



## Breaking News

# Rheem Government Affairs

October 15, 2024

## Updated CEE Electric HVAC Specification

### Criteria Finalized for 2025 Federal Tax Credit Qualification

On October 10<sup>th</sup>, the Consortium for Energy Efficiency (CEE) released the newly revised Residential Electric HVAC Specification, effective January 1, 2025. This voluntary specification is used by utilities to set energy efficiency programs, and as of 2023, is the basis of eligibility for the 25C federal tax credit under the Inflation Reduction Act.

Notable aspects of the updated criteria include:

- Introduction of “Path A or B” choice for split heat pumps
- Shift to unified national set of requirements, eliminating North/South and Ducted/Ductless distinctions
- Preserved lower SEER2 for heat pumps and packaged products
- Demand response certification deferred until 2026

Rheem Government Affairs continues to work closely with CEE to provide input on future specifications.

See below for a summary of 2025 highest-tier requirements by equipment type:

Equipment Type	Level	SEER2	EER2	HSPF2	COP at 5°F	Capacity Ratio
Split AC	Tier 1	≥ 17.0	≥ 12.0			
Packaged AC	Tier 1	≥ 16.0	≥ 11.5			
Split Heat Pumps	Tier 1 – Path A	≥ 16.0	≥ 9.8	≥ 8.5	≥ 1.75	≥ 60% at 5°F/47°F
	Tier 1 – Path B	≥ 16.0	≥ 11.0	≥ 8.0	≥ 1.75	≥ 45% at 5°F/47°F
Packaged Heat Pumps	Tier 1	≥ 15.2	≥ 10.0	≥ 7.2	≥ 1.75	≥ 45% at 5°F/47°F

*For 2026: Eligible systems must also comply with AHRI 1380 to demonstrate load management capability*

## Key Takeaways

CEE sets new efficiency criteria for residential AC and heat pumps, effective 1/1/2025.

The updated spec raises efficiency requirements for AC and heat pumps and simplifies to a unified national set of criteria.

IRA 25C tax credit is based on CEE highest tier, not including Advanced Tier

For the full specification, see links at the CEE resources page: <https://cee1.my.site.com/s/resources?id=a0V2R00000sUQby>

