



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 eligible incentive applicants are covered in this document.

Energy-efficiency incentives below for:	Eligible applicant
1. Single family remodel.....	Homeowners
2. New construction, single family	Homeowners
3. New construction, single family, or 4 units or less	Builders & Owner/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 Kinley Deller at Kinley.Deller@kingcounty.gov or 206-296-4434. For more about DDES green building programs, see 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
Appliances and Lighting			
PSE	Primary Refrigerator Replacement	\$75	PSE residential electric customers qualify for a \$75 rebate for the purchase of ENERGY STAR® CEE Tier 2 and 3 premium-efficient refrigerators from participating retail stores. Must show proof that old refrigerator was recycled.
PSE	Secondary Refrigerator Pickup	\$30 + free pickup	PSE residential electric customers get free pickup and recycling of a secondary fridge or freezer.
PSE	Premium-Efficiency Clothes Washer Rebate	\$50 - \$100	For premium efficiency clothes washers that meet WashWise program's energy and water efficiency standards. The rebate levels are based on increasing efficiency determined by Modified Energy Factor (MEF) and Water Factors.
PSE	ENERGY STAR® CFL Lighting Rebate	\$3 per CFL bulb	Discounts and rebates for all ENERGY STAR® qualified CFL bulbs from participating retailers and showrooms, available for all PSE electric customers.



Incentive Source	Name	Incentive Range	Other Information
PSE	ENERGY STAR® Qualified Fixtures	Up to \$12	Discounts and rebates for all ENERGY STAR® qualified fixtures from participating retailers and showrooms, available for all PSE electric customers.
Heating/Cooling			
PSE	Electric Storage Water Heater	\$50	Must install equipment with an Energy Factor of 0.94 or higher, a minimum of 50-gallon rated capacity. Indirect water heaters do not qualify.
Federal	Gas, Oil, Propane Water Heater	\$300	Energy factor must be greater than or equal to 0.82, or a thermal efficiency of at least 90%. <i>Expires 12/31/11.</i>
PSE	ENERGY STAR® Qualified Heat Pump Water Heater	\$500	Must install ENERGY STAR® qualified equipment outside the conditioned living space.
Federal	Electric Heat Pump Water Heater	\$300	Energy factor must be greater than or equal to 2.0. <i>Expires 12/31/11.</i>
PSE	Wastewater Heat Recovery System	\$250	Equipment must have an efficiency of 42% or greater, and be installed vertically. Must currently heat water with an electric water heater. Electric tankless water heaters are not eligible.
Federal	Solar Water Heating	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. System must be certified by the Solar Rating and Certification Corporation or a comparable entity. 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. Applies to principal residences and second homes.
PSE	Conversion to Air-Source Heat Pump	\$1,500	Replace electric forced-air furnace with a qualifying air-source heat pump. Pre-approval required. Must install a heat pump with an ARI Certified, HSPF rating of 8.5 or higher and a SEER rating of 14 or higher. Cannot have an existing heat pump. Electric zonal customers are not eligible, and auxiliary heating sources do not qualify for an additional rebate.
PSE	Air-Source Heat Pump	\$200-\$350	\$200 rebate for an 8.5 HSPF/14 SEER air-source heat pump or \$350 for a 9.0 HSPF/14 SEER air-source heat pump. Equipment must be AHRI performance certified. Auxiliary heating sources do not qualify for additional rebates.
PSE	Heat Pump Sizing and Lock-out Control	\$300	Must provide PSE sizing documentation completed by a qualified contractor. New air-source heat pumps must have a HSPF of 8.5 and 14 SEER. Existing air-source heat pumps more than 12 years old are not eligible. Lock-out control for auxiliary heat must be set to 40 degrees F.
Federal	Air Source Heat Pumps	\$300	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. <i>Expires 12/31/11.</i>
PSE	Energy Efficient Ductless Heat Pump	\$1,200	Equipment must be AHRI certified, use inverter technology and be a minimum of 1.0 ton. Customers must use electric resistance heat as primary heating source, and must install at least one unit in the main living area of the home.



Incentive Source	Name	Incentive Range	Other Information
PSE	ENERGY STAR® Qualified Geo-Thermal Heat Pump	\$1,500	Must install ENERGY STAR® qualified equipment. Cannot have an existing geothermal heat pump installed, and auxiliary heating sources do not qualify for additional rebates.
Federal	Geo-Thermal Heat Pump	30% of the cost. Not subject to combined cap.	Different criteria for closed and open loop and direct expansion. Must be placed into service before December 31, 2016. Applies to principal residences and second homes.
Federal	Biomass Stove	\$300	Thermal efficiency rating of at least 75% as measured using a lower heating value. <i>Expires 12/31/11.</i>
PSE	ENERGY STAR® Natural Gas Furnace	\$100	Purchase of a new ENERGY STAR® qualified natural gas forced-air furnace and installed as the primary heat source. Must have an AFUE rating of 90% or higher.
Federal	Natural Gas or Propane Furnace	\$150	AFUE must be greater than or equal to 95. Not all ENERGY STAR® products will qualify. <i>Expires 12/31/11.</i>
PSE	Natural Gas Conversion	Up to \$3,950	Up to a \$3,950 rebate to switch your home and water heating source to natural gas
Federal	Oil Furnace	\$150	AFUE must be greater than or equal to 95. Not all ENERGY STAR® products will qualify. <i>Expires 12/31/11.</i>
PSE	ENERGY STAR® Qualified Boiler	\$350	Must have an AFUE rating of 95% or higher.
Federal	Gas, Propane or Oil Hot Water Boiler	\$150	AFUE must be greater than or equal to 95. Not all ENERGY STAR® products will qualify. <i>Expires 12/31/11.</i>
Federal	Central Air Conditioning	\$300	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. <i>Expires 12/31/11.</i>
Federal	Advanced Main Air Circulating Fan	\$50	No more than 2% of furnace total energy use. Additional specifications apply. <i>Expires 12/31/11.</i>
PSE	Fireplace Rebate	\$200	Equipment must meet Canadian P4FE of 70% or better, be direct vent, have electronic ignition, and be installed in main living area of the home.
Envelope			
PSE	Insulation/ Ductwork	50% of cost, up to \$1,400	Rebates are available for customers who heat their homes with natural gas or electricity provided by PSE. 50% of cost (up to \$200) for duct insulation, free duct sealing (for qualifying customers); and 50% of cost (up to \$400) for floor, wall and attic insulation each. Must be installed by an authorized independent contractor.
Federal	Insulation	10% of cost, up to \$500 cap	Typical bulk insulation products may qualify: batts, rolls, blow-in fibers, rigid boards, expanding spray and pour in place. Products that air seal may also qualify as long as they come with a Manufacturers Certification. <i>Expires 12/31/11.</i>
Federal	Exterior Windows and Skylights	10% of cost, up to \$200 cap	Not all ENERGY STAR® windows and skylights qualify. U factor and SHGC must be less than or equal to 0.30. <i>Expires 12/31/11.</i>
Federal	Storm Windows	10% of cost, up to \$200 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. <i>Expires 12/31/11.</i>



Incentive Source	Name	Incentive Range	Other Information
Federal	Exterior Doors	10% of cost, up to \$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. <i>Expires 12/31/11</i>
Federal	Storm Doors	10% of cost, up to \$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. <i>Expires 12/31/11.</i>
Federal	Metal & Asphalt Roofs	10% of cost, up to \$500 cap	Metal roofs with appropriate pigmented coatings and asphalt roofs with appropriate cooling granules that also meet ENERGY STAR® requirements qualify. <i>Expires 12/31/11.</i>
Energy Generation			
Federal	Photovoltaic Systems	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. Applies to principal residences and second homes. Rentals do not qualify. Includes solar portion of solar fans.
Federal	Residential Small Wind Energy Systems	30% of the cost. Not subject to combined cap.	Must have nameplate capacity of no more than 100 kW. Must be placed in service before December 31, 2016. Applies to principal residences and second homes. Rentals do not qualify.
Federal	Residential Fuel Cell and Microturbine System	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	State Bill 5101: Washington Renewable Energy Production Incentives	\$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.
State	State Bill 6170: Washington Renewable Energy Sales Tax Incentive	100% sales tax exempt	Tax does not apply to the sales of equipment used to generate electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal, anaerobic digestion or landfill gas. <i>Expires June 30, 2013.</i>
Other			
PSE	ENERGY STAR® Manufactured Home Rebate	\$150 or \$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.
PSE	HomePrint Home Performance Evaluation	Free	FREE home performance evaluation provided by an independent HomePrint-certified specialist. Receive on-site installation of FREE compact fluorescent light bulbs.

Eligibility Requirements and Recent Changes

On December 17, 2010, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. This law extends the tax credits for energy efficiency into 2011, BUT at lower levels. The levels revert back to those in effect in 2006 and 2007, which were 10% of the cost of the improvement, up to \$500, with a \$200 max for windows, and several other set maximums. There is currently a \$500 lifetime limit. If you got over \$500 in these tax credits from 2006 - 2010, you are not eligible for anything more. Eligibility varies by rebate.

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. Homeowners that are also acting as the builder should reference Section 3 “New construction, single family, or 4 units or less – for Builders” as these incentives also apply to individuals owning property and acting as their own general contractor.

Incentive Source	Name	Incentive Range	Other Information
Heating/Cooling			
Federal	Geo-Thermal Heat Pump	30% of the cost. Not subject to combined cap.	Different criteria for closed and open loop and direct expansion. Must be placed into service before December 31 st , 2016. Applies to principal residences and second homes.
Federal	Solar Water Heating	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. System must be certified by the Solar Rating and Certification Corporation or a comparable entity. 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. Applies to principal residences and second homes.
Energy generation			
Federal	Photovoltaic Systems	30% of the cost. Not subject to combined cap.	Must provide electricity for the residence and meet applicable fire and electrical code requirements. Includes solar portion of solar fans. Applies to principal residences and second homes. Must be placed in service before December 31, 2016.
Federal	Residential Small Wind Turbines	30% of the cost. Not subject to combined cap.	Must have nameplate capacity of no more than 100 kW. Must be placed in service before December 31, 2016. Applies to principal residences and second homes.
Federal	Residential Fuel Cell and Microturbine System	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	State Bill 5101: WA Renewable Energy Production Incentives	\$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.
State	State Bill 5101: Washington Renewable Energy Production Incentives	\$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 new construction PSE incentives offered to residential builders. PSE incentives also apply to owner/builders, defined an owner/builder as a person who owns the property and acts as their own general contractor on the single-family home they are building or does the work themselves on a project.

Incentive Source	Name	Incentive Range	Other Information / Qualifications
Appliances and Lighting			
PSE	ENERGY STAR® Refrigerator	\$35	Any style, with or without an ice maker that exceed the federal minimum standard for energy efficiency at 25% or more.
PSE	ENERGY STAR® Clothes Washer	\$50 or \$100	Tiered incentives: \$50 for MEF of 2.2-2.45, or \$100 for MEF of 2.46 or higher.
PSE	ENERGY STAR® Qualified CFL Fixtures	\$20 per fixture up to \$800	Instant incentive at point of purchase at participating showrooms and distributors. Limited to 40 fixtures and five porcelain sockets per home, Linear applies to decorative only.
PSE	ENERGY STAR® Qualified CFL Bulbs	\$4 per bulb	Instant incentive at point of purchase at participating showrooms and distributors. Limited to 100 bulbs per home, and must be installed in PSE's residential electric service area. No charge to customer for direct install.
PSE	ENERGY STAR® Pin-Based Indoor Light Fixture	\$20 per fixture up to \$800	For ENERGY STAR® CFL fixtures. Instant incentive per fixture must be installed in PSE's residential electric service area. Limited to 40 fixtures per home.
PSE	PSE Advanced Lighting Package (ALP 80 Program)	\$300	Instant incentive at point of purchase at participating showrooms and distributors. Must be Energy Star qualified fixtures. Installation must meet the 80 % requirement of the Northwest Advanced Lighting Package and be installed in PSE's residential electric service area.
Heating/Cooling/Ventilation			
PSE	Natural Gas Water Heater	\$40 or \$100	\$100 for a .67 energy factor or higher, \$40 for a .62 - .66 energy factor. Must have a capacity of 20 – 100 gallons of storage with a maximum input of 75,000 BTU / hour.
PSE	Natural Gas Tankless On-Demand Water Heater	\$150	Must have an energy factor of 0.82 or higher.
PSE	ENERGY STAR® Natural Gas Furnace	\$250 or \$350	\$350 for a 90 - 94 percent AFUE, \$250 for a 95 percent AFUE or higher. Must be the primary source of heat.
PSE	Air Source Electric Heat Pump	\$200 or \$350	\$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.
PSE	Duct Sealing (associated with natural gas furnace performance testing)	\$500 per installation address	To qualify, natural gas furnace must be the primary source of heat and natural gas furnace must be 90% efficient or higher. Insulation must be R-8 (ducts inside heated space are exempt). Sealing - Mastic (tapes not allowed). Maximum leakage measures less than 0.06 CFM per sft. or 75 CFM total at 50 Pa. Applies to qualified Northwest ENERGY STAR® homes, or provide utility with documentation from a certified performance tester. Homes must be permitted before 1/1/2011 to qualify.



Incentive Source	Name	Incentive Range	Other Information / Qualifications
PSE	ENERGY STAR® Whole House Fan	\$40	
PSE	Ducts in Conditioned Space with Performance Testing	\$300 per installation address	All ductwork must be inside the heated space (exemption may apply to return air duct). Applies to qualified ENERGY STAR® homes, or provide utility with documentation from certified performance tester. Must meet ENERGY STAR® Homes Builder Option Package 1.
Other			
PSE	ENERGY STAR® Qualified Home Bonus	\$50 or \$100	Home must be built by an ENERGY STAR® builder and be 3 rd party verified and qualified. To receive the bonus PSE has to acquire savings from at least one measure in the home. 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.

PSE Eligibility Requirements

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

For more information visit PSE's Single Family New Construction Incentives page:

http://pse.com/savingsandenergycenter/NewConstruction/Documents/3729_SFNCBuilderIncentives.pdf



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
Appliances and Fixtures	
In-Unit ENERGY STAR® qualified Clothes Washers	\$50 - \$100 each
In-Unit ENERGY STAR® qualified Refrigerators	\$50 each
ENERGY STAR® qualified Hardwired CFL Fixtures	\$20 each
Corridor Lighting Reduction	\$0.015/sqft per % improvement
Bi-Level Stairwell Lighting	\$70 per fixture per landing
Garage Lighting Reduction	\$0.003/sqft per % improvement
Garage CO Demand Control Ventilation with VFD Fan Control	\$320/hp
Water-Efficient Showerheads	\$5 each
Heating/Cooling	
Condensing Water Heater	\$0.040/sqft
In-Unit Package Terminal Heat Pump	\$300 - \$400/residential dwelling unit
Heat Pumps in Common Area	\$0.42/sqft common area
Heat Recovery in Common Area (electric)	\$0.10 - \$0.33/sqft common area
Heat Recovery in Common Area (gas)	\$0.18 - \$0.32/sqft common area
Condensing Boiler	\$0.129/sqft
Hydronic Heat Using Condensing Boiler	\$0.05/sqft
Hydronic Heat Using Condensing Water Heater	\$0.04/sqft
Drain Water Heat Recovery	\$183/unit
Envelope	
Windows (with electric heating systems)	\$1.00/sqft of glazed area

PSE Eligibility Requirements

Multi-family 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, 2011.

More information is available in the PSE Energy Efficiency Services Brochure::

http://pse.com/aboutpse/Rates/Documents/ees_2011_exhibit_4_list_of_measures_incentives.pdf



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 all of PSE's electric service area to improve the energy efficiency of existing buildings with five or more attached units.

Name	Incentive Range	Other Information
Appliances and Lighting		
Tenant Controlled Light Fixtures	\$20 per fixture	
Tenant Controlled Light Socket Conversion	\$4 per fixture	Converts screw-in lighting sockets to plug-in type.
Common Area Lighting		Incentives vary depending on fixture/bulb replacement type.
In Unit Compact Fluorescent Bulbs	No cost	Direct install, no cost
In Unit ENERGY STAR® qualified Clothes Washers	\$50 or \$100 per unit	\$50 for MEF of 2.2 to 2.45 and WF of 4.5 or less; \$100 for MEF of 2.46 or higher and WF of 4.0 or less
In Unit ENERGY STAR® qualified Refrigerators	\$50 per unit	
In Unit Water Heater Tank Pipe Wrap	Free installation	Direct install by PSE, no cost
In Unit Efficient Showerheads	Free installation	Direct install by PSE, no cost
Heating/Cooling		
ENERGY STAR® Gas Furnace	\$250 per unit	Replacing existing space heat boiler and domestic water boiler
Tankless Water Heater (gas)	\$150 per unit	
Water Heater (electric)	\$50	Must have 0.95 or higher energy factor
Envelope		
Energy Efficient Window and Sliding Glass Door Replacement (with electric heating systems)	\$5 or \$7 per sqft	\$5 to replace single or double-pane with high efficiency double-pane with a U-value of 0.30 or less. \$5 to replace double-pane to high efficiency triple-pane with a U-value of 0.25 or less. \$7 into replace single-pane with high efficiency triple-pane with a U-value of 0.25 or less.
Energy Efficient Window and Sliding Glass Door Replacement (with gas heating systems)	\$4 per sqft	\$4 to replace single-pane with either high efficiency double-pane with a U-value of 0.30 or less or triple-pane with a U-value of 0.25 or less.
Attic Insulation	\$0.50 per sqft	Gas or electric heating systems qualify.
Floor Insulation	\$0.50 per sqft	Gas or electric heating systems qualify.
Wall Insulation	\$0.65 per sqft	Existing R-values must be below required levels and units must have electric heating system.
Other		
Solar Pool Heater		Incentive amount for solar pool heater based on a PSE analysis. Existing pool heater must be operational.

PSE Eligibility Requirements

Multifamily projects include existing apartment and condominium buildings with 5 or more attached units. An energy audit must be performed by a PSE representative to qualify and an authorized agreement must be in place prior to installation of measures.

More information is available in the PSE Energy Efficiency Services Brochure:

http://pse.com/aboutpse/Rates/Documents/ees_2011_exhibit_4_list_of_measures_incentives.pdf