

# Electricity Demand and Incentives in New England

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## Issue

Identify programs in New England states that may incentivize individuals or businesses to use or continue using electricity for data centers, electric vehicles, or electric heat.

## Summary

We researched Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont programs that may incentivize recipients to use or continue using electricity for data centers, electric vehicles (EVs), or heating. [Table 1](#) lists examples of incentives in each state for EVs and [Table 2](#) lists examples of electric heat incentives (e.g., rebates for heat pump installation). As described below, Connecticut and Massachusetts both provide tax incentives to data centers. We identified no other state incentives that are tailored specifically to data centers. However, they may be eligible for broader economic development incentives that are open to other types of projects or applicants as well.

## Data Centers

**Connecticut.** Connecticut's [Data Center Tax Incentive Program](#) allows the Department of Economic and Community Development to enter into 20- or 30-year agreements to provide tax incentives to qualified data centers that locate within the state and make a specified minimum investment. These incentives include (1) sales and use tax exemptions for certain goods and services the data center uses or buys, (2) property tax exemptions for certain real property and

equipment the data center uses, and (3) exemptions for financial transactions taxes that the state may impose in the future ([CGS § 32-286](#)).

**Massachusetts.** In 2024, the Massachusetts legislature [passed a law](#) exempting eligible data center owners and operators from the state’s sales and use tax, generally for up to 20 years. It exempts their (1) purchases of eligible data center equipment, computer software, and electricity, and (2) construction costs for building, renovating, or refurbishing an eligible center. To qualify, a data center must provide at least 100 jobs, cost at least \$50 million to construct or refurbish (including equipment purchases) over 10 years, and be at least 100,000 square feet in size, among other things ([2024 Mass. Acts ch. 238, §§ 47 & 214](#)).

### ***Electric Vehicles***

Table 1 below shows examples of EV incentives administered by New England states and their utilities. Incentives typically include rebates for EVs or charging equipment purchase and installation, as well as managed charging programs (i.e., programs that provide a lower rate for electricity used to charge an EV at certain times). In addition to the programs described below, the states also participate in the federal [National Electric Vehicle Infrastructure Formula Program](#) to “strategically deploy EV charging infrastructure and to establish an interconnected network to facilitate data collection, access, and reliability.” The U.S. Department of Transportation describes [funding allocated to each state on its website](#).

**Table 1: EV Incentives**

Program/Policy	Description	Related Statutes & Resources
<b>Connecticut</b>		
<a href="#">EV Charging Program</a>	Provides incentives for residential and commercial EV charging equipment and managed charging <ul style="list-style-type: none"> <li>• <a href="#">Eversource</a></li> <li>• <a href="#">United Illuminating</a></li> </ul>	<a href="#">Public Utilities Regulatory Authority Decision, Docket 23-08-06 Public</a>
<a href="#">Connecticut Hydrogen and Electric Automobile Purchase Rebate (CHEAPR)</a>	For battery EVs, provides \$1,500 standard rebate, or increased rebate amounts based on income or residency in an environmental justice community (\$4,500 for new cars, \$5,000 for used cars) (rebate amounts beginning 1/1/2025) For plug-in hybrid EVs, provides \$750 rebate, or increased rebate amounts based on income or residency in an environmental justice community (\$2,250 for new cars, \$3,000 for used cars) (rebate amounts beginning 1/1/2025)	<a href="#">CGS § 22a-202</a> , as amended by <a href="#">PA 24-81</a>  <a href="#">CHEAPR Frequently Asked Questions</a>

Table 1 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Connecticut (continued)</b>		
EV-Related Property Tax Exemption	Exempts from property taxes (1) level two EV charging stations on commercial or industrial property, (2) EV charging stations on residential property, (3) refueling equipment for fuel cell electric vehicles, and (4) zero-emission school buses	<a href="#">CGS § 12-81(80) &amp; (81)</a>
<b>Maine</b>		
<a href="#">EV Incentives for Low-Income Mainers</a>	For certain low-income residents, provides \$7,500 rebates for new battery EVs, \$3,000 rebates for new plug-in hybrid EVs, and \$2,500 for used battery or plug-in hybrid EVs (rebates for residents who are not low-income <a href="#">have been suspended</a> as of 11/16/2024)	<a href="#">Me. Stat. tit. 35-A, § 10126</a>
<b>Massachusetts</b>		
<a href="#">Massachusetts Clean Energy Center (MassCEC) Programs</a>	<p>MassCEC is a quasi-public agency funded through a ratepayer-funded trust. Current transportation programs include:</p> <ul style="list-style-type: none"> <li>• <a href="#">Accelerating Clean Transportation School Bus Advisory Services Program</a>, which provides fleet electrification planning support to public school districts;</li> <li>• <a href="#">2030 Fund</a>, which invests in “climate technology innovators” in various sectors, including clean transportation;</li> <li>• <a href="#">Mass Fleet Advisor</a>, which provides technical support for fleet electrification for businesses and nonprofits; and</li> <li>• <a href="#">Ride Clean Mass</a>, which provides up to \$6,500 in rebates for taxis and transportation network companies (e.g., Lyft and Uber) for renting or purchasing EVs</li> </ul>	<a href="#">Mass. Gen. Laws ch. 23J</a>

Table 1 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Massachusetts (continued)</b>		
Massachusetts Electric Vehicle Incentive Program (MassEVIP)	Provides grants for EVs and charging stations in various amounts depending on program sector: <ul style="list-style-type: none"> <li>• <a href="#">MassEVIP Fleets</a> (EV incentives for public entities)</li> <li>• <a href="#">Direct Current Fast Charging</a> (closed)</li> <li>• <a href="#">Multi-Unit Dwelling and Educational Campus Charging</a></li> <li>• <a href="#">Public Access Charging</a></li> <li>• <a href="#">Workplace and Fleet Charging</a></li> </ul>	<a href="#">Charging Station Program Chart</a>
<a href="#">Massachusetts Offers Rebates for Electric Vehicles</a>	Provides (1) \$3,500 rebates for new or used cars; (2) an additional \$1,500 rebate for income-qualifying drivers; (3) \$1,000 additional rebates for trading in certain vehicles; and (4) <a href="#">larger rebates for trucks</a>	
EV Charging Programs	Provides various incentives related to EV charging equipment and use, including (1) rebates for equipment installation, system upgrades, and chargers, and (2) managed charging incentives in some cases: <ul style="list-style-type: none"> <li>• <a href="#">Ready2Charge Rebate Program</a> (Unitil)</li> <li>• <a href="#">Home EV Charging</a> (Eversource)</li> <li>• <a href="#">Turnkey EV Charging Installation Program</a> (National Grid)</li> <li>• <a href="#">EV Charging Upgrade Program</a> (National Grid)</li> <li>• <a href="#">Off-Peak Charging Program</a> (National Grid)</li> </ul>	
<b>New Hampshire</b>		
<a href="#">New Hampshire Electric Co-op EV Incentives</a>	Provides rebates for charging equipment and installation and managed charging	
<b>Rhode Island</b>		
Clean Diesel Grant	Provides certain entities (e.g., fleet operators, businesses, state government entities, school districts) with reimbursement grants to reduce emissions from medium- and heavy-duty diesel vehicles. Eligible projects include EVs.	<a href="#">31 R.I. Gen. Laws § 31-47.3-5.1</a>

Table 1 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Rhode Island (continued)</b>		
<a href="#">Driving Rhode Island to Vehicle Electrification (DRIVE), DRIVE+, and DRIVE FLEET</a>	<p>Provides rebates of up to:</p> <ul style="list-style-type: none"> <li>• \$1,500 for new or \$1,000 for used battery EVs or fuel-cell EVs</li> <li>• \$1,000 for new or \$750 for used plug-in hybrid EVs</li> <li>• \$1,500 for new or \$1,000 for used battery EVs or fuel-cell EVs for qualified small businesses, non-profits, and public sector entities</li> </ul> <p>Provides additional incentives of up to \$1,500 for residents with incomes below certain limits</p>	<a href="#">Guidance Document for DRIVE Rebate Project</a>
<b>Vermont</b>		
<a href="#">Charge Vermont</a>	<p>Provides funding and technical assistance for Level one, Level two, or DC Fast Chargers for workplaces, multi-unit residences, and public attractions</p>	
<a href="#">Electric Vehicle Charging Station Loan Program</a>	<p>Provides <a href="#">State Infrastructure Bank</a> financing to businesses and municipalities for EV charging stations and natural gas refueling stations available for public use</p>	<a href="#">10 V.S.A. § 280e</a>
<a href="#">Electric Vehicle Workplace Charging Station Loan Program</a>	<p>Provides loans for up to 80% of project costs (purchase, installation, and connection) for EV charging equipment at businesses, up to \$25,000 with 4-5% interest rates depending on term length</p>	
<a href="#">Electrify Your Fleet Program</a>	<p>Provides rebates to commercial, municipal, and nonprofit fleet owners of up to \$2,500 or 25% of the purchase price for each internal combustion engine vehicle replaced or avoided, up to 20 incentives; \$500,000 in incentives is available on a first-come, first-served basis, with 40% reserved for historically underserved communities</p>	<a href="#">2023 Transportation Bill (Act 62, Section 21)</a>

Table 1 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Vermont (continued)</b>		
<a href="#">Utility Programs</a>	<p>Provides various incentives (typically rebates) for EVs and, in some cases, charging equipment:</p> <ul style="list-style-type: none"> <li>• <a href="#">Burlington Electric Department</a></li> <li>• <a href="#">Green Mountain Power</a></li> <li>• <a href="#">Stowe Electric Department</a></li> <li>• <a href="#">Vermont Electric Co-op</a></li> <li>• <a href="#">Vermont Public Power Supply Authority</a></li> <li>• <a href="#">Washington Electric Co-op</a></li> </ul>	

### ***Electric Heating***

The table below shows electric heat incentives administered by New England states and their utilities. Commonly provided incentives include rebates and low-interest financing for individuals and businesses purchasing heat pumps. These incentives often require that the new pump replace other fuel sources, like oil or natural gas. ([Heat pumps](#) generally run on electricity and are considered an alternative to gas or oil heating.)

Some state programs also provide low-interest financing options for a broader range of energy-related projects or upgrades that may include electrical heating systems (e.g., Connecticut’s [Low Income Multifamily Energy Loan Program](#) and Vermont’s [Commercial Energy Loan Program](#)). Some states also offer tax exemptions for electricity and other energy sources when used for certain purposes (e.g., Connecticut’s [sales and use tax exemption](#) for purchases of gas, electricity, and heating fuel). Table 2 below excludes these and other programs or policies that do not specifically list electric heating updates as eligible projects.

Additionally, all New England states are participating in the U.S. Department of Energy’s [Home Energy Rebates](#) program. (According to the department’s [website](#), Maine and Rhode Island are already enrolled and providing rebates and Connecticut, Massachusetts, New Hampshire, and Vermont have applied to participate.) This program awards grants to states and tribal entities to develop and implement a high-efficiency electric home rebate program, among other things.

**Table 2: Electric Heating Incentives**

Program/Policy	Description	Related Statutes & Resources
<b>Connecticut</b>		
<a href="#">C-PACE (Connecticut Green Bank)</a>	Provides financing for new and existing commercial and industrial buildings located in participating towns to take measures to lower energy consumption, including making heating, ventilation, and air conditioning (HVAC) upgrades and installing variable speed drives on pumps	<a href="#">Program guidelines</a> (see <a href="#">Appendix D-Tech standards</a> , p. 6)
<a href="#">Commercial Air Source Heat Pump Incentive</a>	Provides rebates for commercial and industrial electric service customers installing qualifying air source heat pumps that will replace oil, propane, natural gas, or electric baseboard as the primary heating system	
<a href="#">Commercial Variable Refrigerant Flow (VRF) Heat Pump Incentive</a>	Provides rebates for commercial and industrial electric service customers for VRF heat pumps that will replace oil, propane, natural gas, or electric baseboard as the primary heating system	
<a href="#">.99% APR Heating Loan</a>	Provides low interest financing for residential customers installing energy efficient heating systems, including qualifying heat pumps (discontinuing at end of 2024)	<a href="#">CGS § 16-243v(k)(2)</a>
<a href="#">Home Energy Solutions Loan</a>	Provides microloans, repaid through a surcharge on electricity bills, to residential customers participating in <a href="#">the Home Energy Solutions Program</a> to make eligible energy efficiency improvements, including installing qualifying heat pumps	
<a href="#">Multifamily Air Source Heat Pump Incentive</a>	Provides rebates for Eversource and United Illuminating customers with multifamily buildings or complexes of five or more units to install qualifying ducted or ductless air source heat pumps	
<a href="#">Residential Air Source Heat Pump Incentive</a>	Rebates for residential electric service customers installing qualifying air source heat pumps that will replace oil, propane, natural gas, or electric baseboard as the primary heating system	
<b>Maine</b>		
<a href="#">C-PACE (Efficiency Main Green Bank)</a>	Provides financing for commercial property owners to undertake energy efficiency and clean energy improvements on their buildings located in a participating municipality	

Table 2 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Maine (continued)</b>		
<a href="#">Commercial Heating, Ventilation, and Air Conditioning (HVAC) Incentives</a> (Efficiency Maine)	Provides up to 65% of project costs (e.g., mini-split heat pumps, VRF systems, rooftop units) for businesses and multifamily homes	See <a href="#">Me. Rev. Stat. tit. 35A, §§ 10103 &amp; 10119</a> , the authorizing statute for efficiency Maine and its related trust, and OLR Report <a href="#">2022-R-0266</a> for information on the trust’s funding
<a href="#">Electrification in New Affordable Multifamily Housing</a> (Efficiency Maine)	Provides rebates for qualifying efficient HVAC heat pump systems (e.g., mini-splits, VRF systems, rooftop units, and single package heat pumps) in new construction multifamily buildings with 18 or more units, at least 50% of which will be reserved for low-income households	
<a href="#">Home Energy Loans</a> (Efficiency Maine)	Provides home energy loans for homeowners to pay for qualifying energy upgrades, including heat pumps	
<a href="#">Heat Pump Program</a> (MaineHousing)	Pays for the cost and installation of a heat pump as a secondary heating source for eligible homeowners who meet income eligibility criteria	
<a href="#">Manufactured (Mobile) Home Initiative</a> (Efficiency Maine)	Provides 85% of the cost of ducted heat pump systems in single-wide manufactured (mobile) homes, replacing existing heating systems, for low-income homeowners	<a href="#">Program flyer</a>
<a href="#">Small Business Energy Loans</a> (Efficiency Maine)	Provides financing for small business owners to purchase and install qualifying heat pumps and variable refrigerant flow (VRF) systems	
<a href="#">Supplemental Heat Pump Rebate for Low-Income Households</a> (Efficiency Maine)	Rebates 80% of the cost (up to \$4,000) for low-income households installing their first single zone heat pump	
<a href="#">Whole Home Residential Heat Pumps</a> (Efficiency Maine)	Rebates up to \$8,000, depending on applicant’s income level, of the cost of single-zone heat pumps in residential homes	



Table 2 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Massachusetts</b>		
<a href="#">Enhanced Residential Programs</a> (Mass Save)	Provides rebates to income-eligible households replacing an existing heating system with a heat pump (up to \$16,000 for air source heat pumps)	
<a href="#">Income Eligible Program</a> (Mass Save)	Provides no-cost upgrades to income-eligible homeowners and renters, including replacing existing heating systems with heat pumps	
<a href="#">Low-Income Multifamily Retrofits</a>	Provides no-cost energy efficiency modifications for owners of affordable multi-family housing, including installing heat pumps	<a href="#">Program Guide</a> (see p. 9 for allowable electric measures)
<a href="#">PACE Massachusetts</a>	Provides financing for owners of commercial and industrial properties located in participating municipalities to make clean energy and energy efficiency improvements (e.g., HVAC equipment and combined heat and power)	<a href="#">Program Guidelines</a> (see pp. 8 & 37 for eligible projects)
<a href="#">New Home Construction</a> (Mass Save)	Provides various financial incentives to promote the construction of all-electric residential homes within certain service territories	
<a href="#">Sales Tax Exemption</a>	Fully exempts from sales tax certain equipment, including heat pump systems, being used in a primary or auxiliary power system to heat a principal residence	Mass. Gen. Laws ch. 64H, § 6(dd)
<a href="#">Save HEAT Loan Program</a> (Mass Save)	Provides financing for qualifying residential energy-efficiency upgrades, including up to \$50,000 (\$25,000 starting January 1, 2025) for those installing heat pumps	
<b>New Hampshire</b>		
<a href="#">NH Saves Rebates – Heat Pumps and Central AC</a>	For residential electric customers of covered utility companies, provides rebates for purchase of heat pumps and central air-conditioners, the amount of which varies based on the equipment’s capacity and whether it is ducted or ductless	
<a href="#">Retrofits for Electric Businesses</a>	Provides assistance and incentives for installing new energy efficient equipment to replace old, inefficient equipment in existing facilities	

Table 2 (continued)

Program/Policy	Description	Related Statutes & Resources
<b>Rhode Island</b>		
<a href="#">C-PACE Rhode Island</a>	Financing for owners of commercial and industrial properties located in participating municipalities to make certain upgrades, including variable speed drives on pumps	<a href="#">Program Guidelines</a> (see pp. 8-10 for eligible projects)
<a href="#">Clean Heat Rhode Island - Residential</a>	Provides <a href="#">incentives</a> (up to \$10,000) for homeowners, particularly those in environmental justice communities, to purchase and install heat pumps and make electrical service upgrades that displace oil, propane, or natural gas heating	<a href="#">Program statistics</a>  OLR Report <a href="#">2022-R-0266</a>
<a href="#">Clean Heat Rhode Island - Income-Eligible Incentive</a>	Provides <a href="#">incentives</a> (covering up to 100% of costs) for income-qualified homeowners to purchase and install heat pumps and make electrical service upgrades that displace oil or propane heating	<a href="#">Program statistics</a>  OLR Report <a href="#">2022-R-0266</a>
<a href="#">Clean Heat Rhode Island - Commercial</a>	Provided financial incentives to small and medium-sized businesses to install heat pumps, among other things ( <a href="#">program is now closed</a> )	
<b>Vermont</b>		
<a href="#">Home Energy Loan</a>	Provides financing, up to \$20,000, for qualifying projects, including eligible cold-climate heat pumps	
Rebates	Provides rebates for air-to-water, ducted, and ductless heat pumps, among other technologies, for residential and business properties; amounts and eligibility vary by region and utility provider ( <a href="#">Efficiency Vermont</a> , <a href="#">Burlington Electric</a> )	

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