

# Commercial Dual-Fuel and Gas-Fired Heat Pump Space Heating Program

## Terms and Conditions



### 1. OVERVIEW

- 1.1. These Terms and Conditions (“**Terms and Conditions**”) are for the Commercial Dual-Fuel and Gas-Fired Heat Pump Space Heating Program (the “**Program**”) offered by Pacific Northern Gas Ltd. and Pacific Northern Gas (N.E.) Ltd. (collectively “**PNG**”), which is designed to stimulate investment in Dual-Fuel Space Heating and Gas-Fired Heat Pump Systems that reduce natural gas consumption, greenhouse gas (“**GHG**”) emissions and associated operating costs in commercial, institutional and industrial buildings and/or facilities.
- 1.2. The Program does not provide any Rebate for the purchase and installation of an electric heat pump. However, the Program does provide a Rebate to Eligible Participants to help offset the cost of integrating an electric heat pump with a natural gas or propane furnace or boiler and thereby results in the installation of a Dual-Fuel Space Heating System.
- 1.3. The Program provides a Rebate for the purchase and installation of a Gas-Fired Heat Pump.

### THE PROGRAM ENDS WHEN FUNDING AVAILABLE FOR THE PROGRAM HAS BEEN FULLY ALLOCATED.

### 2. DEFINITIONS

- 2.1. **Application** means the Program application form as amended from time to time.
- 2.2. **Association** is as defined in section 1 (1) of the Cooperative Association Act.
- 2.3. **Biomethane** means gas substantially composed of methane that is produced by the breakdown of organic matter in the absence of oxygen and purified or upgraded to meet the gas quality specifications of PNG’s natural gas pipeline.
- 2.4. **Community Housing** means Non-Profit Housing or Public Housing that is owned by a Local Government, a Society, an Association, or a governing body of an Indigenous Peoples.
- 2.5. **Dual-Fuel Space Heating System** means a space heating system consisting of an electric heat pump providing the principal source of heat, and a natural gas, or propane fueled forced air furnace or boiler all of which are (a) operated by a single system of controls, (b) connected to a single heat distribution system, and (c) either (i) designed, rated and sold together as a single heating system, or (ii) combined into a single package and sold together as a single heating system.
- 2.6. **Eligible Participant** means a Participant who meets all the requirements of section 3.1.
- 2.7. **Eligible LCE Participant** is as defined in section 5.1.
- 2.8. **Gas-Fired Heat Pump** means a heat pump that uses gas as its primary energy input.
- 2.9. **Local Government** means the administration of a particular town, county, or district, with representatives elected by those who live there.
- 2.10. **Long-term Lease Holder** means a legal person who occupies the building or facility that is subject of an application to the Program, under a commercial lease with a term of 120 months or more, with an option to renew for at least a further 60 months, which lease will continue for at least 36 months prior to expiry at the time of the Application. NOTE: Upon request, the Long-term Lease Holder will provide, in a form satisfactory to PNG in its sole discretion, landlord details and confirmation of a long-term lease with respect to the proposed building or facility, including permission granted by the landlord to the Long-term Lease Holder to install, repair and/or upgrade the heating system.
- 2.11. **Low Carbon Energy (LCE)** means Biomethane, also referred to as renewable natural gas.

- 2.12. **LCE Bonus** is as defined in section 5.
- 2.13. **Non-Profit Housing** means rental housing that is owned and operated by community-based, non-profit societies or local governments and regional districts. The mandate is to provide safe, secure, affordable accommodation to households with low to moderate incomes.
- 2.14. **Participant** means a PNG customer who has applied to the Program.
- 2.15. **Property Manager** means a legal person who manages the building or facility that is the subject of an application to the Program on behalf of the Property Owner or Long-term Lease Holder. The Property Manager must have legal authority and permission to bind the Property Owner or Long-term Lease Holder to these Terms and Conditions. PNG, in its sole discretion, may request the Property Manager to provide proof of such legal authority in any form satisfactory to PNG. If the Property Manager is unable to provide proof satisfying PNG of said legal authority, as determined by PNG in its sole and absolute discretion, PNG may refuse to grant entry to the Program. The Property Manager acknowledges that by entering into the Program the Property Manager agrees to be bound to these Terms and Conditions of the Program as if the Property Manager were the Property Owner or Long-term Lease Holder, including, but not limited to, the right of recovery of the full Rebate provided under this Program. The Rebate(s) under this Program will only be provided to the Property Owner or Long-term Lease Holder.
- 2.16. **Property Owner** means a legal person who holds registered title to the building or facility that is the subject of an application to the Program. PNG, in its sole discretion may request the Property Owner to provide proof of such registered title.
- 2.17. **Public Housing** means housing that is jointly funded by the provincial and federal governments and predominantly managed by BC Housing.
- 2.18. **Rebate** is as defined in section 4.
- 2.19. **Society** is as defined in section 1 of the Societies Act other than a member-funded society as defined in section 190 of that Act.
- 2.20. **Terms and Conditions** is as defined in section 1.1.

### 3. ELIGIBILITY CRITERIA

- 3.1. Eligible Participants
  - 3.1.1. To be eligible to receive a Rebate, Participants:
    - 3.1.1.1. must receive natural gas, LCE or piped propane service from PNG under any rate schedule EXCEPT RS1, and
    - 3.1.1.2. must be a Property Owner or Long-term Lease Holder. NOTE: Property Managers are not eligible Participants. Subject to PNG’s sole discretion, a Property Manager may sign an application to the Program on behalf of a Property Owner or Long-term Lease Holder, but Rebates will only be provided to the Eligible Participant.
  - 3.1.2. Participants replacing existing non-natural gas heating systems (i.e. conversion customers) with a Dual-Fuel Space Heating System or a Gas-Fired Heat Pump can apply for a Rebate through the Program if they conform in all other respects to the Program’s Eligibility Criteria.
  - 3.1.3. PNG customers are NOT eligible to apply for a Rebate through the Program, unless all amounts owing by such customer to PNG are paid in full and there are no past due balances outstanding.
- 3.2. Eligible buildings/facilities
  - 3.2.1. The building or facility where the Dual-Fuel Space Heating System(s) are to be installed must:
    - 3.2.1.1. be located within the PNG service territories; and

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- 3.2.1.2. be an existing building with an existing natural gas heating system. Newly constructed buildings are NOT eligible.
- 3.2.2. The building or facility where the Gas-Fired Heat Pump(s) are to be installed:
  - 3.2.2.1. must be located within the PNG service territories; and
  - 3.2.2.2. may be either an existing building with an existing heating system, or a newly constructed building.
- 3.3. Eligible Heating Systems
  - 3.3.1. To qualify for a Rebate under the Program, the Dual-Fuel Space Heating System must:
    - 3.3.1.1. serve as the primary source of thermal input for the building or facility's space heating. A primary heating system must have the capacity to heat a minimum of 50% of the building or facility for the entire heating season to 21C; and
    - 3.3.1.2. include an electric heat pump providing heating for the building or facility on all days when the outdoor ambient temperature is greater than two degrees Celsius; and
    - 3.3.1.3. have an annual average seasonal coefficient of performance of equal to or greater than 1.5 if the Dual-Fuel Space Heating System is installed in a building in Prince Rupert of Kitimat; and
    - 3.3.1.4. be listed as an eligible system on the CleanBC Qualified Heat Pump Products List found at: <https://app.bchydro.com/hero/HeatPumpLookup>; and
    - 3.3.1.5. have an AHRI certified reference number that references the outdoor unit and the indoor unit(s) of the heat pump, and the furnace model number; and
    - 3.3.1.6. any new natural gas or propane furnace or boiler that is installed together with the electric heat pump, and replaces an existing natural gas or propane furnace or boiler must have an annual fuel utilization efficiency (AFUE) of 95% or greater and be listed as an Energy Star certified product on the Energy Star Product Finder website.
    - 3.3.1.7. be installed by a Technical Safety BC licensed contractor in accordance with the manufacturer's specification and must comply with all applicable laws, orders, regulations, ordinances standard, codes and other rules, licenses and permits of all lawful authorities.
  - 3.3.2. To qualify for a Rebate under the Program, the Gas-Fired Heat Pump must:
    - 3.3.2.1. serve as the primary source of thermal input for the building or facility's space heating. A primary heating system must have the capacity to heat a minimum of 50% of the building or facility for the entire heating season to 21C; and
    - 3.3.2.2. have an annual average seasonal coefficient of performance of equal to or greater than 1.0; and
    - 3.3.2.3. be listed as an eligible product on PNG's website; and
    - 3.3.2.4. be installed by a Technical Safety BC licensed contractor in accordance with the manufacturer's specification and must comply with all applicable laws, orders, regulations, ordinances standard, codes and other rules, licenses and permits of all lawful authorities.

- 3.4. Eligible Cost
  - 3.4.1. Eligible Costs are costs incurred through:
    - 3.4.1.1. integrating an electric heat pump with an existing or new natural gas or propane furnace or boiler including the purchase and installation of a heat exchange in the existing ductwork of a natural gas or propane forced air furnace, a heat exchanger in the existing hydronic system, controls that ensure the electric heat pump operates when the outdoor ambient temperature is at least above two degrees Celsius, or changes to the existing natural gas heating system that are required to integrate with an electric heat pump; or
    - 3.4.1.2. the purchase and installation of a Gas-Fired Heat Pump
  - 3.4.2. The Program does not provide any rebate or incentive for electric heat pumps electrical upgrades. Costs related to the purchase or installation of an electric heat pump are not Eligible Costs.

## 4. REBATES

- 4.1. Rebates (each a "**Rebate**") are available for multiple Eligible Heating Systems in a single building or facility and will be calculated per Eligible Heating System as follows:
  - 4.1.1. Subject to the Eligibility Criteria of section 3 and to section 4.1.2, the Rebate payable per Dual-Fuel Space Heating System is limited to the lesser of:
    - 4.1.1.1. 100% of the Eligible Cost; and
    - 4.1.1.2. \$9,000.
  - 4.1.2. Subject to the Eligibility Criteria of section 3, the Rebate payable per Dual-Fuel Space Heating System installed in Community Housing is limited to the lesser of:
    - 4.1.2.1. 100% of the Eligible Cost; and
    - 4.1.2.2. \$15,000.
  - 4.1.3. Subject to the Eligibility Criteria of section 3 and to section 4.1.4, the Rebate payable per Gas-Fired Heat Pump to the lesser of:
    - 4.1.3.1. 80% of the Eligible Cost; and
    - 4.1.3.2. \$30,000.
  - 4.1.4. Subject to the Eligibility Criteria of section 3, the Rebate payable per Gas-Fired Heat Pump installed in Community Housing is limited to the lesser of:
    - 4.1.4.1. 90% of the Eligible Cost; and
    - 4.1.4.2. \$50,000.
- 4.2. The maximum Rebate payable to an Eligible Participant in any calendar year period is \$60,000.
- 4.3. Rebates will only be paid to an Eligible Participant.
- 4.4. A single Rebate will be provided per Application. Only one (1) Eligible Participant is entitled to receive a Rebate per installation of Eligible Heating System.
- 4.5. Rebates will only be issued when all required documentation is received and deemed acceptable by PNG in its sole discretion.

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### 5. LCE BONUS

- 5.1. An **LCE Participant** is an Eligible Participant who:
  - 5.1.1. receives a Rebate; and
  - 5.1.2. elects to subscribe to PNG's LCE program in order to receive at least 15 percent of their deliveries from PNG in the form of Biomethane and continues such subscription for a minimum period of one year.
- 5.2. A Bonus (each, an "**LCE Bonus**") of \$1,500 is available to LCE Eligible Participants.
- 5.3. The LCE Bonus will be automatically issued by PNG to Eligible LCE Participants on the one year anniversary of the date on which the Eligible LCE Participant subscribed to the LCE program. No further application is required to receive the LCE Bonus.
- 5.4. Rebates will be issued to successful Eligible LCE Participants by a cheque.

### 6. APPLICATION PROCESS

- 6.1. It is recommended (but not necessary) that the Participant receive approval from PNG for admission into the Program prior to the Participant's purchase and installation of the Eligible Heating System(s).
- 6.2. To be eligible for any Rebates under the Program, the Participant or Participant's authorized agent must follow the following steps:
  - 6.2.1. Return a copy of the completed Application and all supporting documents identified on the Application. NOTE: The Participant (or the Participant's Property Manager) must sign the Application.
  - 6.2.2. Purchase and install the Eligible Heating System(s) or Product(s) and submit the Application to PNG within 6 months of the installation date.
- 6.3. Upon receipt of an Application, PNG reviews documents for completeness.
  - 6.3.1. If all documents are in order and the Participant has met all the requirements of the Program, PNG will issue a rebate to the Eligible Participant.
- 6.4. Rebates will be issued to successful Eligible Participants by a cheque.
- 6.5. PNG is not responsible for lost, delayed, damaged, illegible or incomplete Applications.
- 6.6. PNG reserves the right to refuse Applications which it determines, in its sole discretion, are incomplete, inaccurate or otherwise do not meet Program requirements.

### 7. REPRESENTATION AND WARRANTIES

- 7.1. The Participant represents, warrants, acknowledges and agrees that:
  - 7.1.1. The Participant or the Participant's authorized representative has read all the eligibility requirements as set forth in these Terms and Conditions (the "Eligibility Requirements") and the Participant fully meets all such requirements to participate in the Program set out herein;
  - 7.1.2. All products, equipment and materials installed by the Participant pursuant to this Program will fully qualify and comply with the Eligibility Requirements; and
  - 7.1.3. All information submitted by the Participant to PNG in the Application and otherwise communicated to PNG with respect to the Program are true and correct.

### 8. REPAYMENT OF FUNDING

- 8.1. The Participant acknowledges and agrees that PNG may, at its sole discretion, require the Participant to repay all or part of the Rebate(s) provided by PNG under the Program within 90 days of receipt by the Participant of a notice from PNG in the event of any of the following:
  - 8.1.1. PNG determines, in its sole discretion, that any information provided by the Participant is incorrect or untrue, including but not limited to failure to install the Eligible Heating System(s) and any misrepresentation as to the specifications, energy efficiency or installation particulars of the Eligible Heating System(s); or
  - 8.1.2. PNG determines, in its sole discretion that the Participant has failed to comply with these Terms and Conditions.
- 8.2. The decision by PNG to provide any Rebates under this Program to the Participant is based on the information provided by the Participant to PNG. In the event there is any change to such information after submission of an Application, the Participant will notify PNG immediately, and PNG may, in its sole discretion, recalculate the amount of Rebate that the Participant is eligible for, void the Application and terminate any obligation to pay any Rebate to the Participant, or demand repayment of any funds already disbursed to the Participant.

### 9. ADDITIONAL TERMS AND CONDITIONS

- 9.1. PNG may amend, modify or terminate this Program and these Terms and Conditions at any time based on funding limitations or for any other reason, without notice. PNG will honour any Rebates earned to the date of termination.
- 9.2. The Participant acknowledges that PNG is a "public utility" as defined in the Utilities Commission Act, R.S.B.C 1996, c. 473, and further acknowledges and agrees that payment of rebates is subject to the approval of the British Columbia Utilities Commission ("BCUC") on terms satisfactory to PNG, acting in its sole discretion. In the event that the BCUC withdraws approval or changes the terms and conditions of such approval either with respect to this Program or energy efficiency funding generally, on terms and conditions not satisfactory to PNG, in its sole discretion, PNG may terminate the Program and the Participant acknowledges and agrees that PNG shall be under no obligation to pay any Rebate to the Participant.
- 9.3. Provision of a Rebate under this Program does not constitute PNG assuming any ownership interest, either in whole or in part, of Eligible Heating System(s) that is the subject of the Rebate.
- 9.4. PNG, NOT BEING THE DESIGNER OR MANUFACTURER OF THE ELIGIBLE HEATING SYSTEM(S), MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED AS TO THE FITNESS, DESIGN OR CAPABILITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP OF THE ELIGIBLE HEATING SYSTEM(S), NOR ANY WARRANTY THAT THE ELIGIBLE HEATING SYSTEM(S) WILL SATISFY THE REQUIREMENTS OF THE PARTICIPANT OR ANY LAW, SPECIFICATION, OR CONTRACT.
- 9.5. THE PARTICIPANT DOES HEREBY INDEMNIFY AND SAVE HARMLESS PNG AND ITS DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES FROM ALL LIABILITY, DAMAGES, CLAIMS, DEMANDS, EXPENSES AND COSTS FOR CLAIMS, COSTS FOR INJURY OR DEATH OF ANY PERSON, DAMAGE TO OR DESTRUCTION OF PROPERTY, AND ALL ECONOMIC LOSS SUFFERED BY ANY PERSON ARISING FROM OR OCCURRING BY REASON OF THE PROGRAM, RECEIPT OF REBATE(S) OR ACTUAL OR ALLEGED PREPARATION OR INSTALLATION OR USE OF THE ELIGIBLE HEATING SYSTEM(S), INCLUDING ANY ACTIONS OR OMISSIONS BY THIRD PARTY CONSULTANTS OR

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- CONTRACTORS IN THE PREPARATION OR INSTALLATION OF THE ELIGIBLE HEATING SYSTEM(S).
- 9.6. PNG does not endorse any particular consultant, manufacturer, product, system, design, contractor, supplier or installer in promoting this Program.
- 9.7. The Participant acknowledges and agrees that the Participant is responsible for the disposal of all hazardous materials that may result from the installation of the Eligible Heating System(s), and such disposal will be conducted in accordance with all applicable government regulations and the Participant agrees that PNG has no responsibility with respect to same.
- 9.8. The Participant is solely responsible for any tax liability imposed as a result of payment of the Rebate.
- 9.9. The Participant is responsible for complying with all applicable laws, regulations and bylaws regarding permits, codes, restrictions and inspections in relation to any product or equipment installed for this Program.
- 9.10. The Program is independent of other incentives and rebates by PNG and/or other utilities, manufacturers, or government incentive programs or grants.
- 9.11. Rebates cannot be assigned or transferred. Rebates will be payable to the Eligible Participant only.
- 9.12. PNG reserves the right to limit the number of Rebates it provides under the Program. Rebates will be paid on a first come first serve basis.
- 9.13. The Participant does hereby agree to allow PNG to publish the Participant's business name, a general description of the project and resulting energy performance and payback period for the purpose of promoting the Program. The Participant further agrees not to use the PNG name or any of its trademarks or logos without the express written consent of same, such approval not to be unreasonably withheld.
- 9.14. The Participant agrees to acknowledge the assistance provided by PNG in all publications, publicity material and other forms of release or communication pertaining to the installation of the Eligible Heating System(s). All such communications mentioning PNG must first be submitted to and approved in writing by PNG before publication.
- 9.15. PNG's decisions relating to the Program, including without limitation product acceptability, customer eligibility and amount of any Rebates, shall be final and binding and not subject to appeal.
- 9.16. For the purposes of this Program and these Terms and Conditions, "Participant Information" means all information disclosed by the Participant in any Program application materials, as well as any data respecting billing, energy use and consumption, and, if applicable, relevant data and/or sub-metered gas data, at the building or facility which is the subject of application to the Program. By applying for this Program, the Participant acknowledges that and hereby consents to allow PNG to:
- 9.16.1. Collect and use the Participant Information for the purposes of processing, administering, and evaluating the Program and developing other PNG energy-efficiency programs;
- 9.16.2. Contact the Participant in the future to review the effectiveness of the Program, which may include surveys;
- 9.16.3. Retrieve the Participant's billing, energy use and consumption information from the PNG customer account database for a period of 24 months beginning 12 months prior to the Participant's Application to the Program, for the purposes of analyzing consumption behavior and energy savings attributable to the Program;
- 9.16.4. Disclose the Participant Information, Program Application, all supporting documentation, and any other information pertaining to the Program Application in the possession of PNG to an agent or service provider who will review and approve or decline the Program Application on behalf of PNG; and
- 9.16.5. Disclose Participant Information amongst PNG and evaluation service contractors for the purposes of administering and evaluating this Program as described herein and developing other PNG energy-efficiency programs.
- 9.17. Subject to sections 9.13 and 9.16 PNG will keep confidential any confidential business, technical, financial or personal information or records made available to PNG by the Participant in connection with matters arising under the Program, and will not disclose such information except as may be required by the law.
- 9.18. Any installations found eligible to receive a Rebate may be inspected by PNG or one of its authorized agents prior to the Rebate being issued. The Participant shall provide PNG and its authorized employees, contractors and agents with full access to the building, facility or premises in which the Eligible Heating System(s) have been installed, and all relevant equipment within, for the purposes of performing an on-site inspection of the installed Eligible Heating System(s). The Eligible Heating System(s) must be complete, operational and accessible at the time of the inspection. PNG agrees to provide 48 hours prior notice to the Participant in order to make arrangements for access to the building, facility or premises for such inspection purposes. The Participant will take all reasonable measures and actions to ensure that such building, facility or premise is safe for PNG and its authorized employees, contractors and agents to enter for inspection purposes.
- 9.19. IN NO EVENT WILL PNG BE LIABLE WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PARTICIPATION IN THE PROGRAM.
- 9.20. THE PARTICIPANT AGREES TO WAIVE ANY RIGHT THE PARTICIPANT MAY HAVE TO COMMENCE OR PARTICIPATE IN ANY CLASS ACTION AGAINST PNG RELATED TO ANY CLAIM WHERE SUCH WAIVER IS PERMITTED. WHERE APPLICABLE, THE PARTICIPANT ALSO AGREES TO OPT OUT OF ANY CLASS PROCEEDINGS AGAINST PNG.
- 9.21. If any provision of these Terms and Conditions is held by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed severable and not invalidate or render unenforceable the remainder of these Terms and Conditions. In this event, such provision shall be changed and interpreted so as to best accomplish the objectives of such invalid or unenforceable provision within the limits of applicable law.
- 9.22. The validity, interpretation, construction and performance of these Terms and Conditions shall be governed by the laws in force in the Province of British Columbia (without reference to any conflict of law principles that might result in the application of the laws of another jurisdiction). The competent courts in the Province of British Columbia shall have the exclusive jurisdiction over all disputes relating to these Terms and Conditions. Each of the parties hereto irrevocably attorns and consents to the jurisdiction of the such courts.

## 10. CONTACT INFORMATION

Any questions? Please contact us at the email and phone number below.

Email: [savingenergy@png.ca](mailto:savingenergy@png.ca)

Toll-free: 1-800-667-2297

Please send completed Applications to:

[commercialrebates@png.ca](mailto:commercialrebates@png.ca)

Note: If you cannot forward your Application documents via email please contact PNG at the phone number above to arrange an alternate method of delivery.