



Heat Pump Incentives & Financing for New Jersey Homeowners

Federal

The recently expanded [Energy Efficient Home Improvement Credit](#) (Section 25C) allows residents to claim 30% of the cost of the project, up to \$2,000 per year, for installing a qualifying heat pump or heat pump water heater in their home. Under the same credit, residents can also claim 30% of the project cost, up to \$1,200 per year, for other energy efficiency measures, such as building envelope improvements, electric panel upgrades, and energy audits.

Utility

New Jersey's electric utilities all provide modest rebates for the installation of certain high-efficiency heat pump models. Find your utility here:

[PSE&G](#)

[Atlantic City Electric](#)

[JCP&L](#)

[Rockland Electric](#)

Some utilities also offer on-bill repayment for qualified energy efficiency upgrades, including heat pumps. These programs provide interest-free, on-bill repayment to help defer the cost of your energy efficiency upgrades:

[PSE&G](#) offers 0% interest repayment for up to \$15,000 or \$25,000, depending on which services the customer gets from PSE&G, for up to 7 or 10 years

[JCP&L](#) offers 0% interest repayment for upgrades up to \$15,000 for up to 5 or 7 years

Upcoming

The federal Inflation Reduction Act funded a [Home Electrification & Appliance Rebate](#) program, to be administered by states, which will provide rebates to low- and moderate-income households. New Jersey is in the process of designing its program and applying for funding, and the program is expected to launch in 2024. The program must follow these income guidelines:

If your household income is this:	You may be eligible for this:
Less than 80% area median	100% of project costs up to technology cost maximums; ¹ up to \$8,000 for a qualifying heat pump and \$14,000 aggregate for all improvements
80-150% area median	50% of costs up to technology cost maximums; up to \$8,000 for a qualifying heat pump and \$14,000 aggregate

¹See DOE's "Home Energy Rebate Programs" for details:

<https://www.energy.gov/scep/home-energy-rebate-programs-frequently-asked-questions>