



## Puget Sound Energy, State and Federal Energy-Efficiency Incentives: Residential Construction

King County Department of Development and Environmental Services (DDES) and the Department of Natural Resources and Parks (DNRP) Solid Waste Division GreenTools program have developed this tool to help facilitate and encourage your participation in Puget Sound Energy (PSE), state and federal incentive programs that promote energy efficiency and conservation in residential construction.

Energy-efficiency incentives for the following types of projects and the incentive applicants to whom they apply are covered in this document.

<b>Energy-efficiency incentives below for:</b>	<b>Eligible applicant</b>
1. Single family remodel.....	Homeowners
2. New construction, single family .....	Homeowners
3. New construction, single family, or 4 units or less .....	Builders
4. New construction, multi-family (5 units or more) .....	Builders
5. Retrofit, multi-family (5 units or more) .....	Building owners

Many local jurisdictions also offer incentives, grants, and rebates to area residents. These financial incentives can be code or tax-based, or come in the form of cash paid for energy and conservation measures. Contact your local jurisdiction to find out about available resources in your area.

Additionally, you can also find special offers and rebates by entering your zip code in the [ENERGY STAR Special Offer and Rebate Finder](#) webpage.

For questions, please contact Cynthia Moffitt at [cynthia.moffitt@kingcounty.gov](mailto:cynthia.moffitt@kingcounty.gov) or 206-296-6792. For more about DDES green building programs, see [www.kingcounty.gov/greenpermits](http://www.kingcounty.gov/greenpermits) or DDES Information Bulletin 55, [Green Building and Low Impact Development](#).

### 1. Single family remodel – for Homeowners

#### Available rebates and tax credits

The table below outlines federal, state, and PSE remodeling incentives offered to homeowners and residential PSE customers.

Incentive Source	Name	Incentive Range	Other Information
<b>Appliances and fixtures</b>			
PSE	<a href="#">ENERGY STAR® Lighting Rebate</a>	Up to \$15	Discounts and rebates for all ENERGY STAR® qualified CFL bulbs and fixtures from participating retailers and showrooms.
PSE	<a href="#">Premium-Efficiency Clothes Washer Rebate</a>	\$50, \$75, \$100	For premium efficiency clothes washers that meet WashWise program's energy and water efficiency standards. The three rebate levels are based on increasing efficiency determined by Modified Energy Factor (MEF) and Water Factors.
<b>Heating/Cooling</b>			
PSE	<a href="#">ENERGY STAR® Natural Gas Storage Water Heater</a>	\$50	Purchase of an ENERGY STAR-qualified natural gas water heater with a 0.62 or higher Energy Factor, 20-100 gallon storage capacity, and maximum input of 75,000 BTU/hour



Incentive Source	Name	Incentive Range	Other Information
PSE	<a href="#">ENERGY STAR® Natural Gas Tankless On-Demand Water Heater</a>	\$150	Purchase of an ENERGY STAR-qualified natural gas tankless on-demand water heater with a 0.82 or higher Energy Factor.
Federal	<a href="#">Gas, Oil, Propane Water Heater</a>	30% of cost, up to \$1,500 cap	Energy factor must be greater than or equal to 0.82, or a thermal efficiency of at least 90%. All ENERGY STAR tankless water heaters qualify.
Federal	<a href="#">Electric Heat Pump Water Heater</a>	30% of cost, up to \$1,500 cap	Energy factor must be greater than or equal to 2.0. All ENERGY STAR electric heat pump water heaters qualify.
Federal	<a href="#">Solar Water Heating</a>	30% of the cost. Not subject to combined cap.	At least half of the energy generated by the qualifying property must come from the sun. Heated water must be used in the dwelling and is not available for swimming pools or hot tubs. Must be placed in service before December 31, 2016 and be certified by the Solar Rating and Certification Corporation (SRCC). All Energy Star solar water heaters qualify.
PSE	<a href="#">High-Efficiency Air-Source Heat Pump</a>	\$200 - \$350	Must install a heat pump with an ARI Certified, HSPF rating of 8.5 or higher and a SEER rating of 14 or higher. Rebate amount depends on HSPF rating (\$200 for a 8.5 HSPF/14 SEER and \$350 for a 9.0 HSPF/14 SEER).
Federal	<a href="#">Air Source Heat Pumps</a>	30% of cost, up to \$1,500 cap	Different requirements for split systems (HSPF rating of 8.5 or higher, EER greater than or equal to 12.5, and a SEER rating of 15 or higher) and package systems (HSPF rating of 8.0 or higher, EER greater than or equal to 12, and a SEER rating of 14 or higher). Not all ENERGY STAR products will qualify.
PSE	<a href="#">Energy Efficient Ductless Heat Pump</a>	\$800	Customers must use electric baseboard or forced air furnaces as their current primary source, and must have occupied the home for the past year and expect to stay for the next two years. Work must be conducted by an independent contractor, pre-authorized by NEEA.
Federal	<a href="#">Geo-Thermal Heat Pump</a>	30% of the cost. Not subject to combined cap.	Different criteria for closed and open loop and direct expansion. All ENERGY STAR geo-thermal heat pumps qualify. Must be placed into service before December 31, 2016.
Federal	<a href="#">Biomass Stove</a>	30% of cost, up to \$1,500 cap	Thermal efficiency rating of at least 75% as measured using a lower heating value.
PSE	<a href="#">ENERGY STAR® Natural Gas Furnace</a>	\$350	Purchase of a new ENERGY STAR®-qualified natural gas furnace and installed as the primary heat source. Must have an AFUE rating of 90% or higher.
Federal	<a href="#">Natural Gas or Propane Furnace</a>	30% of cost, up to \$1,500 cap	AFUE must be greater than or equal to 95. Not all ENERGY STAR products will qualify.
PSE	<a href="#">Natural gas conversion</a>	Up to \$3,950	Up to a \$3,950 rebate to switch your home and water heating source to natural gas
Federal	<a href="#">Oil Furnace</a>	30% of cost, up to \$1,500 cap	AFUE must be greater than or equal to 90. Not all ENERGY STAR products will qualify.
Federal	<a href="#">Gas, Propane or Oil Hot Water Boiler</a>	30% of cost, up to \$1,500 cap	AFUE must be greater than or equal to 90. Not all ENERGY STAR products will qualify.
Federal	<a href="#">Central Air Conditioning</a>	30% of cost, up to \$1,500 cap	Must meet highest tier standards set by CEE as of January 1, 2009. Different requirements for split systems (SEER greater than or equal to 16, EER greater than or equal to 13) and package systems (SEER greater than or equal to 14, EER greater than or equal to 12). Not all ENERGY STAR products will qualify.



Incentive Source	Name	Incentive Range	Other Information
Federal	<a href="#">Advanced Main Air Circulating Fan</a>	30% of cost, up to \$1,500 cap	No more than 2% of furnace total energy use. Additional specifications apply.
<b>Envelope</b>			
PSE	<a href="#">Insulation/ Ductwork</a>	Up to \$1,600	Rebates are available for customers who heat their homes with natural gas or electricity provided by PSE. 50% up to \$200 for duct insulation and to seal leaks in ductwork; and 50% up to \$400 for floor, wall and attic insulation. Must be installed by an authorized independent contractor.
Federal	<a href="#">Insulation</a>	30% of cost, up to \$1,500 cap	Must meet 2009 IECC and Amendments and the primary purpose must be to insulate in order to qualify. Must be expected to last 5 years or have a 2-year warranty.
PSE	<a href="#">Window Upgrade</a>	\$6 per sq/ft up to \$1,000	Rebates on energy-efficient windows for fully insulated homes when upgrading your windows. Windows must have a U-factor of 0.30 or lower.
Federal	<a href="#">Exterior Windows and Skylights</a>	30% of cost, up to \$1,500 cap	Not all ENERGY STAR windows and skylights qualify. U factor and SHGC must be less than or equal to 0.30.
Federal	<a href="#">Window Films</a>		Window films certified by manufacturer to meet requirements of a "qualifying insulation system."
Federal	<a href="#">Storm Windows</a>	30% of cost, up to \$1,500 cap	Must meet IECC in combination with the exterior window over which it is installed for the applicable climate zone and have U-factor and SHGC of 0.30 or below. A Manufacturer Certification Statement is required.
Federal	<a href="#">Exterior Doors</a>	30% of cost, up to \$1,500 cap	Not all ENERGY STAR doors qualify. U factor must be less than or equal to 0.30, SHGC must be less than or equal to 0.30.
Federal	<a href="#">Storm Doors</a>	30% of cost, up to \$1,500 cap	In combination with a wood door assigned to a default U-factor by the IECC, and does not exceed the default U-factor.
Federal	<a href="#">Metal &amp; Asphalt Roofs</a>	30% of cost, up to \$1,500 cap	All ENERGY STAR metal and asphalt roofs qualify. Roof must be expected to last 5 years or have a 2-year warranty.
<b>Energy generation</b>			
Federal	<a href="#">Photovoltaic Systems</a>	30% of the cost. Not subject to combined cap.	Must provide electricity for the residence and meet applicable fire and electrical code requirements. Must be placed in service before December 31, 2016.
Federal	<a href="#">Residential Small Wind Energy Systems</a>	30% of the cost. Not subject to combined cap.	Must be placed in service before December 31, 2016. Nameplate capacity must not exceed 100 kW.
Federal	<a href="#">Residential Fuel Cell and Microturbine System</a>	30% of the cost up to \$500 per 0.5 kW of power capacity	Must be placed in service before December 31, 2016.
State	<a href="#">State Bill 5101: Washington Renewable Energy Production Incentives</a>	\$0.12/kWh - \$1.08/kWh, capped at \$5,000 per year.	Adjusting scale production incentive for solar thermal, photovoltaics, wind power or anaerobic digesters to produce power between July 1, 2005 and June 30, 2020. Incentives depend on project type, technology type, and where the equipment was manufactured.
<b>Other</b>			
PSE	<a href="#">ENERGY STAR® Manufactured Home Rebate</a>	\$150 and \$300	Rebate for purchase of a new ENERGY STAR®-qualified manufactured home. \$150 with PSE-served natural gas heating and \$300 with PSE-served electric heating.

*Eligibility Requirements*



Federal tax credits are available for homeowners who implement energy-efficient home improvements to their principal residence, between January 1, 2009 and December 31, 2010. The incentive is 30% of the cost of eligible measures (materials installed, not labor cost) with a \$1,500 cap on the credit per home. Applies to products placed in service in 2009 and 2010, except for geothermal heat pumps, solar water heaters, solar panels, fuel cells, and small wind energy systems which are not subject to this cap, and are in effect through 2016. Must have a Manufacturer Certification Statement to qualify.

Washington State renewable energy production incentives are available for residential solar thermal electric, photovoltaics, wind and anaerobic digestion systems generating power between July 1, 2005 and June 30, 2020. Off-grid residences are not eligible.

PSE energy-efficiency incentives and rebates are available to residential customers within a PSE service area.

## 2. New construction, single family – for Homeowners

### Available rebates and tax credits

The table below outlines federal and state new construction incentives offered to homeowners.

Incentive Source	Name	Incentive Range	Other Information
<b>Heating/Cooling</b>			
Federal	<a href="#">Geo-Thermal Heat Pump</a>	30% of the cost. Not subject to combined cap.	Different criteria for closed and open loop and direct expansion. All Energy Star geo-thermal heat pumps qualify. Must be placed into service before December 31 <sup>st</sup> , 2016.
Federal	<a href="#">Solar Water Heating</a>	30% of the cost. Not subject to combined cap.	At least half of the energy generated by the qualifying property must come from the sun. Heated water must be used in the dwelling and is not available for swimming pools or hot tubs. Must be placed in service before December 31, 2016. All Energy Star solar water heaters qualify.
<b>Energy generation</b>			
Federal	<a href="#">Photovoltaic Systems</a>	30% of the cost. Not subject to combined cap.	Must provide electricity for the residence and meet applicable fire and electrical code requirements. Must be placed in service before December 31, 2016.
Federal	<a href="#">Residential Small Wind Energy Systems</a>	30% of the cost. Not subject to combined cap.	Must have capacity of not more than 100 kW. Must be placed in service before December 31, 2016.
Federal	<a href="#">Residential Fuel Cell and Microturbine System</a>	30% of the cost up to \$500 per 0.5 kW of power capacity	Must have capacity of at least 0.5 kW and efficiency of at least 30%. Must be placed in service before December 31, 2016.
State	<a href="#">State Bill 5101: WA Renewable Energy Production Incentives</a>	\$0.12/kWh - \$1.08/kWh, capped at \$5,000 per year.	Adjusting scale production incentive for solar thermal, photovoltaics, wind power or anaerobic digesters to produce power between July 1, 2005 and June 30, 2020. Incentives depend on project type, technology type, and where the equipment was manufactured.

### Eligibility Requirements

The incentives listed above are available to residential homeowners.

Washington State renewable energy production incentives are available for residential solar thermal electric, photovoltaics, wind and anaerobic digestion systems generating power between July 1, 2005 and June 30, 2020. Off-grid residences are not eligible.



### 3. New construction, single family, or 4 units or less – for Builders

**Available rebates and tax credits**

The table below outlines federal and state new construction incentives offered to residential builders.

Incentive Source	Name	Incentive Range	Other Information / Qualifications
<b>Appliances and fixtures</b>			
PSE	<a href="#">ENERGY STAR® Dishwasher</a>	\$20	Must be installed in PSE's residential electric service area with an energy factor of 0.65 or higher.
PSE	<a href="#">ENERGY STAR® Clothes Washer</a>	Up to \$100	Must be installed in PSE's residential electric service area. Tiered incentives: \$50 for modified energy factor (MEF) of 1.8-1.99, \$75 for MEF of 2.0-2.19, or \$100 for MEF of 2.2 and above.
PSE	<a href="#">ENERGY STAR® Qualified CFL Bulbs</a>	\$3 per bulb up to \$300	Instant incentive per bulb must be installed in PSE's residential electric service area. Limited to 80 bulbs per home.
PSE	<a href="#">ENERGY STAR® Pin-Based Indoor Light Fixture</a>	\$20 per fixture up to \$800	For ENERGY STAR qualified pin-based compact fluorescent light (CFL) fixtures. Instant incentive per fixture must be installed in PSE's residential electric service area. Limited to 40 fixtures per home.
<b>Heating/Cooling</b>			
PSE	<a href="#">High-Efficiency Natural Gas Storage Water Heater</a>	\$40	Capacity of 20–100 gallons of storage with a maximum input of 75,000 BTU/hour.
PSE	<a href="#">Natural Gas Tankless On-Demand Water Heater</a>	\$150	ENERGY STAR®-qualified natural gas tankless on-demand water heater with an energy factor of 0.82 or higher Must be installed in PSE residential natural gas service area.
PSE	<a href="#">ENERGY STAR® Natural Gas Furnace</a>	\$350	Must be installed in PSE's residential natural gas service area and be rated at least 90% efficient. Must be the primary source of heat to qualify.
PSE	<a href="#">High Efficiency Air Source Electric Heat Pump</a>	Up to \$350	Must be installed in PSE's residential electric service area. Tiered incentives: \$350 for a certified HSPF of 9.0 or higher and SEER of 14.0 or higher or \$200 for a certified HSPF of 8.5 or higher and SEER of 14.0 or higher.
<b>Heating/Cooling continued</b>			
PSE	<a href="#">Duct Sealing (associated with natural gas furnace performance testing)</a>	\$350	To qualify, natural gas furnace must be the primary source of heat and installed in PSE's residential natural gas service area. Insulation R-8 (ducts inside heated space exempt). Sealing - Mastic (tapes not allowed). Maximum leakage measures less than 0.06 CFM per sq. ft. or 75 CFM total @ 50 Pa. Applies to Certified Northwest ENERGY STAR homes, or provide utility with documentation that duct sealing and performance testing meet the NWESH specification. System must be test by a certified performance tester.



Incentive Source	Name	Incentive Range	Other Information / Qualifications
<b>Other</b>			
PSE	<a href="#">ENERGY STAR® Home Bonus</a>	\$50 - \$100	Instant bonus applies to new homes built by Northwest ENERGY STAR Homes Builder and certified by Washington state. Homes built in PSE's natural gas service area receive \$50 instant bonus, homes built in PSE's electric service area get \$50 instant bonus, and homes in PSE's combined service area receive \$100 instant bonus.
Federal	<a href="#">Energy Efficient Home</a>	\$2,000	Tax credit available for single unit dwellings that achieve 50% energy savings for heating and cooling over the 2004 IECC and supplements. At least 1/5 of the energy savings must come from building envelope improvements. Credit also applies to contractors of manufactured homes. Applies to new homes completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2009.
Federal	<a href="#">Energy Efficient Manufactured Home</a>	\$1,000	Tax credit available for producers of manufactured homes that qualify for ENERGY STAR label and achieve 30% energy savings for heating and cooling over the 2004 IECC and supplements, or a manufactured home that meets the EPA Energy Star requirements. Applies to new homes completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2006 through December 31, 2009.

**Eligibility Requirements**

PSE incentives apply to single-family, detached housing and any attached housing with four units or less. Apartment buildings are not eligible.

Federal tax credits are available for new homes in the United States whose construction is substantially completed after August 8, 2005 and that are acquired from the eligible contractor for use as a residence from January 1, 2005 through December 31, 2009.

**4. New construction, multi-family (5 units or more) – for Builders****Available PSE rebates**

The following incentives are available for multi family builders during the design and construction period, prior to occupancy.

Name	Incentive Range
<b>Appliances and fixtures</b>	
In-Unit ENERGY STAR® qualified Clothes Washers	\$50.00 - \$100.00 each
In-Unit ENERGY STAR® qualified Refrigerators	\$50.00 each
In-Unit ENERGY STAR® qualified Dishwashers	\$20.00 each
ENERGY STAR® qualified Hardwired CFL Fixtures	\$20.00 each
ENERGY STAR® qualified CFL Lamps	\$3.00 each
ENERGY STAR® qualified Kitchen Linear Fluorescent Fixtures	\$20.00 each
Corridor Lighting Reduction	\$0.015/sqft per % improvement
Bi-Level Stairwell Lighting	\$70 per fixture per landing
Garage Lighting Reduction	\$0.005/sqft per % improvement
Garage CO Demand Control Ventilation with VFD fan control	\$600/hp



Name	Incentive Range
Water-Efficient Showerheads	\$5.00 each
Condensing Water Heater	\$0.032/sqft
<b>Heating/Cooling</b>	
In-Unit Package Terminal Heat Pump	\$400/residential dwelling unit
Heat Pumps in Common Area	\$0.04 - \$1.25/sqft common area
In-Unit Package Terminal Heat Pump	\$400/residential dwelling unit
Heat Recovery in Common Area (electric)	\$0.075 - \$0.33/sqft common area
Heat Recovery in Common Area (gas)	\$0.06 - \$0.08/sqft common area
Condensing Boiler	\$0.121/sqft
Hydronic Heat Using Condensing Boiler	\$0.05/sqft
Hydronic Heat Using Condensing Water Heater	\$0.04/sqft
Fan Coil 4-Pipe System	\$0.005/sqft
<b>Envelope</b>	
Windows (electric)	\$1.55/sqft of glazed area
Windows (gas)	\$1.00/sqft of glazed area

**PSE Eligibility Requirements**

Multifamily projects include apartments, townhomes, condominiums, assisted living residences and similar structures with five or more attached dwelling units. Incentives designated (electric) are for buildings within PSE's electrical service area. Incentives designated (gas) are for buildings within PSE's gas service area. Measures must be installed by a qualified contractor. Incentive offers end December 31, 2009.

More information is available on the Puget Sound Energy Multi Family New Construction Incentives Web page: [www.pse.com/solutions/forbusiness/pages/MultifamilyNewConstruction.aspx?tab=1&chapter=1](http://www.pse.com/solutions/forbusiness/pages/MultifamilyNewConstruction.aspx?tab=1&chapter=1)

**5. Retrofit, multi-family (5 units or more) – for Building owners****Available PSE rebates**

The following incentives are available for multi family building owners in the PSE South Counties service area to improve the energy efficiency of existing buildings with five or more attached units.

Name	Incentive Range	Other Information
<b>Appliances and fixtures</b>		
Tenant Controlled Light Fixtures	Up to \$20	Per ENERGY STAR® qualified pin-based CF fixture. Existing fixtures must be incandescent and controlled by tenant.
Common Area Lighting		Incentives vary depending on fixture/bulb replacement type.
In Unit Compact Fluorescent Bulbs		Direct install, no cost
In Unit ENERGY STAR qualified Clothes Washers	\$50-\$100	
In Unit ENERGY STAR qualified Refrigerators	\$50	
In Unit ENERGY STAR qualified Dishwashers	\$40	
Natural Gas Tankless water heater	\$150	
Natural Gas Tank water heater with 0.62 Energy Factor	\$40	
In Unit Water Heater Tank Pipe Wrap		Direct install, no cost
In Unit Efficient Showerheads and Faucet Aerators		Direct install, no cost
<b>Heating/Cooling</b>		
Mini Split (Ductless) Heat Pump	\$500	Per unit when replacing electric baseboard heating system
ENERGY STAR Qualified Natural Gas Furnace	\$250	Must be rated at 90% or higher efficient



Name	Incentive Range	Other Information
<b>Envelope</b>		
High-Efficiency Window Replacement	\$4.00 per square foot	For the replacement of single-pane, single-pane with storm windows, or double-pane metal-frame windows. Replacement windows must have a U-value of 0.33 or less.
Attic Insulation	\$0.50 per square foot	R-19 insulated to R-30
Floor Insulation	\$0.50 per square foot	R-11 insulated to R-30
Wall Insulation	\$0.65 per square foot	R-0 in wall cavities, electrically heated buildings only

***PSE Eligibility Requirements***

Multifamily projects include existing apartment and condominium buildings with 5 or more attached units. The Program requires that space heating and or water heating be supplied by PSE electric or natural gas service. Buildings must be located in the following PSE electric and/or natural gas service area counties: Snohomish, King, Pierce, Thurston, Jefferson, Lewis, Kitsap and Kittitas. Must follow PSE 2008/2009 South Counties Multifamily Retrofit Program Technical Specifications. PSE will conduct an installation verification prior to authorizing rebate.

More information is available on the Puget Sound Energy Multi Family Retrofit Incentives Web site:  
[www.pse.com/solutions/forbusiness/Pages/comMulifamilyWeather.aspx](http://www.pse.com/solutions/forbusiness/Pages/comMulifamilyWeather.aspx)