



2nd MEETING | NOVEMBER 16, 2021

Mobilizing the HVAC/HP Supply Chain Together by 2030



AGENDA

- | **Welcome** | Patricia Rothwell, Executive Director, EEBC
- | **Anti-Trust Review**
- | **Introduce “Why these meetings” - The Purpose & Opportunities**

- | **Overview Key Discussion Points from EEBC’s HP Kick-off Meeting, OCT 14th**
 - | Beneficial Electrification League of Colorado [BEL-CO]
“A conversation about heat pumps” presentation to Distributors and Manufacturers
 - | Heat Pump Market Acceleration Project | CEO Report | May Review 10 Top Barriers Identified in Colorado
How to Mobilize the HVAC/HP Supply Chain by 2030
 - | HP Trajectory Forecast | by Stakeholder Groups | Invitation to You

- | **HP Action Groups | Prioritize Action Groups Requests to Date**
 - OPEN FORUM**
 - | Contractors/Dealers
 - | Distributor and Manufacturers
 - | Industry Stakeholders | Utilities, Non-profits, Cities, and State

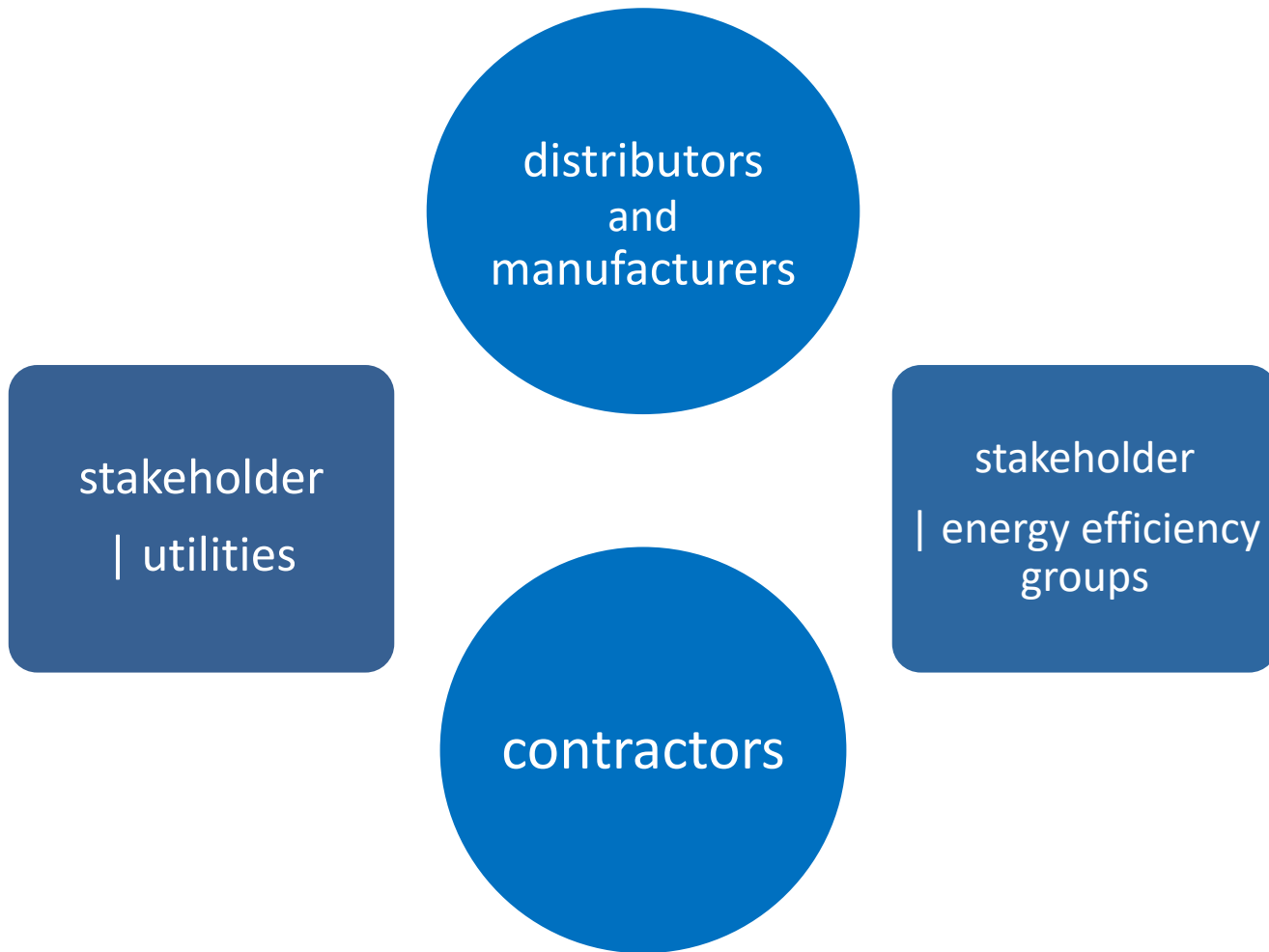
- | **Next Steps & Meeting Dates**
- | **Close Meeting**
 - Follow-on Open Forum Discussion Available 20 Minutes After Meeting Ends**

“Why these meetings?”

PURPOSE & OPPORTUNITIES



Strong Interest in Heat Pump Working Groups



3 Action Groups - Outcomes



contractors

What do you need to grow your business?

What do you need to solve for and **by when?**

stakeholder groups

Make it easier to stay ahead of the curve by taking advantage of these industry stakeholder alliances and goals.

distributors and manufacturers

Field realities inform and feed better utility/city jurisdictions (stakeholder) rebate program design for your business.

EEBC Membership Benefits

1. Line of site to what's coming - minimize surprises
2. Minimize your risk to transition - increase ROI
3. Understand how to take advantage of what's coming in the market – proactive
4. Resources & collaboration to move the market – accelerate
5. Make more money – bottom line



Action Groups

Mobilizing the HVAC/HP Supply Chain in Colorado

Create a “bigger piece of pie for our all in the energy efficiency industry”

Help our members...

- Sell more HP's/HVAC
- Influence the energy efficiency market more
- Take advantage of market trends to grow your bottom line more by 2030

REFRESHER

Overview Key Discussion Points from EEBC Kick-off Meeting October 14, 2021

RESOURCES

EEBC HVAC/Heat Pump Action Group | Webpage Link

<https://www.eebco.org/hvac-hp-action-group>

HP Action Group Kick-off Meeting | Video Recording Link

1 hr. meeting (with follow-on 15 min. open discussion)

[EEBC HVAC/HP Action Group Kick-off Meeting October 14, 2021- Video Link](#)

HP Action Group Kick-off Meeting | Presentation PPT Link

<https://www.eebco.org/hvac-hp-action-group/>

Findings by Colorado Energy Office & EEBC's Heat Pump Market Acceleration Survey Report

Top 10 Barriers to Accelerating Heat Pump Sales Identified and Ranked by the Survey Interviews

Strong Consensus on Top 2 Barriers

- ✓ Buy-in of Contractor Company, Owner, and Management
- ✓ Consumer Awareness



DATA SOURCE | Released May 10, 2021
CEO & EEBC's HEAT PUMP MARKET ACCELERATION PROJECT
Building Electrification Outreach and Education in Colorado Report



Top Findings

Top 10 Barriers to HP Acceleration in Colorado Identified & Ranked

- **#1 Buy-in of Contractor Company, Owner, & Management**
- **#2 Consumer Awareness**
- Marketing
- Pricing Gap [field-driven]
- Rebate Levels [utility-driven]
- Quality Install [QI] Training [cold-climate HPs]
- Leads Generation
- Sales, Job Estimating, and Systems Design Equipment Availability [to contractors]
- Installer QI Requirements for Certification Statewide

Top Findings

**Distributors Influence
Contractor Success
Most in the Supply Chain**

**Stakeholder Focus:
Distributors are Key to
Mobilizing the HVAC/HP
Supply Chain in Colorado**





Watch Changes are coming – *what's driving it?*

“A conversation about heat Pump” held August 26th by Speakers from the Quality Install Committee of the Beneficial Electrification League of Colorado [BEL-CO]

City and County of Denver

City of Boulder

Colorado Energy Office

EEBC

Holy Cross Energy

Platte River Power Authority [4 utilities]

SWEET [Southwest Energy Efficiency Project]

Tri-State Generation and Transmission [17 utilities/co-ops]

Xcel Energy

Watch Changes are coming – *what's driving it?*

National Market Influencers

- The Energy Transition and “IOT (Internet of Things...Smart Technology) together, is the fastest adoption since smart phones and the internet”. Jeff Bezos, Founder of Amazon
- Nationally, 52% of utilities made commitments around 80% carbon-free and electric, clean-energy grids by 2030.
- Why? Renewables are now less expensive to produce and deliver energy for utilities than natural gas and coal.

Local & State Market Influencers

- The 6 utilities that provide 91% of Colorado’s electricity have committed to reduce GHG emissions by at least 80% by 2030. Xcel Energy will be 49% carbon free from renewables in 2022.
- *In 2021, CO Historic Clean Energy Legislation passed with more than 30 bills in its legislative session advancing clean buildings, climate action, environmental justice, renewable energy, energy efficiency, transportation electrification, and just transition.*
- In Colorado, 14 Cities are considering or created “Climate Action Change, Building Electrification, and/or Energy Efficiency Committees” to influence permitting & building codes in next 2 years. Code officials say over 25 are actively working on these goals.
- Myth Buster: Cold Climate Heat Pumps Work in Colorado! Cost and performance have come into parity in last 2 years, in technology and cost, with utility rebate support. Holy Cross success stories.

Bottom line

- Rapidly advancing electrification and carbon-free technologies *make good financial sense for homeowners and businesses - and are less driven by the concepts of climate change and environment.*

Summary of CO Heat Pump Rebates

- **40 out of 52** electric utilities in CO provide rebates for HPs:
 - \$500 for ducted or mini-split HP (PRPA member muni's)
 - \$800 for ducted HP/\$1,000 for cold-climate (Xcel Energy)
 - \$450/ton (Tri-State member co-ops)
 - \$850/ton for cold-climate (Holy Cross Energy)
- Some local governments and nonprofits (e.g., Boulder, Denver, CORE,) provide additional rebates
- All CO rebates listed at loveelectric.org/rebates



NEXT STEPS... outcomes

1. Great communication outcomes following the meeting between presenting organization, contractors, distributors, and manufacturers

2. Big ideas

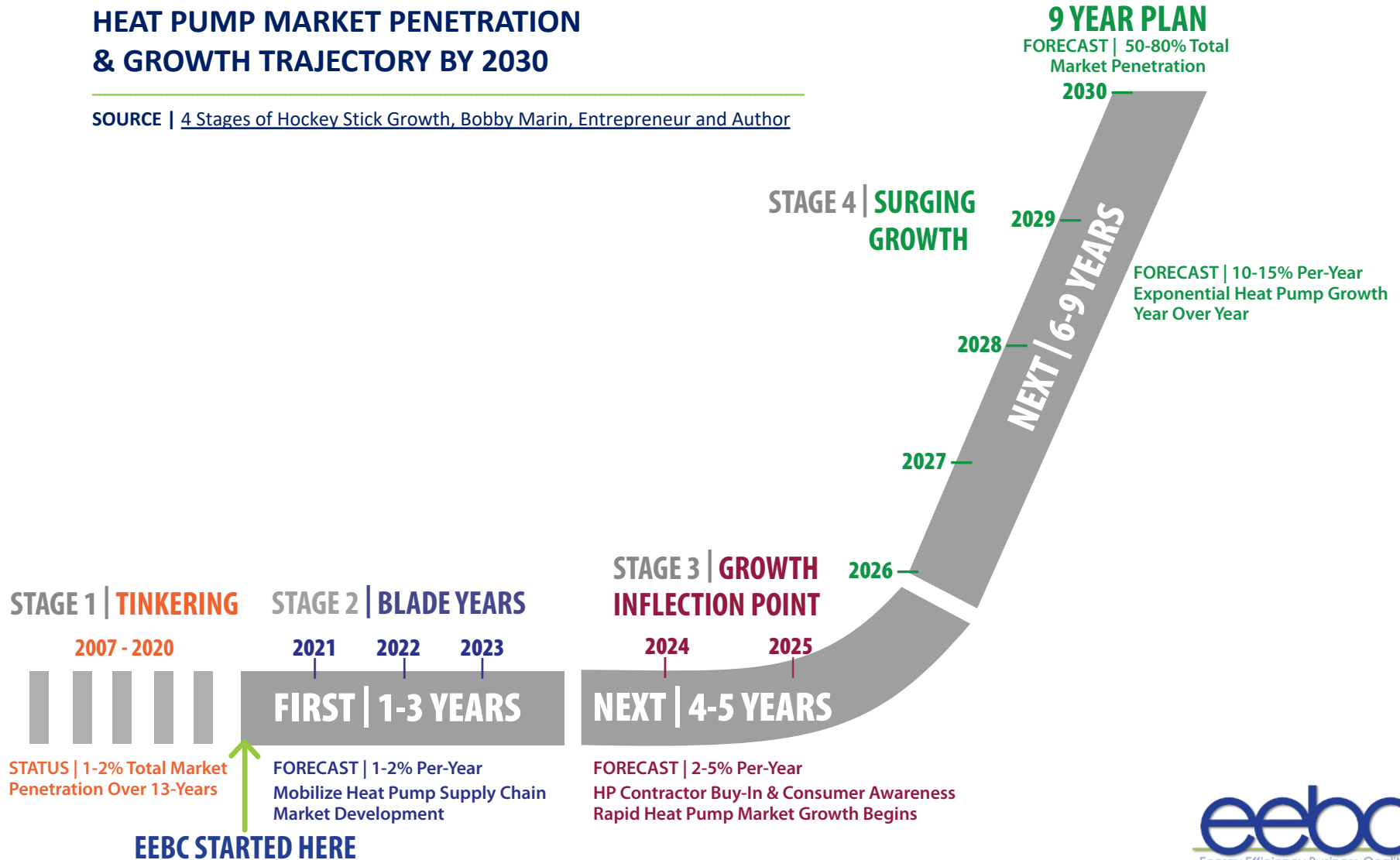
- Utilities working on agreement across utility territories on:
 - Definition of what is a qualifying HP and a ccHP
 - Aligning rebate incentives statewide
 - One “universal HP rebate application form”



COLORADO'S SHARED HEAT PUMP FORECAST

HEAT PUMP MARKET PENETRATION & GROWTH TRAJECTORY BY 2030

SOURCE | [4 Stages of Hockey Stick Growth, Bobby Marin, Entrepreneur and Author](#)



EEBC Value Proposition

Traditional Policy Action Benefits

- Give you line of sight to what's coming
- Understand how to take advantage of what's coming
- Competitive advantage in forecasting rules, regs, and market transition
- Influence utility HP programs and rebates decisions in 2022
 - Influence Xcel Energy's 2023-24 DSM [rebate] Program Plan
 - Influence Xcel Energy's and 2022 Strategic Issues
 - Influence other utilities statewide
- Influence energy efficiency bills in Legislation Session



EEBC Value Proposition [New Roles]

Opportunities with HP's

- Minimize your risk to sell HP's
- Accelerate your HP sales vs. transitioning your HVAC business
- Prioritized & provide content feedback on trainings
- Better positioned to drive profitable heat pump sales
- Customized resources developed from your feedback and requests
- Get younger generation and skilled labor applying for jobs at your company and in our industry



Contractors/Dealers

AGENDA



Contractors / Dealers

Prioritize Immediate Needs & Tasks

Requests To-Date

- ✓ Resources developed from your feedback and requests
- ✓ **1st Project: Sales Tool**
 - Topic** | *“Energy Trends are Real & Here Now”...*
 - Goal** | *Creates “Sales tipping point” into a HP sales discussion*
 - | *1 for consumer & 1 for contractor sales team/management*
- ✓ Influence utility HP rebate programs in 2022
- ✓ Pipeline of skilled labor to Action Group members’ companies - Grant
- ✓ Fill in training needs gaps not covered by utilities, distributors, & manufacturers currently
 - ✓ How to do low-cost Leads Gen when limited consumer awareness. When switch?
 - ✓ Website turn-key referral support
 - ✓ How to build your company’s valuation for acquisition by 2030
 - ✓ Getting the younger generation into your business

Distributors & Manufacturers

AGENDA



Distributors & Manufacturers

Prioritize Immediate Needs & Tasks

Requests To-Date

- **1st Project: Collaborate on statewide *Forecast “Hockey Stick”***
 - Based on current market realities, incorporate when stakeholders’ market development efforts come online, the *“by when”* and impact on Forecast inflection points, etc.
- ✓ Support to engage and grow your HP contractor business
- ✓ Voice at table to influence HP utility rebates in 2022
- ✓ Collaborate on HP market development with stakeholders
- ✓ Territory-specific marketing campaign coordination
“A drumbeat of consistent messaging in marketplace...”

STAKEHOLDERS

| Utilities, Non-profits, City Jurisdictions, and State

AGENDA



Stakeholders

Prioritize Immediate Needs & Tasks

Requests To-Date

- **1st Project: Action Groups are a sounding board/panel** for utility channel and program managers collaboration with Action Groups to design rebate programs grounded in the realities in the field to deliver these products and services to the marketplace
- Training curriculum feedback
- BEL-CO collaboration



NEXT STEPS & MEETINGS

SUGGESTIONS FOR BREAKOUT MEETINGS

