Air Source Heat Pump
Incentives

Low-Cost Financing | depending on household income.

Center for Energy and Environment (CEE) offers financing for energy upgrades, including heat pumps, through several loan programs such as the MHFA Fix Up Fund, city-specific programs, and more. Approval is subject to program guidelines, please review all loan terms before applying.

Federal Rebate: HEAR | Up to $8,000 (Coming soon!)

The Home Electrification and Appliance Rebate (HEAR) will provide instant rebates to income-qualified households to help install new heat pumps for space heating and cooling. HEAR eligibility and rebate amounts will vary based on an applicant's total household income. Rebates up to $4,000 for households whose income is between 80%-150% Area Median Income (AMI) and rebates up to $8,000 for households whose income is less than 80% AMI.

Air source heat pump equipment must be ENERGY STAR certified, cold climate rated, and installed by an Approved Contractor.

State Rebates | Up to $4,000 (Coming soon!)

Additional Minnesota state rebates will be available for heat pumps. To qualify, customers must:

- Be approved for the HEAR rebate for an air source heat pump
- Have an energy audit within the last 18 months
- Perform necessary air sealing and insulation upgrades
- Purchase and install heat pump of contractor-recommended capacity

This program is still under development. Please refer to the MN Department of Commerce webpage for the most current updates.

Utility Rebates | Up to $2,200

Utility heat pump rebates range from $50 to $2,200, depending on system type and size. Visit our utility rebates database to see what your utility offers.

Utility Electric Rates

Many utilities offer special electric rates that can lower heat pump operating costs. Use our **Heating and Cooling Savings Estimator** to compare annual energy costs and potential savings across system types, utilities, fuels, and rate options for your home.

Learn more here!

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