



**City of Solana Beach**  
**Heat Pump Water Heater Rebate Program**  
**Program Guidelines**

**Program Overview**

The City of Solana Beach is offering electrification rebates for heat pump water heaters. Electrification refers to the process of replacing everything that burns fossil fuels (like natural gas) with efficient electric alternatives. By removing your natural gas appliances, you reduce greenhouse gas emissions and improve indoor air quality. Rebates are available for residential addresses. Eligible low-income residential applicants may qualify for additional funding. If a service panel upgrade is required, applicants may qualify for additional funding. Contractors are also eligible to receive rebates for the installation of heat pump water heaters. Funding is limited and applications will be accepted until funding is exhausted.

**Program Requirements**

- New electric heat pump water heaters must replace existing gas water heating equipment.
- Applicant must be a City of Solana Beach property owner and provide proof of ownership. If you are a renter, you must be able to provide expressed written approval from the property owner.
- Rebates will only be issued for existing buildings; new construction is not eligible for this program.
- Rebates can be applied to equipment and installation labor projects included in a Building Permit submitted on or after January 2, 2026.
- Each applicant is eligible for one rebate per water heater per address.
- Each contractor is eligible for one incentive per water heater per address.
- Equipment must be installed by a licensed contractor who holds a City of Solana Beach business certificate and is verified through the Switch is On.
- Equipment must be permanently installed and fixed to the property.
- Rebates will not be distributed until after the Building Permit has passed a final inspection.

**Additional Rebates**

Additional funding for electric appliances may be found through [The Switch is On](#). Applying for additional rebate programs is strongly encouraged for maximum savings.



## **Rebate Application Steps**

1. Work with your contractor to submit a [Building Permit](#).
  - a. Projects involving a heat pump water installation must complete a Building Services Permit Application.
  - b. Projects involving an electrical panel upgrade must also provide an SDG&E Workorder.
  
2. Review the electrification program requirements and details to confirm eligibility. [Complete the online rebate application here](#). The homeowner may fill out the application or the contractor may do it on their behalf.
  - a. You will be notified via email if your application is approved and your rebate funding has been reserved.
  - b. Rebate checks will only be issued to the property owner or a tenant with expressed written approval from the property owner. You will need to submit a Vendor Application and W-9 for the property owner or designated payee - W-9 information must match IRS records.
    - i. All rebates over \$600 are considered taxable income by the IRS. As such, the City is required to collect W-9's from all participants, so that we can send 1099 Forms with the rebate information at the end of the year. The impact this will have on your specific tax liability depends on your personal situation and we recommend speaking to a tax professional to understand whether and how much your rebate may be taxed.
  - c. Contractors are also eligible for an incentive. Contractors will need to submit [a separate application \(found here\)](#), a Vendor Application, W-9, Solana Beach business license, and Switch is On contractor verification.
  - d. Income-qualified applicants must verify eligibility by uploading one of the following:
    - i. A copy of your utility bill showing participation in the CARE or FERA discounted rate programs; or
    - ii. Verification that the unit is deed restricted affordable housing; or
    - iii. A copy of your tax returns.
  
3. Once permits have been issued and after the heat pump water heater has been installed, your contractor must schedule an inspection with the City's Building Services Division.



4. After your project has passed final inspection, submit the following documentation via email to receive the rebate check. Email Nicole Gucky, Sustainability Program Manager, at [ngrucky@cosb.org](mailto:ngrucky@cosb.org) with the subject line: *HPWH Rebate – Final Docs, <insert Last Name>*
  - a. Permit number and proof of final inspection from the Building Inspector.
  - b. Proof of payment for the installation and equipment (paid invoice)
  - c. Photos of installed equipment (include one photo of equipment installed and one photo of the make/model label)
  - d. Completed W-9 form
  
5. Receive your rebate check
  - a. The City will issue the rebate check to your designated payee.
  - b. Please allow 2-6 weeks for your rebate check to be issued.
  - c. Payee will receive a Form 1099-MISC.

### **Rebate Requirements and Amounts**

#### **Heat Pump Water Heater (HPWH)**

Requirements:

- Must replace existing gas water heater (includes tankless or demand-type)
- Must be ENERGY STAR qualified
- Must meet [NEEA Tier 3 Advanced Water Heater Specification or higher](#)
- Must have a Uniform Energy Factor (UEF) of 3.0 or higher

#### **Service Panel Upgrades**

Requirements:

- Only eligible when installing another rebate-eligible appliance
- Electrical service equipment shall be installed in accordance with the manufacturer's installation instructions, the current California Electrical Code, Article 230, and SDG&E rules and regulations
- Must replace the home's main electrical service panel
- Must include capacity in the panel to accommodate future electrification of the residence including all appliances and an EV charger



Equipment	Standard Rebate	Income Qualified Rebate
Heat Pump Water Heater	\$500	\$1,000
Service Panel Upgrades	+\$500	

### **Contractor Incentive**

Incentive = \$500/heat pump installation per address

Requirements:

- Contractors must have an active Solana Beach business license
- Verified contractor listed on the Switch is On
- One rebate per address

### **Rebate Program Terms & Conditions**

Property owners must meet and agree to the following terms and conditions to be eligible to receive a rebate:

- Rebates are distributed on a first come, first serve basis until all funds are expended.
- Rebates are only available for heat pump water heaters and electrical panel upgrades for a HPWH installation.
- Income qualified applicants participating in the Heat Pump Water Heater Rebate Program are eligible for a bonus rebate.
- To be eligible for the rebate, applicant must be a City of Solana Beach property owner. Applicant must provide proof of property ownership, equipment receipt or paid invoice, installation receipt or paid contractor invoice with contractor's license number, photos of installed equipment, and documentation of approved final inspection. Product must be new, and installation must be issued a Building Permit by the City of Solana Beach.
- Limit of one rebate application per residential unit.
- Rebates are issued as checks.

### **Questions**

For more information or questions, please email Nicole Grucky, Sustainability Program Manager, at [ngrucky@cosb.org](mailto:ngrucky@cosb.org).