



Reforming Energy Efficiency Programs to Increase Heat Pump Adoption

April 22, 2025

Agenda

- Introduction
- Presentation: *Reforming Energy Efficiency Programs to Increase Heat Pump Adoption*
- Panel Discussion
- Audience Q&A

Audience Poll

Speakers



Russell Unger
Principal, Carbon-Free Buildings, RMI



Lacey Tan
Manager, Carbon-Free Buildings, RMI



Sarah Moscatello
Owner and General Manager, The Heat Pump Store



Michael Stoddard
Executive Director, Efficiency Maine Trust



Maggie Molina
Executive Director, Northeast Energy Efficiency Partnership



Kevin DeMaster
Senior Business Development Manager, LG Air Conditioning Technologies USA

Incentives can spur the change cycle



The Big Prize

\$4.3 Billion:
Home Efficiency
Rebate Program

\$4.5 Billion:
Home Electrification
Rebate Program

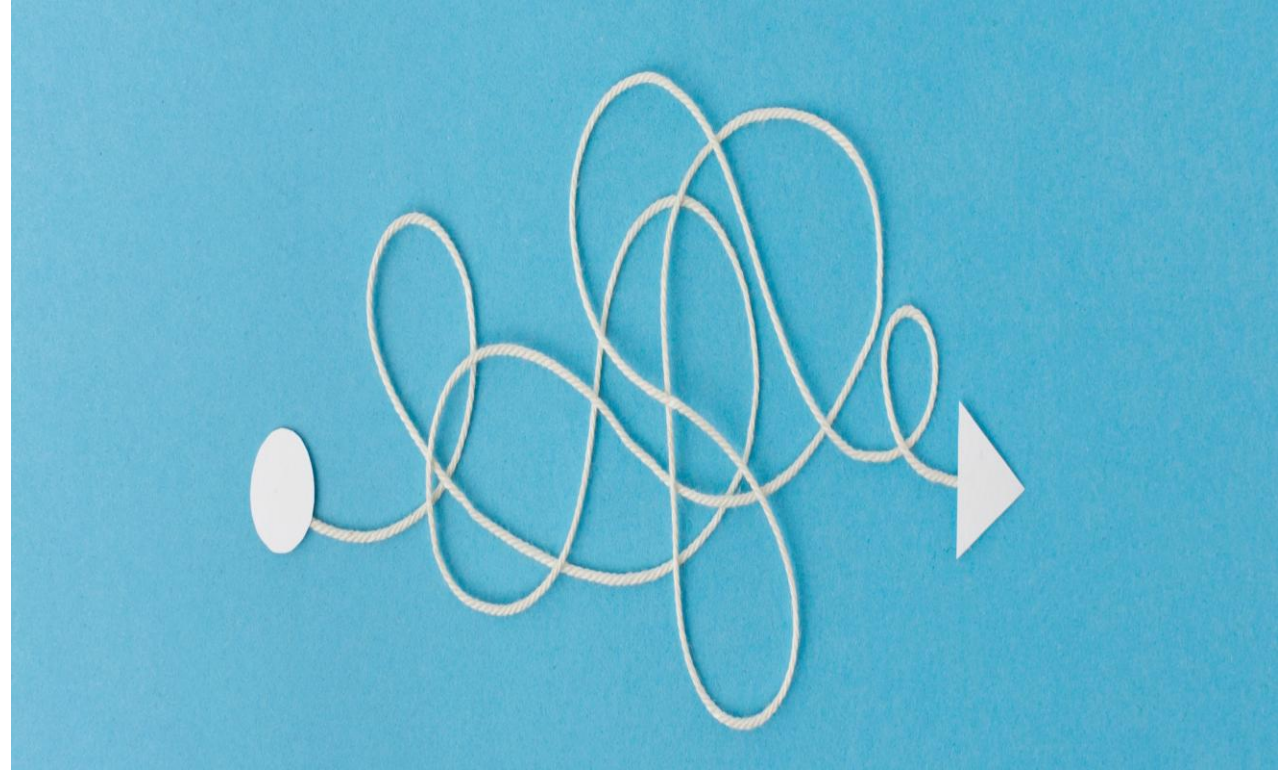
\$8.8 Billion Annually:
Existing state and
utility efficiency
programs

**\$97 billion over the next decade to decarbonize
buildings**

Why Reform is Needed

Most incentive programs are needlessly complex, bogged down by excessive reporting, and burdened by ever-changing rules.

A low-income household is 1/3 as likely to receive an incentive as a moderate-income household.



Key problems for consumers



Market confusion



Administrative burden



Wrong types of incentives

Impact:

Many eligible consumers – especially LMI households – are not applying for rebates. Red tape is eating up incentive dollars that could go towards installations.

Key problems for industry



Consistency



Paperwork

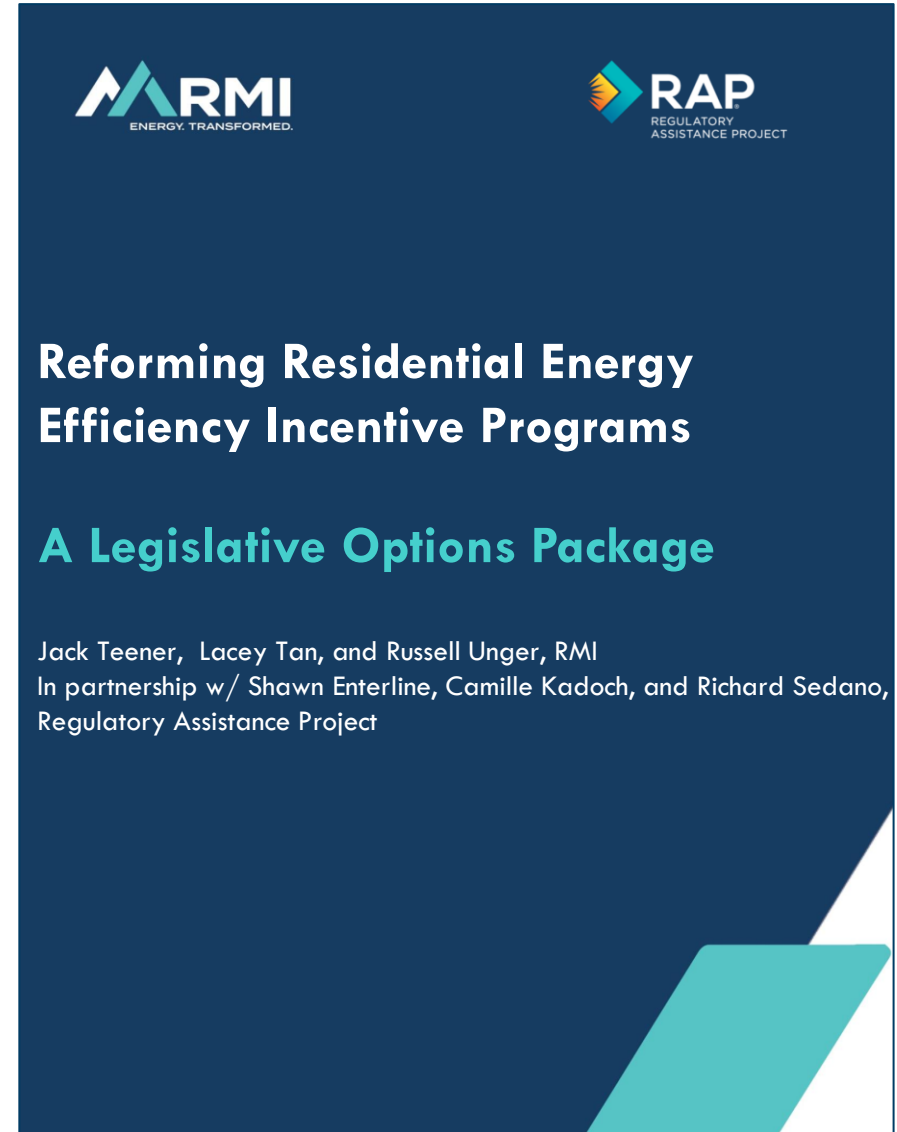
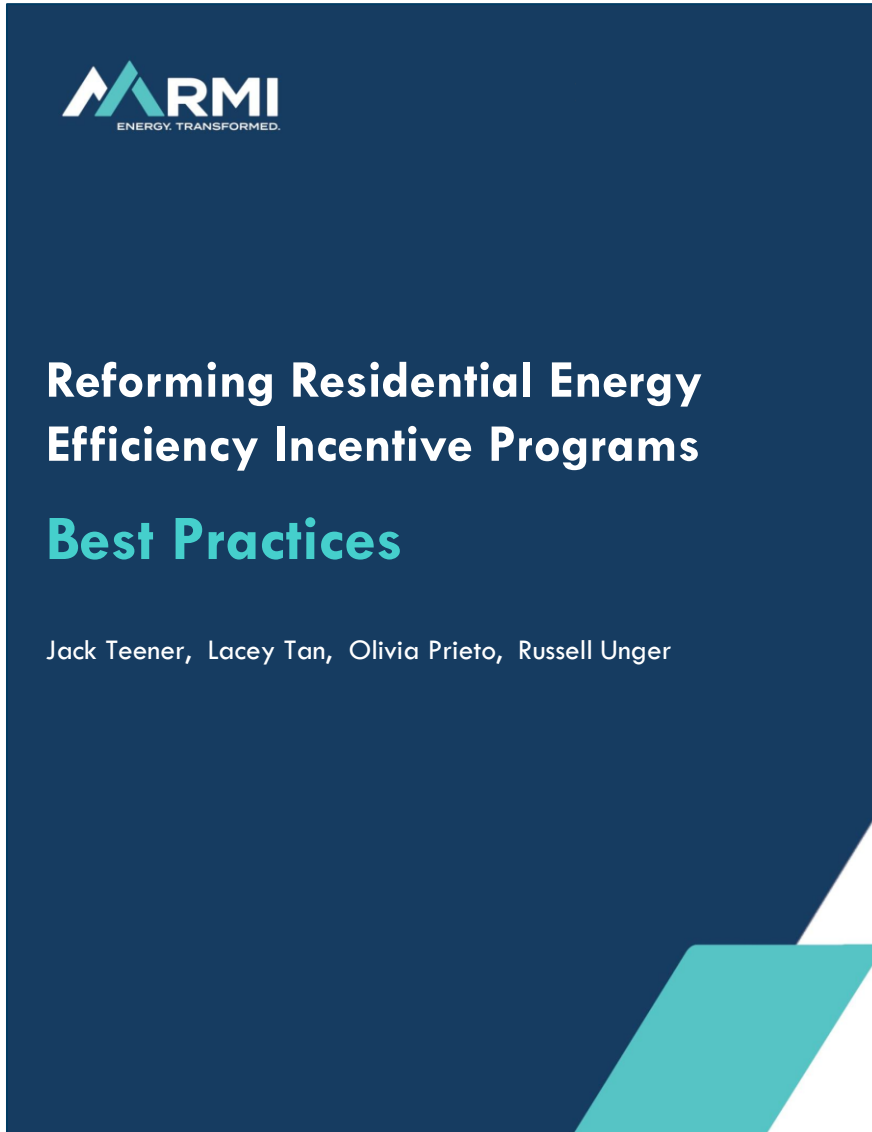


Predictability

Impact:

Fewer contractors participate in incentive programs, reducing the provider pool and competition. Manufacturers are not receiving a clear signal to develop more efficient equipment.

New Resources for Reforming Programs



Solutions exist across four desired outcomes

Desired Outcome	Best Practice Strategy
Make Programs Simple	<ul style="list-style-type: none">• Keep incentive structures simple• Align equipment performance specifications• Simplify income eligibility verification• Offer universal applications and one-stop-shops
Make Programs Durable	<ul style="list-style-type: none">• Incorporate input from market participants• Provide market development support• Prioritize program stability and long-term funding• Adopt a climate-forward efficiency framework
Make Programs Work for the Market	<ul style="list-style-type: none">• Provide upfront or direct discounts with prompt payments• Provide mid-project or milestone rebate payments• Improve and expand financing options• Establish incentives based on climate and region
Make Program Equitable	<ul style="list-style-type: none">• Engage with community-based organizations (CBOs)• Set LMI-specific budget targets• Include pre-electrification measures• Centralize all points of contact and program offerings

Legislative Approach

Legislation Options	Purpose
Incentive Clearing House	Develop a universal application — a single point of contact for program information, applications, and technical assistance or a single program that offers a variety of services for multiple programs within a state or region.
Energy Efficiency Authority	Establish a single entity that would pilot, design, and run state efficiency programs
Incentive Program Oversight Council	Establish standards governing the incentive programs with program guidance and oversight overseen by an expert committee
Agency Incentive Implementation Task Force	Align existing incentive programs and requirements across a state or region

Three Things to Remember

1. We must accelerate towards universal applications
2. Incentive offerings must be simple and consistent statewide
3. Programs should be measured and improved for customer and workforce usability

Improving Incentive Programs Means...

Wider reach

Increase participation of disadvantaged households



Implementation of tech

Increase proportion of higher performing heat pumps installed



Job creation & economic stimulus

Increase the size of the provider market



Dollars deployed

Reduce admin spending, freeing up more dollars for incentives and installs of clean technology





Panel Discussion



Thank you!

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