



**Testimony of the Efficiency Maine Trust
Michael D. Stoddard, Executive Director**

IN SUPPORT OF

LD 766 – An Act To Transform Maine's Heat Pump Market To Advance Economic Security and Climate Objectives

Presented to the Joint Committee on Energy, Utilities and Technology (EUT)

May 23, 2019

Senator Lawrence, Representative Berry, and Members of the Committee on Energy, Utilities, and Technology, the Efficiency Maine Trust (the Trust) appreciates the opportunity to testify today in support of LD 766. The bill would set a goal of installing 100,000 high-performance air source heat pumps in Maine over the next 5 years.

High-performance heat pumps are poised to transform the way Maine homes and businesses are heated. The newer, high-performance models have now been operating in Maine for the past five years, and the reports of their performance, even in very cold winters, are excellent.

Each heat pump, when properly installed and operated, is estimated to deliver a net heating savings of between \$300-600 annually. As Mainers get better at understanding how to optimize their heat pump's performance – in coordination with a central furnace or boiler – they will start to see savings closer to the top end of that range.

Heat pumps are also a relatively clean way to heat, helping to avoid between 270-540 gallons of oil per year in an average Maine home. Even after factoring in the increased electricity use needed to run the heat pump, the CO₂ emissions reductions are estimated to be between 2,400-4,800 pounds/year for a single, high-performance heat pump. Aggregating that amount across 100,000 heat pumps would result in carbon reductions equivalent to taking 48,000 cars off the road for a year.

Over the past five years, the Trust has incentivized over 38,000 heat pumps through its programs. While we have been gratified to see the successful uptake and operation of this technology, we also recognize that there are more than 500,000 occupied dwellings in Maine. There are also tens of thousands of non-residential buildings, including small businesses. The vast majority of these spaces could lower their heating bills cost-effectively by installing a heat pump, and yet for too many, the \$3,000-\$5,000 cost of adding a new heat pump seems out of reach.

It is not clear if those who have already installed heat pumps were motivated as “early adopters,” or perhaps were fortunate enough to have sufficient financial savings or income to afford the up-front investment. Or perhaps there is insufficient workforce capacity. Whatever the reason, Maine now stands at the threshold of a significant opportunity to extend more broadly the economic savings potential from heat pumps, reaching out to share these benefits with more households of moderate and lower income and with more small businesses. The sooner we can accelerate the installation of high-performance heat pumps, the sooner Maine’s economy and environment will benefit.

This bill would take steps to improve the access of more Maine homes and businesses. It will give the Trust a pathway to increasing incentives, especially for moderate income households. It will also encourage MaineHousing to apply some of its Weatherization funding to helping low-income homes take advantage of the economic savings from heat pumps. The supply chain – from manufacturers to distributors to more than 500 installers currently registered and listed on the Trust’s website – will see the signal of a 5-year commitment and make investments in workforce capacity and equipment that will help make heat pumps more accessible in every corner of the state.

Given the magnitude of the financial savings that heat pumps can deliver to individual households and businesses, and the benefits that will flow to the Maine economy and the Maine environment, we strongly support, and respectfully encourage the Legislature to enact, the Governor’s bill to accelerate the market transformation for heat pumps in Maine.

Thank you for considering this testimony. I welcome the opportunity to respond to questions.