



# Incentives Policy

Power Ahead Colorado Technical Committee- March 3, 2026



# October 2025-Present: Program design

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- 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

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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

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



# Why flexibility is necessary

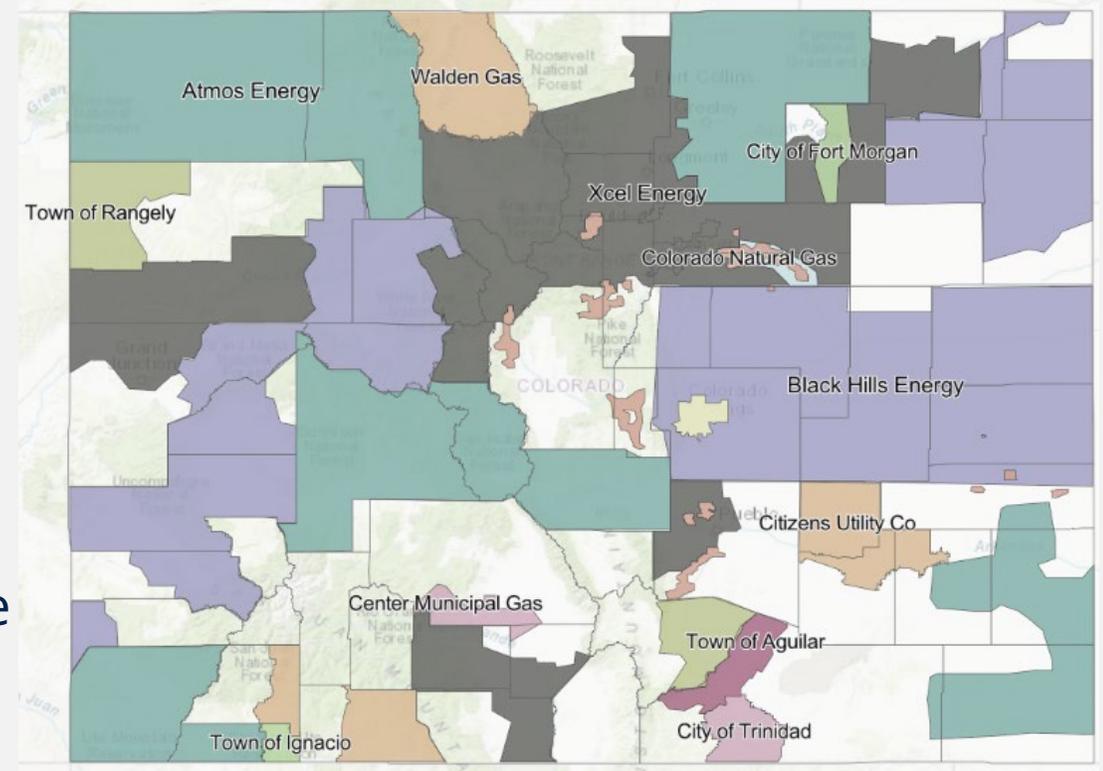
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## **Market conditions are dynamic:**

- 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

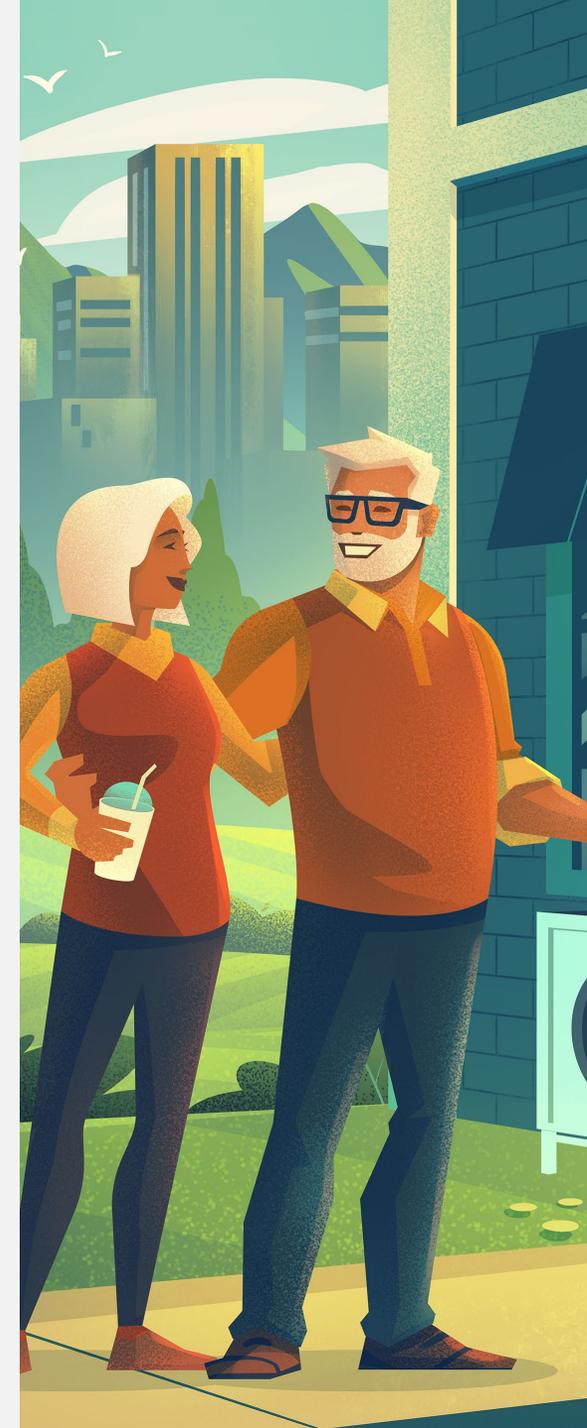
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Staff will monitor participation by county and market segment with a goal of broad regional participation. Tools may include:

- 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.



## Recommendation

Move to recommend to the Oversight Committee the Power Ahead Colorado Incentive Policy.





Thank you!

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