) Clean Heat Program Spending and Achievement 2020-2025 with Funding Transfer

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$87,598,613	832,410
Cumulative NE:NY 2020-2025 Budget/Target with Funding Transfer	$114,045,586	1,112,681
Share of Adjusted NE:NY Budget/Target Realized Through 2025	77%	75%

3.3.1 2025 Program Performance

National Grid's heat pump programs are offered to electric customers in its Niagara Mohawk Power Corporation ("NMPC") service territory in Upstate New York. For the 2025 program year, National Grid did not achieve its annual NE:NY savings target and overspent its 2025 annual NE:NY Clean Heat budget. The NMPC Clean Heat program did not exceed its total available funding because of unspent Non-LMI NMPC electric portfolio funds transferred during 2023 to support program years 2024 and 2025. National Grid filed an NMPC System Energy Efficiency Plan Record of Revision ("SEEP ROR") in March

2024 showing the transfer of unspent funds from the NMPC Electric Non-LMI portfolio to the Clean Heat program.

Savings in 2025 were 25% lower than 2024, with the program achieving 58% of its 2025 annual NE:NY savings target. The program achieved 72% of the 2025 savings goal filed in the December 2024 SEEP ROR. National Grid experienced reduced participation in 2025 in Category 2 and Category 2b ccASHP projects. The program intends to explore methods to increase the volume of decommissioning projects in the future.

National Grid and its program implementation contractor continued to invest in onboarding and training new and existing contractors, adding 78 new National Grid Participating Contractors for a total of 415 active enrolled industry partners by the end of the year.

A notable success of the National Grid program was GSHP participation. The number of projects in this category increased nearly 20%, aided by a limited-time offering.

National Grid continued to grow its heat pump water heater distribution midstream offering from 875 units in 2024 to 901 units in 2025. 141 contractors installed units through the program.

2020-2025 NYS Clean Heat Program Closeout

The table below shows estimated encumbered expenditures throughout 2026.

Table 15. Forecast Disbursement of Funding

	Forecast Disbursement of Funding (Encumbered Funding)				
Utility	**Q1 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Total**
National Grid	$4,758,567	$3,766,507	$1,779,725	$1,750,529	$12,055,327

Upon closeout of all 2025 projects, National Grid expects to meet the 2025 savings goal filed in the December 2024 SEEP ROR.

3.4 NYSEG and RG&E

Table 16. NYSEG Clean Heat Program Spend and Achievement 2025

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$13,378,484	132,459
2025 NE:NY Budget/Target	$15,219,288	250,383
Difference Between 2025 Actual and NE:NY Budget/Target	($1,840,804)	(117,924)

Table 17. NYSEG Clean Heat Program Spend and Achievement 2020-2025

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$67,479,786	745,314
Cumulative NE:NY 2020-2025 Budget/Target	$75,130,577	992,737
Share of NE:NY Budget/Target Realized Through 2025	90%	75%

Table 18. RG&E Clean Heat Program Spend and Achievement 2025

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$3,220,166	36,036
2025 NE:NY Budget/Target	$1,909,389	30,282
Difference Between 2025 Actual and NE:NY Budget/Target	$1,310,777	5,754

Table 19. RG&E Clean Heat RG&E Program Spend and Achievement 2020-2025

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$15,920,188	183,332
Cumulative NE:NY 2020-2025 Budget/Target	$9,247,776	119,223
Share of NE:NY Budget/Target Realized Through 2025	172%	154%

Table 20. RG&E Clean Heat Program Spend and Achievement 2020-2025 with NE:NY Flexibility Funding Transfer

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$15,920,188	183,332
Cumulative NE:NY 2020-2025 Budget/Target with NE:NY Flexibility Transfer	$19,694,470	119,223
Share of Adjusted NE:NY Budget/Target Realized Through 2025	81%	154%

Table 21. NYSEG Clean Heat Program Spend and Achievement 2020-2025 with NE:NY Flexibility Funding Transfer

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$67,479,786	745,314
Cumulative NE:NY 2020-2025 Budget/Target with NE:NY Flexibility Transfer	$80,130,577	992,737
Share of Adjusted NE:NY Budget/Target Realized Through 2025	84%	75%

3.4.1 2025 Program Performance

RG&E exceeded NE:NY savings targets by 19% in 2025. This resulted in greater spend, while maintaining the originally budgeted cost of savings. NYSEG faced a modest drop in 2025 production compared to 2024. The programs focused on the continued development of the Participating Contractor network. Both NYSEG and RG&E saw sustained production in ASHP installations, which constituted 73% of total savings for the year.

NE:NY Flexibility Funding for NYSEG and RG&E Clean Heat Program

Since 2022 RG&E has experienced significant growth in the program and exceeded the annual savings targets and budgets.

Due to accelerated program achievement, RG&E filed a revision to the June 2023 SEEP plan allowing for the transfer of funds from electric non-LMI unspent funds to RG&E Clean Heat. Since RG&E was able to meet their electric NE:NY goals, unspent funds could be transferred to the RG&E Clean Heat program, allowing it to operate seamlessly without the need for a pause or shutdown. In total, RG&E was able to transfer $10,446,694 of unspent electric non-LMI funds to the RG&E Clean Heat program.

Since NYSEG was able to meet its electric NE:NY goals in 2022, unspent funds could be transferred to the NYSEG Clean Heat program, allowing it to operate seamlessly without the need for a pause or

shutdown. NYSEG filed the October 2024 SEEP plan showing the transfer of funds from electric non-LMI unspent funds to NYSEG Clean Heat. In total, NYSEG was able to transfer $5,000,000 of unspent electric non-LMI funds to the NYSEG Clean Heat program.

2020-2025 NYS Clean Heat Program Closeout

The table below shows estimated encumbered expenditures throughout 2026.

Table 22. Forecast Disbursement of Funding

	Forecast Disbursement of Funding (Encumbered Funding)				
Utility	**Q1 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Total**
NYSEG	$851,911	$334,810	$680,230	$833,049	$2,700,000
RG&E	$39,763	$841,425	$313,969	$795,113	$1,990,000

3.5 Orange & Rockland

3.5.1 2025 Program Performance

Table 23. Orange & Rockland 2025 Clean Heat Program Spend and Achievement

Category	Spend ($)	Savings (MMBtu)
2025 Actual	$ 4,429,313	33,177
2025 NE:NY Budget/Target	$ 3,403,947	21,748
Difference Between 2025 Actual and NE:NY Budget/Target	$ 1,025,366	11,429

Table 24. Orange & Rockland Clean Heat Program Spend and Achievement 2020-2025

Category	Spend ($)	Savings (MMBtu)
Cumulative 2020-2025 Spend/Achievement	$ 19,605,659	155,326
Cumulative NE:NY 2020-2025 Budget/Target	$15,003,888	86,657
Share of NE:NY Budget/Target Realized Through 2025	131%	179%

Orange & Rockland's program participation remained consistent in 2025 with a total of 331 completed projects. This resulted in exceeding savings and expenditures in both 2025 and cumulatively since program inception. ASHP installations were completed in over 77% of all 2025 projects while GSHP installations accounted for 23% of projects.

Planned savings in 2024 and 2025 reflect a transfer in funding from the 2019-2023 unspent NE:NY Electric EE budget to the 2024-2025 NYS Clean Heat budget, allowing Orange & Rockland to achieve 101% of the NE:NY target. Updated budgets and targets were filed in the NYS Clean Heat Statewide Heat Pump Program Implementation Plan on September 11, 2024.

Incentive Level Changes

Since September 1, 2024, Orange & Rockland has not made any incentive level adjustments for residential 1-4 family ASHP projects (Categories 2, 2a and 2b), and custom space and hot water heating applications (Categories 4, 4a and 6) to manage its remaining authorized Clean Heat program budget.

2020-2025 NYS Clean Heat Program Closeout

The table below shows estimated encumbered expenditures throughout 2026.

Table 25. Forecast Disbursement of Funding

	Forecast Disbursement of Funding (Encumbered Funding)				
Utility	**Q1 2026**	**Q2 2026**	**Q3 2026**	**Q4 2026**	**Total**
Orange & Rockland	$48,795	$362,618	-	$465,167	$876,580

4 Market Development Plan

4.1 Overview

Starting in Q2 2020, the NY Electric Utilities launched the NYS Clean Heat Statewide Heat Pump Program. To achieve the statewide heat pump goals and build the market infrastructure for a low-carbon future, the incentive program has been paired with a portfolio of market development initiatives implemented by NYSERDA.

NYSERDA has expended $172 million over 5+ years in market-enabling initiatives, funded through NYSERDA's CEF investment plans, to support the NYS Clean Heat Market Development Plan, which aims to build market capacity to deliver building electrification solutions. NYSERDA plans to expend a cumulative total of nearly $280 million in this area through the CEF period.

The NYS Clean Heat Market Development Plan is designed to address critical barriers and market needs through the initiatives listed in the table below. These initiatives have been approved through various NYSERDA CEF Investment Plans.

While NYSERDA does report benefits such as energy savings and leveraged funding from various investments outlined in the following table in routine CEF reporting (from investment plans[35] unrelated to utility investments), NYSERDA's NYS Clean Heat performance is quantitatively assessed in the following manner:

1. Funding commitments made in comparison to the Implementation Plan
2. Progress against near-term output metrics and longer-term outcome metrics which are summarized in Appendix A of this report

4.2 NY Clean Heat Market Development Plan Funding Expenditures

The table below summarizes NYSERDA's progress in 2025 in funding expenditures per each Critical Market Need, as identified in the Market Development Plan. These metrics are also documented in quarterly/annual CEF reporting related to each NYSERDA investment plan supporting the Market Development Plan. Plans here align with NYSERDA's November 21, 2025 Compiled Investment Plan filing.

[35] https://www.nyserda.ny.gov/About/Funding/Clean-Energy-Fund

Table 26. NYSERDA 2025 Progress per Critical Market Need

Critical Market Need	Initiative	Expended Through 2024	Expended in 2025	Planned 2025 Expenditures	Difference Actual v Projected 2025	NYSCH Goal (all years)	Expended as % of NYSCH Goal
Train and develop the needed clean heating and building electrification workforce	Workforce Development	$16.9M	$7.1M	$5.5M	$1.7M	$35.7M	67%
Build consumer demand and market confidence and reduce customer acquisition costs	Marketing	$25.4M	$0.6M	$0.6M	$0.0M	$26.1M	100%
	Community Campaigns	$2.3M	$0.6M	$3.2M	-$2.6M	$8.9M	33%
	Critical Tools	$1.6M	$0.2M	$0.3M	-$0.1M	$2.0M	90%
	Technical Assistance	$14.5M	$6.6M	$4.7M	$1.9M	$25.0M	84%
Drive performance improvements, reduce cost, and deliver new economic solutions through technology innovation and demonstrations	Large-Scale Thermal	$10.4M	$3.9M	$3.3M	$0.6M	$32.3M	44%
	HVAC Technology Challenges	$13.6M	$5.4M	$3.9M	$1.5M	$40.3M	47%
	Empire Building Challenge	$9.1M	$1.9M	$1.6M	$0.3M	$14.9M	74%
	Multifamily Building Demonstrations	$2.6M	$1.5M	$1.5M	$0.0M	$18.9M	22%
Make electrification solutions available for LMI consumers	LMI	$8.7M	$2.5M	$4.0M	-$1.5M	$28.0M	40%
Make products available when and where consumers need them by building the clean heat supply chain	Supply Chain	$5.6M	$2.0M	$4.8M	-$2.8M	$14.6M	52%
Minimize winter electrical peak by investing in demand reducing “heat-pump ready” solutions	Comfort Home	$21.7M	$6.5M	$6.8M	-$0.2M	$28.5M	99%
Develop a long-term building electrification roadmap to guide the transformation of how New Yorkers heat and cool their buildings	Building Electrification Roadmap	$1.0M	$0.0M	$0.0M	$0.0M	$1.0M	100%
Totals		**$133.4M**	**$38.9M**	**$40.2M**	**-$1.4M**	**$276.1M**	**62%**

4.3 2025 Updates: Critical Market Needs and Market Development Initiatives

1. TRAIN AND DEVELOP THE NEEDED CLEAN HEATING AND BUILDING ELECTRIFICATION WORKFORCE

2025 Performance

During 2025, 1,329 individuals were trained (10,729 cumulative to date) in initiatives funded through the NYSERDA Workforce Development and Training-led funding opportunities. Approximately 64% of those trained to date are associated with HVAC or building electrification occupations in the areas of sales, installation, and design.

Additional contractors were trained through complementary initiatives developed with partnerships between the Clean Heat Connect Network, the EmPower+ contractor network, and the NYSERDA Quality and Market Standards team. NYSERDA also supported the creation of an easily accessible 14-part series of short videos demonstrating proper installation of cold-climate air source heat pumps, scheduled to be deployed in 2026.

2026 Lookahead

In 2026, under the Energy Efficiency and Building Electrification LMI and Non-LMI Portfolios ("EE/BE Portfolios"), NYSERDA is launching new funding opportunities for "Career Pathways Training for New Workers" and "Targeted Skills Training and Upskilling" as well as continuing hiring support to businesses through the On-the-Job Training Program. NYSERDA will also continue supporting union apprenticeships and pre-apprenticeships to expand clean energy training related to building electrification and heat pumps.

2. BUILD CONSUMER DEMAND AND MARKET CONFIDENCE AND REDUCE CUSTOMER ACQUISITION COSTS

2025 Performance

Marketing

In 2025, as planned, the NYS Clean Heat marketing campaign budget was reduced by 57% (compared to 2024). However, a continued focus remained on increasing familiarity and interest across key audiences in a cost-efficient and highly targeted manner.

Broad-reaching and expensive marketing channels (i.e., cable TV and land-based (AM/FM) radio) were eliminated and budgets were lowered on targeted and digital channels. The budget reduction resulted in an overall decline in traffic to the website (cleanheat.ny.gov); however, user engagement (e.g., time on site, pages viewed per visit, visits to the Heat Pump Planner, etc.) increased and lower-level sales funnel actions, such as Find a Contractor and Find Rebates tools, were sustained.

Despite a 57% budget reduction, overall website traffic did not decrease at the same rate. People actually spent more time on the website year-over-year, indicating a highly engaged audience.

Table 27. Website Traffic and Engagements

Website Traffic	2024	2025	% Change
Users (People)	1,584,606	1,120,984	29.3% ↓
Pageviews	3,015,089 (1.40)	2,324,401 (1.49)	22.9% ↓
Avg. Session (Visit) Duration	1 minute 2 seconds	1 minute 30 seconds	27.5% ↑

The 2025 prioritization of the paid media spend on targeted digital channels geared to drive on-site conversion was effective in minimizing an engagement decline. The Heat Pump Planner (a mid-level sales funnel tool) saw a notable increase in usage, growing nearly 87% in 2025.

Table 28. Website Traffic and Engagements

Engagements	2024	2025	% Change	2024	2025	% Change	2024	2025	% Change
	Heat Pump Planner			**Find a Rebate**			**Find a Contractor**		
Users (People)	33,839	52,816	56.1% ↑	114,430	79,619	30.4% ↓	48,791	33,114	32.1% ↓
Sessions (Visits)	52,154	97,426	86.8% ↑	151,898	114,553	24.6% ↓	68,688	50,341	26.7% ↓

In 2025, the NYS Clean Heat marketing campaign drove over 1.1 million visitors to the cleanheat.ny.gov website and campaign messaging resonated with all audience segments to drive deeper on-site engagements. Partnerships with social media Influencers was one of the strongest engagement channels this calendar year. Audiences really resonated with peer-to-peer content, resulting in 31.6 hours of content watch time and over 30,000 content views. Paid social media (Facebook, Instagram, and Pinterest) was one of the hardest-working channels, resulting in over 22 million impressions (times content was seen) and 4.3 million engagements (likes, follows, shares). Public Relations was another impactful part of the campaign strategy. In 2025, there were 18 earned media placements (worth $1.6 million in equivalent advertising) that reached over 169 million people.

Since launching the marketing campaign in April 2021, over 5 million visitors have come to the cleanheat.ny.gov website 7 million times. Awareness of heat pumps among campaign-targeted audiences has grown from 21% aware of ASHPs and 43% aware of GSHPs to 82% across all technologies. Additionally, with broad-reaching non-targeted channels (i.e., cable TV, land-based (AM/FM) radio, organic social media, and earned media) as part of the overall campaign mix, NYSERDA's research[36] has measured that the awareness of heat pumps among New York's residential population as a whole has reached 55% (from 42% in 2022). The research has also shown that heat pumps are the only residential clean energy solution in which awareness, interest, and considerations has increased year-over-year since 2022 – a correlation to the 5-year dedicated marketing campaign coordinated with utilities and upstream partners.

Community Campaigns

The Phase 1 Clean Heating and Cooling Community Campaigns successfully increased awareness, built demand, and boosted market confidence in energy efficiency and heat pump technologies, including ccASHPs, GSHPs, and HPWHs. Community Campaigns engaged a variety of partner networks to promote key messaging in single-family and multifamily residential, commercial, and other markets in a variety of income brackets, including LMI residents. Through 2025, over 8,000 people have participated in clean heating and cooling campaigns and installed approximately 1,600 energy efficiency and heat pump installations. Regional Clean Energy Hubs are currently implementing Phase 2 Clean Heating and Cooling

[36] NYSERDA Annual Statewide Tracking Study: https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/About/Tracking-Progress/2025-NYSERDA-Annual-Tracking-Study.pdf

Community Campaigns which commenced in 2025 and are in progress. The Community Campaigns are based on the Outreach, Education and Engagement Plans developed by the Hubs, which were informed by each Hub's Regional Assessment and Barrier Analysis ("RABA") report, and identify specific strategies to serve and reach underserved and Disadvantaged Communities.

Critical Tools

NYSERDA continues to bring trusted third-party heat pump technical education tools and resources to HVAC contractors by leveraging its Clean Heat Connect Network of 14 manufacturers and 15 distributors of ASHPs spread across 163 locations. The Clean Heat Connect initiative launched regional outreach teams to map and engage partner personnel responsible for reaching and training contractors at the corporate and branch office levels. This resulted in reaching 771 individuals and 435 HVAC contractors through direct trainings with partners and over 900 contractors overall.

The CleanHeatConnect.ny.gov website was re-organized for easier navigation. The site attracted over 13,000 visitors who engaged in over 42,000 actions (or clicks to additional content on the site) in 2025. 2,668 resources were downloaded and 7,137 YouTube video views occurred.

The Clean Heat Connect Network offered 11 new technical resources in 2025, including:

- Heat Pump Sales Guides for Contractors:
    - Cold-Climate Air Source Heat Pumps: Weatherization Makes a Heat Pump's Installation Easier and Better
    - Cold-Climate Air Source Heat Pumps: Selling to Comfort and Health Concerns
    - Cold-Climate Air Source Heat Pumps: Post-Install Business Sales
    - Cold-Climate Air Source Heat Pumps: Protecting your Investment
    - Cold-Climate Air Source Heat Pumps: Improve Your Installs by Weatherizing First!
    - NYS Clean Heat Quality Assurance Quality Check Training Course
    - Hosted and Promoted Heat Pump Installation Video Series created through Workforce Development
    - Management of Existing Ducts Training Course
    - Installers Guide to Residential Electrical Assessment Training Course
- Updated Resources:
    - Heat Pump Commissioning Checklist
    - Project Pricing Checklist
    - NYSERDA Workforce Development Guide
    - ASHP Field Assessment Hot List
    - Dehumidification in Heating Climates
    - Pipe Freeze Protection

NYSERDA initiated the "Who's Afraid of the Polar Vortex" Case Study for the 2025-2026 heating season. The initiative is monitoring heat pump performance in 12 homes converted to whole-house cold-climate heat pump systems with no fossil fuel back up. The effort includes homeowner surveys on comfort and satisfaction during each polar vortex event. Preliminary comfort results are positive, including one home experiencing outdoor temperatures reaching -25°F. A report will be published in 2026 and results will be packaged for use by Clean Heat Connect partners to educate contractors and the public to help overcome the misconception that heat pumps don't work in cold climates.

In 2025, NYSERDA completed a third-party process evaluation of the Clean Heat Connect initiative. Contractor surveys were sent out by partner distributors to their contractor networks as well as through

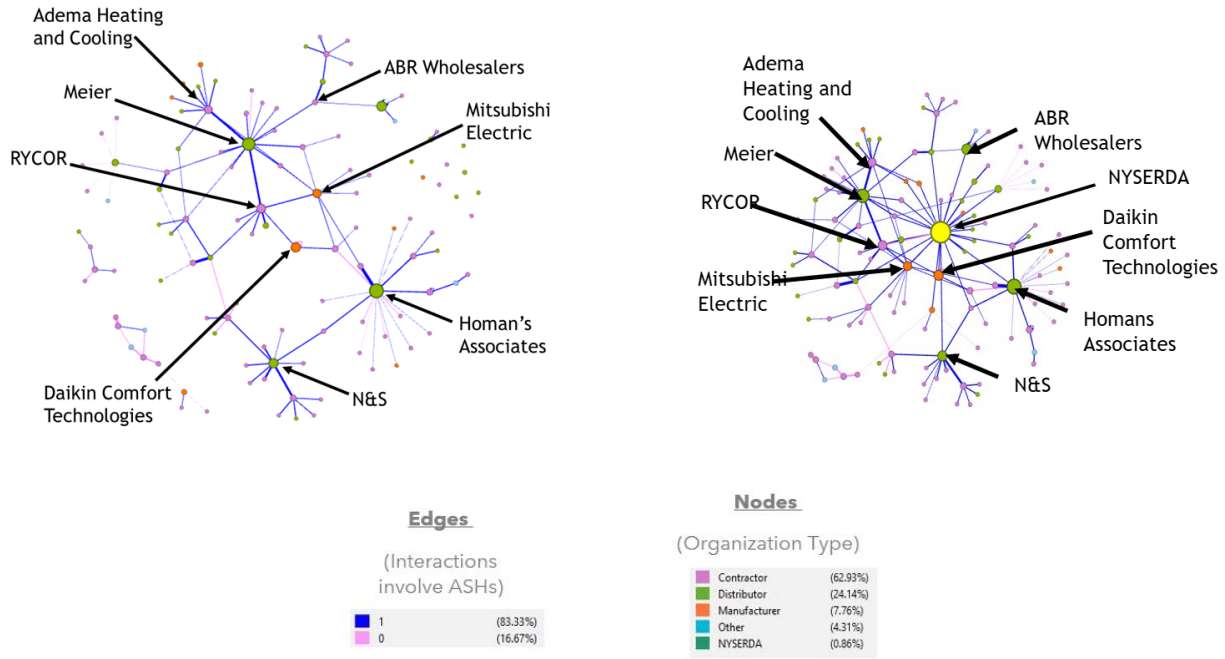
manufacturer and distributor partner interviews. Evaluation results showed:

- 93% of respondents reported using at least one or more of the Clean Heat Connect resources
- Contractors who use Clean Heat Connect resources reported the following benefits:
    - 51% reported increased sales and business growth
    - 58% reported improved training/technical support for their teams
    - 35% reported gaining a greater understanding of NYSERDA and utility incentives and funding support
    - 53% reported increased capability/quality of installations
    - 33% reported the initiative changed the company's approach to heat pump sizing and design
    - 23% reported the initiative made it easier to respond to customer concerns and callbacks
- The Network also continued to provide significant promotion and support for NYSERDA contractor programs including On-the-Job Training funding and Green Jobs-Green New York Financing.

The evaluation used a social network assessment to measure the number and depth of information-sharing relationships among network members, contractors, and NYSERDA's Clean Heat Connect Network. As shown in the figure below, this assessment found NYSERDA's role through the Clean Heat Connect initiative significantly expands the number and depth of information-sharing relationships from manufacturers to distributors to contractors as well as contractor peer-to-peer sharing and helps to amplify the impact of market-leading distributors and manufacturers in building awareness of heat pumps across the supply chain.

Figure 13 Clean Heat Connect Initiative Social Network Analysis

Relationship mapping shows that with NYSERDA's influence (image on the right), the number and depth of information-sharing instances increases significantly across the network.



In support of the Custom Measure 6, "Heat Pump Plus Weatherization Retrofit Standard Simulation for Measure Packages (HP+Retrofit)" in the NY TRM, a study was conducted to validate the approach with in-field measurement to document the correlation between modeled and measured energy savings, contributing factors, and risks. Results will be published in 2026.

Technical Assistance

The Residential Energy Audit ("REA") Program offers no-cost residential energy audits to eligible owners of one- to four-unit residential buildings who have income levels above 80% of Area Median Income (households below the 80% income threshold are eligible for a GJGNY-compliant energy assessment through the EmPower+ program). These in-home assessments are performed using a network of participating, certified residential energy contractors. The objective of the program is to provide homeowners with trusted information about their home's performance and to provide them with an assessment report that will guide them in making informed energy efficiency, comfort, health and safety and clean energy investments in their homes. In 2025, the REA program completed 2,167 assessments.

After conducting a pilot exploring the advantages of both remote and virtual energy assessment that concluded in October of 2024, NYSERDA plans to move forward in 2026 with a statewide VEA Program. This shift in strategy will leverage the online virtual experience to provide an initial set of decision-quality recommendations to homeowners while directing them to the most applicable incentive program for an on-site assessment to develop a contract-grade work-scope. The REA program closed in December 2025. Homeowners will continue to be able to access on-site energy assessments via the EmPower+ and Comfort Home programs for the duration of 2026.

The non-single-family residential Technical Assistance programs received 306 study applications in 2025 that focused on electrification or had an electrification component. Most of these studies are from multifamily facilities, commercial real estate, and Pre K-12 schools. The studies completed in 2025 identified and evaluated 2,008 electrification measures: 922 ccASHP measures, 273 VRF measures, 723 Domestic Hot Water electrification measures, and 90 GSHP measures.

2026 Lookahead

Marketing

While funding for the statewide general awareness and education marketing campaign expired in 2025, NYSERDA and the utilities have completed a review of the activities to date and the current status of the program and market as directed in the Non-LMI EE/BE Order. The review includes recommendations for the use of websites, contractor portal, and the roles of NYSERDA and the utilities in both outbound consumer-facing marketing and market development activities to ensure ratepayer dollars are invested appropriately, are not duplicative or redundant, and minimize marketplace confusion.

Community Campaigns

The Regional Clean Energy Hubs will continue to implement community campaign initiatives within Hub programming. Planning for future NYSERDA activities is incorporated into the LMI EE/BE Portfolio proceeding. Details can be found in NYSERDA's LMI EE/BE Implementation Plan.

Critical Tools

At least half of the Clean Heat Connect Network website resources are currently in PDF format and will be converted to mobile-friendly webpages for ease of access and to improve ability to count visits. Clean Heat Connect Network Field teams plan to launch a partner tiered badging program to encourage further adoption of the content and resources, provide clear "products" for outreach teams to focus on, and provide quantifiable participation. Field teams will also leverage previous development of a customer relationship management ("CRM") database, tracking key Network partner personnel responsible for training HVAC contractors. Additional resources are planned, including a technical support video series based on the successful training series with EmPower+ contractors on value-engineered heat pump design. Additionally, release is planned for the "Who's Afraid of the Polar Vortex" Case Study, which will meter performance of full-load cold-climate heat pumps with no back-up fossil fuel heating during the coldest days of the year.

NYSERDA is reviewing the validation study of the Custom Measure 6 approach. NYSERDA is also examining how the method can be expanded to include additional building types (e.g., row houses, manufactured homes) and additional types of equipment (e.g., GSHPs) to support beneficial electrification efforts. NYSERDA will review these analyses with DPS and the TRM MC to determine potential updates to the NY TRM documentation of the method.

Technical Assistance

NYSERDA plans to launch a statewide VEA Program in 2026 to provide single-family residents with detailed information about their homes and customized recommendations for energy efficiency improvements, and to connect them to resources to take action. The VEA will collect and analyze public data sets to deliver an assessment report, develop a basic building model, and develop preliminary energy efficiency and electrification recommendations. The newly designed VEA program will give homeowners the advantage of being able to access a dynamic report which can be updated over time vs. the "one and done" static report provided by a traditional in-home assessment. The data gathered from the VEA can assist NYSERDA with targeted marketing campaigns, pilot program design, reaching underserved areas, identifying residents as beneficial electrification-ready, and providing re-engagement opportunities with customers.

NYSERDA plans to integrate VEA data with customer profiles in the My Energy Portal beginning with an API data transfer from the VEA to MyEnergy, to be available in 2026.

In the non-single family residential sectors, the Technical Assistance programs are continuing under EE/BE as per the Non-LMI EE/BE Portfolio Implementation Plan. Funding will persist for the evaluation of electrification measures.

3. DRIVE PERFORMANCE IMPROVEMENTS, COST REDUCTIONS, AND DELIVER NEW ECONOMIC SOLUTIONS THROUGH TECHNOLOGY INNOVATION AND DEMONSTRATIONS

2025 Performance

Clean Thermal District Systems

Building from a pilot program, the Large-Scale Thermal program was launched in Q2 2024 to support the design of large single-building and multi-building projects using heat pumps and low-carbon thermal

resources. The Large-Scale Thermal program completed three rounds of funding supporting 24 projects across 23 million square feet. The Large-Scale Thermal program funded a variety of large building and campus projects, to develop construction-ready low-carbon heating and cooling solutions, including thermal energy networks, geothermal, waste heat recovery, and thermal storage.

Cost Reduction Strategies

In 2025, NYSERDA's market development work included supporting EmPower+ contractors to produce value-engineered heat pump designs to reduce up-front equipment and ongoing operational costs for EmPower+ customers. Prior to the training, contractors were commonly oversizing systems with designs that could also be simplified to use less equipment. Contractors were provided with a series of technical assistance sessions on completing proper Manual J heating load calculations and were also offered limited direct technical assistance with subject matter experts to improve their designs. Within several months, proposed heat pump projects reduced up-front costs by an average of $2,000 per project, which should in turn reduce operational costs while maintaining or improving comfort in the home. Driven by popular demand, the EmPower+ technical assistance webinar series was developed into an on-demand recorded training series made available to all via the Clean Heat Connect website.

Contracts were awarded in 2025 by NYSERDA to fund three field studies to assess and field monitor innovative value-engineered heat pump designs. A fourth contract was awarded to develop standardized system design templates as potential cost reduction strategies. Further details are outlined in the 2026 Lookahead below.

HVAC Technology Challenges

In 2025, NYSERDA issued PON 5982 "Enabling Innovative Clean Energy Building Solutions", funding eight promising projects totaling $7.4 million focused on completing the development and demonstration of near-commercial-ready solutions in the technology areas of: building envelope retrofits, clean heating and cooling, intelligent grid-interactive building controls, low-GWP refrigerant applications, and leak detection and thermal storage. Eligible technologies need to have received past or current government or foundation funding that advanced and readied the solution for demonstration. The aim of the solicitation was to leverage past investments by others and fund the remaining needed activities to commercialize the solution.

Empire Building Challenge

The Empire Building Challenge in its first three rounds offered $50 million to form public-private partnerships with leading real estate portfolio owners, engineers, and technology providers to demonstrate commercially viable low-carbon retrofit approaches that can decarbonize New York's existing stock of high-rise buildings.

In its first three rounds, the program has gained 27 program partners and supports 19 demonstration projects featuring heat pump retrofits for large buildings in various stages of design and implementation. Lessons learned from the demonstrations are routinely extracted and feed into the development of new educational materials and resources. There is significant interest from the real estate industry in clean heat technology innovations and demonstration projects, and since the program's inception, NYSERDA has generated 20 case studies to disseminate the principles and processes resulting from deep technical analysis and strategic capital planning conducted by program

partners. These resources are posted in The Retrofit Playbook – a living library of resources and case studies that illustrates pathways for significant energy and carbon reduction in existing buildings at commercially acceptable returns. The revamped Playbook, which was updated in 2025 and continues to grow, has been visited by more than 21,000 users.

By the end of 2025, several Cohort 1 and Cohort 2 demonstration projects were 80%-90% complete and gearing up to begin the monitoring and verification process as soon as construction completes in the first half of 2026. Cohort 3 projects, all of which focus on multifamily buildings, have been contracted and are at different stages of design and implementation.

On the resource creation and market engagement front, the EBC program developed a video series as well as a three-part training series on Strategic Decarbonization Planning, which was delivered in person multiple times to over 400 attendees. The trainings were also turned into an online offering, available on demand. These trainings leverage lessons learned from EBC demonstration projects.

In Q4 2025, a contractor was selected to design and implement an "EBC Roadshow," envisioned as a year-long effort to disseminate EBC learnings and insights throughout the entire state, to build industry capacity for strategic decarbonization planning and implementation.

Multifamily Building Demonstrations

In May 2025, the Low Carbon Pathway ("LCP") program was updated to add the Induction Stove Pilot to build customer and contractor familiarity with energy-efficient, all-electric stoves. In Q4 2025, LCP was closed to new applications and has 244 committed projects representing 21,124 dwelling units. All projects are expected to have construction completed by October 31, 2027. Case studies and best practices are available on NYSERDA's Low Carbon Pathways website.

2026 Lookahead

Clean Thermal District Systems

NYSERDA is continuing to support feasibility studies of thermal energy networks through the FlexTech program. The Large-Scale Thermal program (PON 5614), which launched in 2024 to help advance technically and economically feasible projects to the design and engineering phase, closed in 2025 after completing three funding rounds. NYSERDA will continue outreach to building/site owners and energy managers, technical solution providers, and other project stakeholders to support the decarbonization of buildings with large-scale thermal approaches like thermal energy networks. NYSERDA will also continue to develop resources and offer educational opportunities to help advance and standardize large-scale thermal development.

Cost Reduction Strategies

NYSERDA will continue to work directly with the market and all levels of the heat pump and building shell supply chain to identify creative strategies to address cost reduction. 2026 efforts include:

- Heat Pump Templates: NYSERDA plans to complete and provide heat pump design templates for contractors that will provide ready-to-install value-engineered heat pump designs.
- Metering Studies: NYSERDA is planning three field metering studies to assess the cost reduction opportunities of innovative value-engineered heat pump designs.

- Equipment stocking: Working with distributors to increase stocking of "off the shelf" ccASHP heat pump solutions
- Technical Support: Continue providing enhanced technical support and training to promote value-engineered heat pump system designs

HVAC Technology Challenges

PON 5982 "Enabling Innovative Clean Energy Building Solutions" funded projects are expected to be contracted/started by the second quarter of 2026.

4. MAKE ELECTRIFICATION SOLUTIONS AVAILABLE FOR LOW- TO MODERATE-INCOME ("LMI") CONSUMERS AND AFFORDABLE HOUSING

2025 Performance

The electrification of heating and domestic hot water for LMI households and in affordable housing requires additional considerations for consumer protections related to the potential for energy burden impacts and the shifting of heating costs from landlords to tenants, the upfront cost for installing a heat pump, and necessary upgrades[37] to ensure optimal performance. To inform strategies for increasing adoption of heat pump solutions in the LMI market segment, NYSERDA is undertaking a series of pilots as well as research and analysis.

Pilots and Demonstrations

In 2024, NYSERDA began its evaluation and market insights work based on projects that participated in the $5 million LMI Heat Pump Demonstration Pilot for 1-4 family homes. The multifamily version of the pilot is expected to successfully complete in Q2 2026. The LMI Heat Pump Demonstration Pilot provided heat pumps and heat pump water heaters as part of comprehensive efficiency upgrades in LMI homes and affordable multifamily buildings, focused on buildings using delivered fuels. Some key findings include analysis showing significant cost savings for customers converting from oil and propane to heat pumps and high satisfaction rate with heat pump performance once the systems were fully adjusted and homeowners understood how to operate them efficiently. Results on the pilot for 1-4 family homes are on NYSERDA's website.[38]

Research and Analysis

In 2025, NYSERDA researched multiple facets of the single-family heat pump market. First, the team evaluated current heat pump ready insulation and air sealing specifications, using over 40,000 EmPower+ projects as a data source, created housing models by single-family housing typology and climate zone. This modeling assessed the impact of the performance of various envelope components on the sizing and operational costs for heat pumps and led to the creation of a single Heat Pump Ready Specification for NYSERDA single-family programs. This research will also evaluate current project approval processes as well as produce a survey of heat pump pricing in the single-family space.

[37] Including weatherization, addressing health and safety or structural deficiencies associated with deferred maintenance, and electric panel upgrades.
[38] https://www.nyserda.ny.gov/About/Publications/Evaluation-Reports/Low--to-Moderate-Income

In 2025, NYSERDA continued market research and technical analysis to better understand the institutional barriers associated with electrification in the LMI market segment and identify opportunities for addressing these barriers, as well as to understand the potential impacts that electrification can have on energy bills.

The work included:

1. Launching a pilot study into the potential for home heat pump conversions at the point of existing heating system failure, commonly known as a "no heat emergency." Work is ongoing and final deliverables are expected in 2027.
2. Releasing a mini bid for consultant support to perform solutions-oriented research on cost shifting in multifamily buildings that install heat pumps. The research is intended to surface potential technical solutions and policy solutions to avoid or mitigate the impacts of cost shifting. Work will begin in Q1 2026.
3. Conducting a study into electricity rates that may be more favorable for heat pump adopters than default residential rates, as well as rate designs that are supportive of LMI bill affordability more generally. Modeling potential novel rate designs for homes with load profiles associated with heat pump usage is expected to begin in 2026.

It is expected that this research can lead to insights that can inform future LMI program design.

Regional Clean Energy Hubs

Launched in December 2022, the Regional Clean Energy Hubs are playing an instrumental role in positioning disadvantaged communities to benefit from the clean energy transition by acting as trusted local resources for community members to learn more about the energy-related programs and services available to them. The Hubs increase awareness of these programs and services by leveraging the expertise and trust of local organizations, developing outreach and engagement strategies to elevate the needs of communities and residents into program and policy development, and addressing gaps in and advancing diversity of the clean energy workforce by connecting residents and small businesses with educational, training, and program opportunities.

In 2025, the Regional Clean Energy Hubs focused on project coordination and outreach and awareness. The Hubs have provided over 10,589 program and loan application referrals to customers across New York State by working with partner organizations to assist customers with coordinating NYSERDA and non-NYSERDA funded projects, programs, and resources. Many of these referrals were to EmPower+ and resulted in projects that included ASHPs, and 412 referrals were to the NYS Clean Heat and the ASHP Program. Several of the Hubs led clean heat campaigns focused on promoting heat pump water heaters, heat pumps and weatherization, solar, and air source heat pumps for nonprofits. Hubs have also conducted outreach targeted towards Disadvantaged Communities by hosting or participating in 579 community events (farmers markets, town halls, food pantries, and energy literacy workshops) and developing targeted marketing materials relevant to local communities. To strengthen coordination and collaboration among NYSERDA and non-NYSERDA programs, Hubs were connected to the utilities that are part of the JMC.

2026 Lookahead

Engagement of DACs and LMI households around electrification and other clean energy topics is

essential. DAC/LMI stakeholder engagement will help ensure strategies are informed by important policy, regulatory, and financial considerations that need to be addressed to accelerate electrification of the affordable housing sector.

Regional Clean Energy Hub activities planned for 2026 will continue to focus on project coordination and community engagement as well as conducting targeted community campaigns to promote a range of clean energy technologies and solutions, developing innovative outreach pilots that are replicable across the state, hosting energy education workshops, and promoting workforce development opportunities. Hubs will implement outreach strategies based on their Outreach and Equitable Engagement Plans (OEEP). Expanding the Hub network through partnership with community-based organizations and contractors is an important component to improving program access.

5. MAKE PRODUCTS AVAILABLE WHEN AND WHERE CONSUMERS NEED THEM BY BUILDING THE CLEAN HEAT SUPPLY CHAIN

2025 Performance

NYSERDA expanded the Clean Heat Connect Network by three members, which now includes 14 HVAC manufacturers and 15 distributors and covers a majority of the New York State market. NYSERDA developed and promoted several additional resources, detailed in the Critical Tools section in Item 2 above, that are oriented toward HVAC contractors to support air source heat pump capacity.

Members include the top three heat pump manufacturers – Mitsubishi, Daikin, and Fujitsu – and some of the largest distributors such as ABCO, CE, Ferguson, and Meier Supply.

NYSERDA completed the second year of the Experience Clean Heat ("ECH") Initiative to "win the hearts and minds" of consumers, growing the number of participating sites by over 75% and reaching a total of 46 locations across the state.[39] At ECH sites, consumers can enjoy personal experiences with heat pumps in common public spaces that display heat pump facts alongside an operating heating and cooling system. The initiative has achieved more than 39 million impressions across its social media campaign which reinforces the benefits of heat pumps and promotes peer-to-peer sharing of positive heat pump experiences. NYSERDA established a process and 'template' to conduct statewide ECH engagement events and in 2025 hosted 18 events that reached 1,442 individuals with educational heat pump materials.

NYSERDA is sponsoring a contractor-led mentorship initiative with the Building Performance Contractors Association of New York ("BPCA"). The BPCA mentorship program pairs experienced contractors with developing or expanding contractors, focused on topics such as technical best practices for weatherization and HVAC installations, business operations, and workforce development. In 2025, BPCA launched the first mentor-mentee cohort, offering a structured approach with defined goals, regular check-ins, and progress tracking.

2026 Lookahead

In 2026, NYSERDA will update market insights research originally conducted in 2020 with the aim to guide future program design and market interventions. Through interviews and roundtables with key supply chain actors and a detailed characterization of non-participating installation contractors, NYSERDA will update understanding of market dynamics, identify barriers and opportunities, and

[39] https://cleanheat.ny.gov/experience-clean-heat/

provide actionable recommendations to improve contractor practices, strengthen supply chain engagement, and support adoption of clean energy technologies.

In 2026, NYSERDA will support expansion of BPCA's mentorship initiative with development of structured learning pathways for new industry entrants, HVAC contractors expanding into air sealing and home performance, and for established contractors scaling or adding electrification services. The objective is to integrate technical training with business development and launch a BPCA centralized Learning Management System ("LMS") with on-demand training resources to support expanding the mentorship program statewide.

In 2026, NYSERDA will conduct heat pump promotional events at ECH sites and will also conduct an evaluation to understand program impact.

6. MINIMIZE WINTER ELECTRICAL PEAK BY INVESTING IN DEMAND-REDUCING "HEAT-PUMP READY" SOLUTIONS THROUGH THE COMFORT HOME PILOT

2025 Performance

3,710 New York homes were upgraded through Comfort Home in 2025. Cumulatively through 2025, load reduction projects completed through Comfort Home are projected to save 149,743 MMBtu in annual fossil fuel savings and 3,523 MWh in annual electricity savings. NYSERDA continued its "co-invest, co-save" collaboration with Con Edison in Westchester County, delivering incentives for weatherization improvements by combining Comfort Home with Con Edison's existing Weather Ready program offering. The joint offering stacks weatherization incentives for the Good, Better, and Best measure packages to expand program reach and project work scope through a "co-invest, co-save" framework.

Comfort Home enrolled 20 new participating contractors in 2025, for a total of 117 contractors. NYSERDA's support for the development and adoption into the TRM of the Custom Measure Category 6 standardized simulation method was developed for the Comfort Home program and is now available for all PAs.

NYSERDA extensively supported the utilities as they design their regional market-rate weatherization initiatives as ordered in the Non-LMI EE/BE Order. Support included technical conference presentations, data and analysis, and extensive consultation.

2026 Lookahead

2026 work will continue TRM Custom Measure Category 6 validation work and publication of findings and recommendations for updates to the TRM, if applicable.

The project goal for 2026, based on the Non-LMI EE/BE Portfolio Implementation Plan (Ver 2) filed 1/15/26, is 7,427 load reduction projects.

The Comfort Home program is anticipated to close by the end of 2026 to facilitate the transition to the one- to four-family homes non-LMI offering through the Utilities' Regional Weatherization programs. NYSERDA is prepared to continue to implement the Comfort Home program until the Utilities' Regional Weatherization Programs are ready to go to market and will work with utility Program Administrators to seamlessly transition the Comfort Home program to the Regional Weatherization Programs when those programs are ready to deploy.

7. DEVELOP A LONG-TERM BUILDING ELECTRIFICATION ROADMAP TO GUIDE THE TRANSFORMATION OF HOW NEW YORKERS HEAT AND COOL THEIR BUILDINGS

2025 Performance

Funds allocated under the Market Development Plan had been expended by the end of 2023.

As previously reported, analysis conducted in support of a Building Electrification Roadmap was incorporated into the New York State Climate Action Council deliberations, the economy-wide Integration Analysis, and New York's Scoping Plan (December 2022). In light of the publication of the Scoping Plan and New York's Carbon Neutral Buildings Roadmap, as well as ongoing collaboration among NYS agencies, utilities, other states, and stakeholders to develop priority actions to support building electrification, NYSERDA deprioritized release of this specific Roadmap.

5 Appendix A. NYSERDA Output/Outcome Progress Summary

Several NYSERDA investment plans (initiatives) support the NYS Clean Heat Market Development plan. However, not all initiatives have output/outcome indicators with targets attributed solely to NYS Clean Heat. Indicators shown below are limited to those specifically identifying targets for NYS Clean Heat.

Table 29. NYSERDA Output/Outcome Progress Summary

			Baseline	*Cumulative Progress*	*Cumulative Targets by Year*					
	Initiative	**Indicators**	**Before/Current**	**2025**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Outputs	Heat Pumps Phase 2 (2020)	Number of leads generated for contractors	1	934,161	30,000	140,000	250,000	430,000	680,000	1,000,000
		Customer acquisition costs offset, in dollars	0	$13,091,179	$185,000	$600,000	$1,000,000	$1,600,000	$2,250,000	$3,000,000
		Coop advertising campaign costs offset, in dollars	0	$18,995,708	$600,000	$3,150,000	$5,850,000	$8,250,000	$9,500,000	
		Number of Thermal Energy Network construction projects supported by NYSERDA	0	4				2	4	4
		Businesses provided with tools, technical support, and business development assistance	0	1,174		50	75	125	175	225
		Number of energy-efficient electrified space and water heating technologies installed through NYS Clean Heat	0	97,568	3,900	18,200	32,500	55,900	88,400	130,000
	Multifamily Low-Carbon Pathways	Number of low carbon technology demonstrations in units	0 units	11,452		96	1,141	3,143	4,932	7,403
	Building Operations and Maintenance Partnerships	Increase in number of workers trained (electrification target in parenthesis)	20	7,887 (39)		3,000 (0)	5,000 (100)	6,500 (250)	7,000 (300)	7,670 (300)
	Talent Pipeline	Number of students placed in internships by training providers	0	624 (168)		128 (0)	300 (75)	400 (150)	450 (175)	500 (200)
		Number of Interns and Fellows (electrification target in parenthesis)	0	1,517 (333)		1,050 (18)	1,200 (100)	1,350 (200)	1,500 (300)	1,700 (350)
		Number of New Hires (electrification target in parentheses)	0	1,797 (911)		650 (170)	900 (250)	1,100 (350)	1,550 (450)	1,750 (600)
Outcomes	Heat Pumps Phase 2 (2020)	Increase in awareness of CH&C technologies*	TBD	82%			15%			50%
		Replication of Clean Thermal District System projects beyond NYSERDA supported projects	0	6					1	2
		Increase stocking of heat pumps above HARDI 2019 shipments*	0	30%		0%	20%	30%	40%	50%
		Increase penetration of high-performance cold climate heat pumps as a percent of all heat pumps shipped for space conditioning in New York*	61%	N/A		61%	70%	75%	85%	90%

Table notes

a. A 0 (zero) denotes that the actual value is currently believed to be zero for baseline/market metrics.

* Some investment plans supporting the NYS Clean Heat implementation plan include broader market progress metrics, for example overall heat pump market size and market penetration of cold climate heat pumps. These market progress metrics will be supported collectively by all of NYSERDA's market development activities that extend beyond any singular investment plan. NYSERDA will measure market progress broadly, rather than for each specific investment plan. Progress will be reported collectively within the Statewide Heat Pump Program.

6 Appendix B. Long Island Power Authority 2020-2025 Heat Pump Summary

LIPA has adopted a target of approximately 1.15 TBtu of savings through heat pump deployment on Long Island between 2020 and 2025. This equates to a goal of installing 30,000 new residential or commercial heat pumps for space, water, and pool heating in LIPA's service territory. Technologies supported include both full- and partial-load ASHP, heat pump water heaters, heat pump pool heaters, and GSHP. All residential, multifamily, and commercial customers are eligible, with added rebates for income-qualified residential customers who install full-load ccASHP.

As of December 31, 2025, LIPA has exceeded the TBtu goal with 1.54 TBTu savings, having deployed over 50,000 heat pumps with the support of PSEG Long Island-administered rebates. In 2020, LIPA customers installed nearly 6,000 heat pumps totaling over 218,000 net MMBtu of energy savings, with over $6.2 million in rebates and incentives provided to support heat pump deployment. In 2021, LIPA customers installed over 6,700 heat pumps totaling 272,000 net MMBtu of energy savings and over $7.6 million of rebates and incentives. In 2022, LIPA customers installed over 7,300 heat pumps totaling 182,000 net MMBtu of energy savings and over $12.3 million in rebates and incentives. In 2023, LIPA customers installed over 9,800 heat pumps totaling nearly 280,000 net MMBtu of energy savings and over $28.3 million in rebates and incentives. In 2024, LIPA customers installed over 10,000 heat pumps totaling more than 270,000 net MMBtu of energy savings and $24.8 million in rebates and incentives. In 2025, LIPA customers installed over 11,000 heat pumps, totaling more than 315,000 net MMBtu of energy savings and $30.8 million in rebates and incentives. Additional Attorney General Funding provided enhanced rebates to LMI heat pump customers for whole home heat pumps. In 2025, the number of participating contractors increased from 160 to 321, as a result of ongoing outreach efforts. The participating contractors are enrolled in the Home Comfort program who performed the majority of the space heating work, in addition to other pathways for participation for heat pump water heaters and pool heaters.

Full breakdown of program data is available below:

Table 30. LIPA Projects Installed and Provided Incentives, 2020-2025, By Category

LIPA	2020	2021	2022	2023	2024	2025	Totals
Heat Pumps Installed[40]	5,973	6,722	7,384	9,868	10,222	11,710	**51,879**
Total MMBTUs	218,172	272,257	182,297	279,975	270,842	315,446	**1,538,989**
Total Rebates & Incentives	$6,210,640	$7,628,514	$12,323,961	$28,399,928	$24,811,127	$30,881,923	**110,256,093**
# Participating Contractors	105	100	92	55	160	321	**N/A**
# Partial Air Source Heat Pumps	3,176	3,002	2,417	2,137	1,478	265	**12,475**
# Whole House Air Source Heat Pumps	587	1,088	1,643	4,370	5,560	6,840	**20,088**
# of Whole House Air to Water Heat Pumps	0	0	0	0	1	0	**1**
# Geothermal Heat Pumps	293	146	204	152	165	163	**1,123**
# Heat Pump Water Heaters	229	207	349	514	474	505	**2,278**
# Heat Pump Pool Heaters	1,635	1,867	1,217	1,393	1,406	1,086	**8,604**
# Commercial Heat Pumps[41]	53	412	1,554	1,302	1,138	2,851	**7,310**

[40] Heat pump pool heaters are not eligible under the New York State Clean Heat program.
[41] Includes heat pumps installed in both commercial and multifamily programs.