

TAX INCENTIVES

You can receive a federal heat pump rebate of a **30% tax credit capped at \$2,000 per year** for eligible heat pump installations through 2032. This credit resets each tax year, allowing for additional projects.

Colorado offers state-level incentives, Xcel Energy customers may be eligible for rebates up to \$2,150 per heating ton for cold climate heat pumps. Various county and city rebates are also available. We will help you work through all of the credits that are available to you!

2025 Rebates Offered by Xcel Energy

Xcel is offering its customers rebates on Air source Heat Pumps (ASHP)- **\$900 per cooling ton at 95° F**

Cold Climate Heat Pumps (ASHP) - **\$2,150 per heating ton at 5° F**

Ductless mini-split Heat Pump systems (MSHP)- **\$2,150 per heating ton at 5° F**

Heat Pump water heaters.- **\$2,250**

Heat pumps

Heat pumps are effective in many geographies but are especially popular in milder climates that don't have extremely cold or harsh winters.

Where do heat pumps work best?

Heat pumps can be a smart and energy efficient HVAC solution no matter where you live, but they're especially popular in the South or Southwest where temperatures rarely dip below freezing. But even in Colorado a heat pump may be the right choice for your home when matched with a furnace or other electric heating device. This way, your home will continue to stay warm on the coldest days and run more efficiently for the bulk of the season

AT WHAT TEMPERATURE ARE HEAT PUMPS MOST EFFECTIVE?

A heat pump is effective on its own at all temperatures, because of its ability to use back-up heat like a gas furnace or an air handler with supplemental electric heat when temperatures drop. One of the most efficient heat pumps, is the Lennox SL25XPV, with its Cutting-Edge Heat Pump Technology which can operate in temperatures as low as -20 degrees Fahrenheit.