More Incentives for Heat Pumps and EVs

These incentives are available in addition to those from the Town.

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At the end of 2025, the Trump Administration ended the Energy Efficient Home Improvement tax credit (known as the section 25C tax credit) for heat pumps, weatherization, EVs, etc. Nothing installed or purchased after December 31, 2025, qualifies for a federal credit. However, in addition to Washington Grove's incentives for heat pumps and EVs, the following incentives are still on offer.

Pepco / EmPOWER Maryland

- Pepco offers two levels of heat pump rebates.
- The lower level provides "midstream" rebates to contractors for qualifying heat pump systems. These can be on the order of $5000 -$5500.
- The higher level "Home Performance Program" requires an energy audit and completion of weatherization and/or air sealing to reduce the heating and cooling loads and, depending on the percentage of reduction, can result in up to 75% of the system's cost or up to $18,000. This is also handled through contractors.
- There is also a $3000 rebate for geothermal heat pumps.

Montgomery County

- Through a competitive process, the county vetted and chose a contractor to do audits, weatherization, air sealing, and HVAC work. The company is Elysian Energy, and it has done many projects in the Grove.
- You can sign up through the Electrify MC program. If you complete the audit and replace a fossil fuel system with a qualifying heat pump, rebates range from $1000 to $2500 ($1000 for a ducted system, $2000 for a mini-split system, and $2500 for a Cold Climate system). There is also a $500 rebate for removal of an oil tank.
- All these incentives, including any Pepco incentives, will be coordinated in the billing, along with estimated energy savings.

State of Maryland

- Currently, there are no incentives from the State for heat pumps or EVs. However, they are working on several plans that could result in up to $8000 for qualified systems and qualified low- and middle-Income residents. Maryland's Climate Plan calls for incentives and mandates reductions in greenhouse gas emissions. The programs to watch are the Home Electrification and Appliance Rebate (HEAR) program and the Home Efficiency Rebate Opportunity (HERO) program.
- The State is also working on a Zero-Emission Heating Standard (ZEHES) that will require all new heating systems to be electric and zero-emissions, and a Clean Heat Standard (CHS) that will require fossil fuel companies to gradually lower their emissions.
- Maryland still offers a rebate for EV chargers of 50% of the cost up to $700.

Maryland Historic Trust

- Since most houses in Town are considered contributing structures to the Town's National Historic District, those homeowners are qualified for Maryland Historic Trust tax credits for weatherization and HVAC work that meet their standards. The credits are up to 30% of the cost of the projects.
- A number of Grove residents have successfully obtained this substantial credit. The application is a three-step process.
    - The first step is to submit information substantiating the house is considered contributing. This includes an application and photographs. The HPC has a list of all contributing structures.
    - The second step is to describe the current condition and the proposed project. If the work does not negatively impact the historic integrity of the house, the project can be approved. The Maryland Historic Trust will work with you to adapt to their requirements.
    - The final step is verification the work was completed.