

Heat Pump Feasibility Grant – Date Extended

Canonical: <https://northmoregordon.com/grants-and-programs/heat-pump-feasibility-grant/>

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Funding program archive

This page preserves a dated funding-program record and links it to current project-planning guidance.

Publication date: 14 July 2025.

Status note: This archive does not confirm that applications are open, funds remain available or the earlier eligibility and co-funding settings still apply. Verify the current administrator page and guidelines.

What this article reported

Looking to decarbonise your industrial or commercial heating systems in NSW? The NSW Heat Pump Feasibility Grant offers up to \$30,000 to help businesses assess energy-saving heat pump solutions - Northmore Gordon can help you access and maximise this funding.

Overview

A \$1 million NSW Government grant that covers up to 75% of costs for feasibility studies into industrial or commercial heat pump systems - covering design, energy analysis and economic assessment.

Who can apply

Businesses in NSW using between 5,000-100,000 GJ of gas/year at a site

Projects must be delivered at a NSW business site

Other eligibility criteria apply - see funding guidelines or call us today

Funding available

Up to \$30,000 per site

75% of approved feasibility study costs

What is funded

Milestone 1 - Heat Pump Screening Up to \$5,000 to identify barriers such as insufficient metering, electrical capacity, or process constraints.

Milestone 2 - Heat Pump Design Design options based on operational data and site conditions. No funding released at this stage.

Milestone 3 - Feasibility Study Up to \$25,000 to develop a full economic and technical feasibility report. Up to 50% of eligible metering hardware/software costs may be covered.

Eligible Activities Include

Site screening and business case modelling (via NSW tools)

Data collection and gap analysis

Energy balance and process heat demand review

Full feasibility reporting and design development

Benefits

Potential energy & cost savings

Reduced carbon emissions

Foundation for investment-ready heat pump projects

How to apply

Getting started is easy. As an approved specialist consultant, Northmore Gordon can manage the full grant process on your behalf - from eligibility checks to technical delivery.

Talk to us today!

How to use this information now

Before relying on a grant, confirm the current round, applicant and project eligibility, eligible expenditure, co-contribution, assessment process, closing date and evidence obligations. Build the technical case so the project remains understandable with grant support shown separately.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What is the NSW Heat Pump Feasibility Grant and how much funding does it offer?

The NSW Heat Pump Feasibility Grant is a \$1 million NSW Government grant offering up to \$30,000 per site to help businesses decarbonise industrial or commercial heating systems. It covers up to 75% of costs for feasibility studies into heat pump systems, including design, energy analysis and economic assessment. The grant opened on 14 July 2025 with applications closing on 30 April 2026 at 5 pm (AEST), or earlier if funding is exhausted. Businesses in NSW using between 5,000–100,000 GJ of gas per year at a site are eligible.

What are the three funded milestones under the NSW Heat Pump Feasibility Grant?

Milestone 1 – Heat Pump Screening (up to \$5,000) identifies barriers such as insufficient metering, electrical capacity, or process constraints. Milestone 2 – Heat Pump Design develops design options based on operational data and site conditions, with no funding released at this stage. Milestone 3 – Feasibility Study (up to \$25,000) develops a full economic and technical feasibility report; up to 50% of eligible metering hardware and software costs may also be covered. This staged structure ensures evidence is gathered before commitment to detailed design work.

Why does the grant structure require careful sequencing of activities before financial commitment?

The milestone approach reflects best practice in energy project assessment. Screening identifies site-specific constraints—such as electrical infrastructure limits or inadequate baseline data—before design resources are invested. Completing Milestone 1 establishes whether a heat pump is technically

feasible and what additional measurement is needed. We recommend preparing a heat balance, operating schedule, current fuel data and a description of potential waste-heat sources before project selection, ensuring Milestone 3 work proceeds with credible technical input and avoids costly design revisions.

What baseline information should be prepared before applying for the Heat Pump Feasibility Grant?

Prepare a heat balance showing required temperatures, flow rates and operating hours; an operating schedule documenting seasonal and daily variation; current fuel data including gas bills and consumption patterns; and an inventory of potential waste-heat sources. Gather existing energy studies and equipment documentation. This information scopes the feasibility assessment accurately, avoids measurement gaps discovered late in the process, and helps determine whether grant funding is sufficient for the proposed scope. We can assist in preparing this brief to support eligibility assessment and budget planning.

How does the grant support measurement planning, and why is this important for heat pump feasibility?

Milestone 3 covers up to 50% of eligible metering hardware and software costs, recognising that reliable baseline data is essential for renewable heat assessment. Temperature-sensitive operations require documented conditions before equipment selection; inadequate metering can mask heat recovery opportunities or electrical constraints. Establishing measurement before the heat pump design is finalised ensures the feasibility study has the data needed to assess heat source availability, timing compatibility, and system redundancy. This reduces implementation risk and supports later investment decisions and certificate pathways.

What happens if my site does not meet the 5,000–100,000 GJ annual gas consumption threshold?

The grant eligibility criteria specify this consumption range at a single NSW business site. If your consumption falls outside this band, you may not qualify for this particular grant. However, other funding mechanisms exist—including Victorian Energy Upgrades for Victoria-based sites, NSW Energy Savings Scheme for eligible energy-saving activities, or general investment financing. We can review your site's consumption profile, energy project merits and applicable jurisdiction to identify alternative funding pathways and assess whether the heat pump investment makes sense independently of grant support.

Should I treat the grant as confirmed funding in my investment case before application approval?

No. Our guidance on funding emphasises treating grants, certificates and finance separately in project business cases. Before relying on grant support, verify applicant eligibility, project eligibility for the specific round, deadlines, eligible expenditure, and approval and payment conditions. Present your heat pump project with and without conditional grant support so management understands the investment decision. Identify the point at which you would need to revisit the decision if the grant is delayed, reduced or unavailable. This keeps the operating merits of the project visible alongside funding options.

What evidence must be documented to distinguish between feasibility forecast and verified operating savings?

A feasibility forecast is a projected outcome based on assessed conditions, energy prices and assumed incentives—not measured operating savings. Document the forecast separately with its assumptions clearly labelled and traceable: operating conditions, fuel prices, capital scope, and any assumed support. After implementation, measurement and verification establishes what actually changed under comparable conditions. We recommend maintaining a project file showing the original forecast, the agreed measurement boundary, implementation records and the verified result. This separation is essential for certificate schemes, reporting obligations and informed decisions about future projects.

How can Northmore Gordon support the grant application and project delivery process?

As an approved specialist consultant, we manage the full grant process: eligibility assessment, technical delivery through all three milestones, measurement planning, and feasibility reporting. We can prepare the heat balance and operating schedule needed for screening, coordinate Milestone 3 deliverables including economic and technical feasibility assessment, and ensure evidence is documented for later implementation or certificate applications. Engaging we early clarify what information to retain, prevents data gaps, and aligns grant activities with longer-term decarbonisation and funding strategies.