



Incentives Policy

Board Work Session - March 4, 2026



October 2025-Present: Program design

- Evaluation of existing market and programs.
- Interviews with stakeholders.
- Development of Program Implementation Plan.
 - Consumer Protection Plan.
 - Data Management Plan.
 - Registered Contractor List Design.
 - Low-Income Program Coordination.
 - Quality Installation Field Test Protocol.
 - Continuous Improvement Plan.





Policy purpose and goals

Establish the framework for how DRCOG will allocate and administer **\$40 million in financial incentives** through the Power Ahead Colorado program to:

Increase market demand

- Reduce upfront cost barriers to high-efficiency electric technologies.

Expand and elevate contractor participation

- Incentivize high-quality, code-compliant installations.
- Quick, predictable payments and consistent, transparent processes.

Who is eligible?

Eligible participants within the DRCOG region:

- Residential property owners and renters.
- Multifamily and commercial building owners.
- Contractors and service providers.
- Equipment distributors.



Proposed incentives

Measure	Description	Incentive Range
Cold climate air source heat pumps	Ducted or non-ducted heat pumps for residential or commercial buildings	\$300 - \$3,000 per unit
Heat pump water heaters	Heat pump water heaters for domestic hot water heating in commercial or residential buildings	\$300 - \$2,500 per unit
Quality installation and commissioning contractor incentive	Incentives for advanced commissioning and quality installation of heat pump measures.	\$100 – \$500 per installation



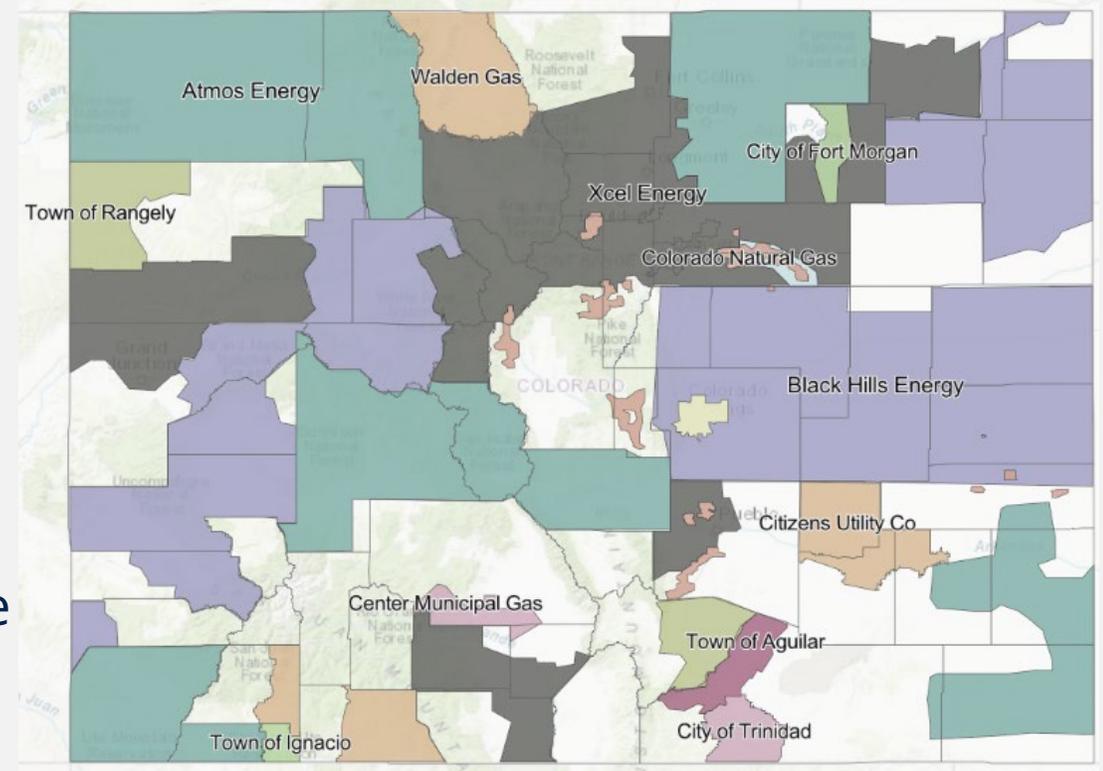
Why flexibility is necessary

Market conditions are dynamic:

- Utility or government rebate changes.
- Technology cost fluctuations.
- Supply chain constraints.
- Economic changes.

Fixed rebates can quickly become misaligned with market realities.

This policy allows controlled, documented adjustments to maintain effectiveness and distribute all dollars by October 2029.



Colorado Gas Utility Service Territories

Guardrails for incentive adjustments

Balancing market responsiveness with transparency and consistency

Justification memo

Staff will recommend a change in a justification memo acknowledged by the Executive Director, informed by our expert vendor.

Board notification

Committee and Board members will be notified of the change within 5 business days.

Stakeholder notification

Staff will endeavor to provide at least 30-days-notice to stakeholders before the change is implemented.

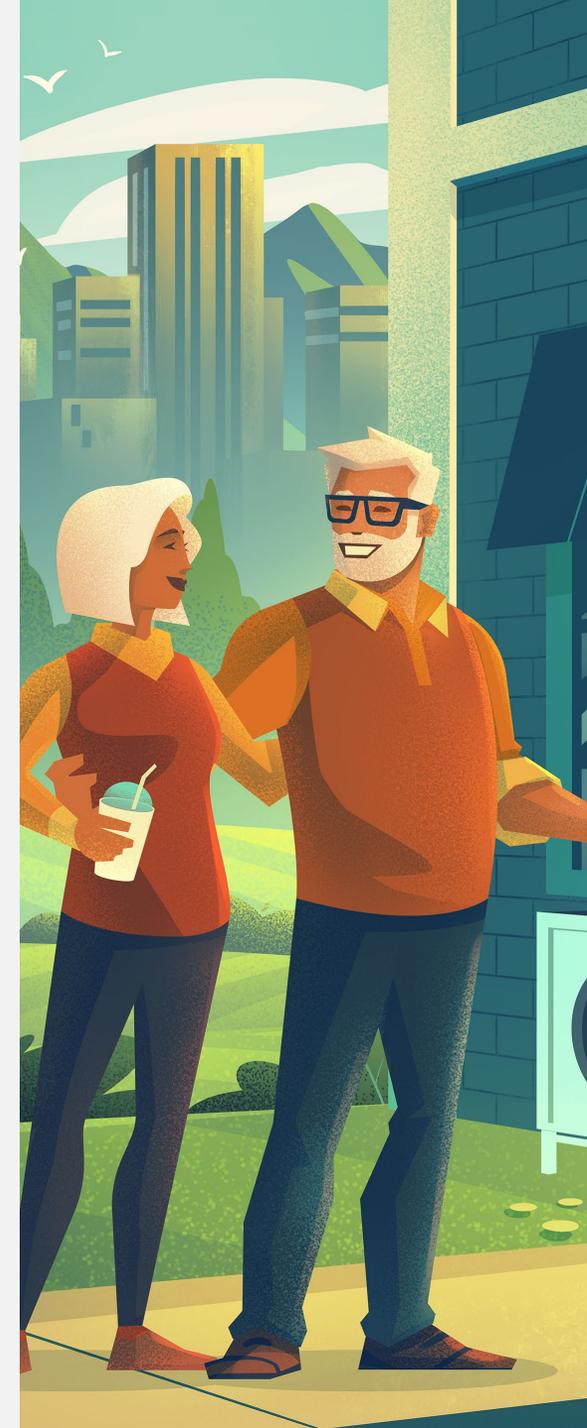
Regional distribution and reporting

Staff will monitor participation by county and market segment with a goal of broad regional participation. Tools may include:

- Targeted outreach.
- Enhanced incentives.
- Geographic caps if necessary.

Staff will regularly report out on:

- Financial performance
- Geographic distribution
- Contractor participation
- Market uptake



Timeline



Review

March 3-13

Committees and Board review and recommend the policy to the DRCOG Board.



Board Consideration

March 18

Board considers approval of the policy



Design and notification

Now-April 1

Final design announced and communicated with stakeholders.



Launch

April 1

Incentives become available to residents and contractors in the Denver Region.





Thank you!

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