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FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

DSM - High-Efficiency Heat Pump Program

Purpose

The High-Efficiency Heat Pump (HEHP) Program offers two incentive levels to residential end-use members (end-use member) for choosing to install either an air source heat pump (ASHP) that meets or exceeds the current ENERGY STAR® Program requirements, product specification for heat pump equipment established by the Environmental Protection Agency (EPA), or by installing a heat pump that has received the EPA cold climate air source heat pump (ccASHP) designation. The HEHP Program also provides an incentive for end-use members to choose a high-efficiency heat pump water heater over the standard conventional tank or instantaneous water heater.

Availability

This program is available in all service territories of Farmers Rural Electric Cooperative Corporation ("Farmers RECC").

Eligibility

This program is targeted to new single or multi-family homes, existing single or multi-family homes or manufactured homes. Eligibility requirements are detailed below and are available at Farmers RECC's office and website.

- Product must be certified based on the guidelines set forth below by equipment type.
- Rebate application must be completed and original receipt or copy must be provided for verification.
- Receipt must include the following information:
 - o Retailer's Name
 - o Itemized listing of product(s), including description(s), manufacturer(s), model number(s), serial number(s) or other identifying information. The receipt information must match the product information from the rebate application.
 - o Purchase price and proof that full payment was made.
 - o Purchase date and date of delivery or installment (if installed by a contractor).
 - For new and existing construction, a Farmers RECC energy advisor or pre-approved East Kentucky Power Cooperative, Inc. (EKPC) or Farmers RECC representative may enter the rebate application on behalf of the end-use member. For an application entered by the energy advisor, the application must be accompanied by a picture of the appliance model number(s) and serial number(s). Rebate applications for new construction, without a receipt, will only be accepted through an energy advisor.

DATE OF ISSUE: <u>08-29-2025</u>	KENTUCKY PUBLIC SERVICE COMMISSION
ISSUED BY TITLE: President & Chief Executive Officer Issued by authority of an Order of the Public Service Commission of KY	Linda C. Bridwell Executive Director Andre G. Andwell
in Case No Dated:	EFFECTIVE 10/1/2025 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR ALL TERRITORY SERVED Community, Town or City		
P.S.C. KY. NO.	·	10
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FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

DSM - High-Efficiency Heat Pump Program (continued)

- Each rebate application must be accompanied by a copy of the matching Air Conditioning, Heating and Refrigeration Institute's (AHRI) certificate. AHRI certificates can be acquired from the installer of the equipment or from the online AHRI directory.
 - Heat Pump AHRI certificate must list model numbers for the outside unit and indoor unit.
 - Heat Pump Water Heater AHRI certificate must list model number for the water heater.
- Incentive cannot be combined with the Heat Pump Retrofit incentive.

Heat Pumps

ENERGY STAR® ASHP Level

- Must be ducted and the primary source of heat for the home.
- Must meet the SEER² and HSPF² specifications of the current EPA ENERGY STAR® Standard.
- End-use members may apply for up to two HEHP incentives per calendar year, per premise/location. A maximum of six rebates lifetime within this appliance category will be allowed per premise/location.

ENERGY STAR® certified ccASHP or Geothermal Heat Pump Level

- Must be ducted and the primary source of heat for the home.
- ccASHP must meet current EPA standard for ccASHP and be listed as ccASHP certified on EPA's ENERGY STAR® product finder website.
- Geothermal heat pumps must meet the EER and COP specifications of the current EPA ENERGY STAR® standard.
- End-use members may apply for up to two HEHP incentives per calendar year, per premise/location. A maximum of six rebates per lifetime within this appliance category will be allowed per premise/location.

ENERGY STAR® Heat Pump Water Heaters

- End-use members may apply for two ENERGY STAR® certified heat pump water heater rebates per calendar year, per premise/location. A maximum of four rebates within this appliance category (Heat Pump Water Heaters) will be allowed per premise/location.
- Heat pump water heaters in new manufactured housing are not eligible for the incentive.

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Issued by authority of an Order of the Public Service Commission of KY in Case No Dated:	EFFECTIVE 10/1/2025 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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DSM - High-Efficiency Heat Pump Program (continued)

Landlord/Tenant Relationships:

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Notwithstanding the forgoing, a landlord who rents to a tenant who is an end-use member of Farmers RECC shall also be eligible to participate in the HEHP program regardless of whether said landlord is also an end-use member of Farmers RECC. A landlord may be eligible for the same number of incentives per calendar year as a metered tenant end-use member.

Payments

Residential end-use members will receive an incentive from Farmers RECC for installing heat pump equipment based on the levels in the table below:

Equipment	Rebate to End-Use Member
ENERGY STAR® HP	\$500
ccASHP or Geothermal	\$1,000
Heat Pump Water	\$250
Heater	

Term

The ducted heat pump portion of this program is ongoing.

The heat pump water heater portion of this program will end when the US Department of Energy updates the conservation standards for consumer electric water heaters to require heat pump water heaters as the new minimum standard.

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KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell Executive Director

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10/1/2025

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