

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 10

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To: Community Advisory Committee

From: Mitch Sears, Interim General Manager  
Rebecca Boyles, Director of Customer Care and Marketing  
Sierra Huffman, Program and Community Engagement Analyst

Subject: Update on VCE customer program development: Heat Pump Pilot Program

Date: January 20, 2022

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### RECOMMENDATION

None requested. Informational item.

### BACKGROUND

Mid-2021, VCE began developing a Heat Pump Pilot Program within the context of a growing trend in home electrification programs available throughout the state. The shift in focus from traditional HVAC systems to Heat Pumps, alongside the availability of generous rebates for customers, motivated VCE to explore the most appropriate role its programs could fulfill. VCE is working to create a program that complements existing rebates and incentives, and from initial research and engagement, a key unfulfilled need could be providing Marketing, Education and Outreach (ME+O) to contractors, customers, and other key stakeholders such as realtors and HVAC manufacturers.

Staff believes that the emphasis on ME+O for the initial phase of this pilot is the best way to provide value while learning more about the intricacies of the heat pump landscape. After the conclusion of the initial ME+O phase, staff (with the assistance of the Programs Task Group, or PTG) will determine whether VCE can add value by designing and launching a complementary heat pump rebate pilot phase.

VCE's heat pump pilot will focus on Dual Fuel Heat Pumps (DFHP), as they are less expensive to install, highly efficient, and lead to the near elimination of greenhouse gas emissions from furnaces. A dual-fuel system is a type of heating, ventilation and cooling (HVAC) system that can switch between an electric heat pump and a gas furnace to maximize comfort and energy efficiency (i.e., the gas furnace is actually more efficient at space heating than the electric heat pump in very low temperatures).

Staff found that although large rebates are available to both contractors and customers for the installation of heat pumps, no contractors based in Yolo County are currently certified to provide them. VCE staff connected with Franklin Energy, the implementers of the Comfortable

Home Rebate (CHR) program and Energy Solutions, the managers of TECH Clean California Rebates (TECH), to facilitate working together to engage local contractors. This pilot could provide support to Yolo County-based contractors in becoming certified to provide rebates through both CHR and TECH. Staff could provide contractors with assistance for applications, developing web materials, and hosting webinars/in-person meetings.

VCE's heat pump program could engage customers by hosting webinars/in-person workshops, and connecting with customers through collateral such as web materials, social media, and printed information. Webinars/in-person workshops (similar to CoolDavis' "Make a Plan for a Clean Energy Home" workshop in which VCE participated in fall 2021) give customers the opportunity to connect with contractors and ask them questions, as well as cover topics on owning and operating a heat pump. Collateral would explain the benefits of heat pumps such as lowering gas bills, reducing greenhouse gas emissions, and improved indoor air quality. Subjects such as duct installation, building envelope, and heat pump best practices could be addressed to ensure negligible rises in a customer's electricity bills and ensure customer satisfaction.

The next steps in this pilot program's development are to receive and integrate CAC feedback; complete a Preliminary Program Design/Implementation Form; and present the Form to the CAC before requesting a recommendation for adoption to VCE's Board.

**Financial Impact:** Staff projects that this pilot program phase could be efficiently run with a budget of no more than \$15,000. The funds would primarily go toward collateral development and printing, and potentially for consultant support to help with paperwork and application assistance.

## **CONCLUSION**

Staff is requesting that the CAC provide feedback on this informational item.