



## Minnesota Rural Electric Association

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March 20, 2023

Chair Acomb  
Energy, Utilities, Environment, and Climate Committee  
100 Rev. Dr. Martin Luther King Jr Blvd  
St. Paul, MN 55155

Dear Chair Acomb and Members of the Energy, Utilities, Environment and Climate Committee,

The Minnesota Rural Electric Association (MREA) represents the interests of the state's 50 rural electric cooperatives. Our member cooperatives are not-for-profit electric utility businesses that are locally owned and governed by the member-consumers they serve. We submit this letter to express our support for HF 2771, which will establish state rebates for residential heat pumps combined with air sealing and insulation improvements, as well as a customer-facing energy advisor service and training and support for installers.

ASHPs are highly efficient space heating and cooling equipment. The adoption of the Energy Conservation and Optimization (ECO) Act appropriately recognized that technologies such as ASHPs should be encouraged when they result in a net decrease in total energy use. However, ASHP's face market barriers, including high upfront costs, a general lack of customer familiarity with ASHPs, and a lack of experience and knowledge of application types, product selection, sizing, and controls integration with existing heating systems by installers.

HF 2771 will help to address the initial market barriers of higher first cost and support customers and contractors in navigating holistic energy saving and carbon reducing upgrades. It will also increase the knowledge and skill level of installers and ensure that people across Minnesota will be able to find and hire those highly skilled installers.

We thank the Committee for considering this bill and we encourage members to vote in support of it.

Sincerely,

Darrick Moe  
President & CEO  
Minnesota Rural Electric Association

March 21, 2023

Representative Patty Acomb  
Climate and Energy Committee  
597 State Office Building  
St. Paul, MN 55155

Dear Chair Acomb and Members of the Climate and Energy Committee,

We, members and partners of the [Minnesota Air Source Heat Pump Collaborative](#), respectfully submit this letter to express our support for HF 2771, which will establish state rebates for residential heat pumps combined with air sealing and insulation improvements, as well as a customer-facing energy advisor service and training and support for installers. In the early stage of heat pump market development, installation quality and customer experience are paramount to pave the way for long term adoption of the technology. By investing in positive installation quality and customer experience today, we will unlock the energy saving and carbon reduction potential of ASHP technology at a more rapid and sustained pace.

ASHPs are highly efficient space heating and cooling equipment. The 2018 Minnesota statewide energy efficiency potential study found that over the next decade, ASHPs, and specifically cold climate ASHPs, will be the largest source of energy savings in the residential sector. However, ASHP's face market barriers, including high upfront costs, a general lack of customer familiarity with ASHPs, and a lack of experience and knowledge of application types, product selection, sizing, and controls integration with existing heating systems by installers.

HF 2771 will help to address the initial market barriers of higher first cost and support customers and contractors in navigating holistic energy saving and carbon reducing upgrades. This bill will ensure that ASHPs are installed in combination with building shell energy efficiency improvements to ensure that customers realize the full energy and cost savings potential of the technology. It will also increase the knowledge and skill level of installers and ensure that people across Minnesota will be able to find and hire those highly skilled installers.

We thank the Committee for considering this bill and we encourage members to vote in support of it.

Sincerely,

Katie Frye, Minnesota Power  
John O'Neil, Southern Minnesota Municipal Power Agency  
Kurt Hauser, Missouri River Energy Services  
Kevin DeMaster, Mitsubishi Electric  
Jonathan Moscatello, Daikin Comfort Technologies



March 21, 2023

Minnesota House of Representatives  
Climate and Energy Finance and Policy Committee  
State Office Building, Rm. 200  
Saint Paul, MN 55155

RE: House File 2771 - Rebates for Residential Heat Pumps and Training Program for Installers

Dear Vice Chair Kraft, Representative Acomb, and Committee Members,

On behalf of Clean Energy Economy MN, I write today regarding HF2771, establishing a rebate program for the purchase and installation of residential heat pumps and a program to train heat pump installers. New cold-climate heat pump technology can operate efficiently at as low as -20°F and can save homeowners 30%–55% on home heating costs. In Minnesota, there are nearly 585,000 households with electric or propane heat that stand to benefit significantly from a switch to heat pumps.<sup>1</sup> This bill is a commonsense approach to help homeowners cover costs associated with critical energy efficiency residential upgrades that also supports local energy jobs.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We work to educate Minnesotans about the economic benefits of transitioning to a clean energy economy and are committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive. Our business membership is comprised of nearly 50 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state.

We thank Rep. Acomb for authoring this bill and thank Vice Chair Kraft for hearing it in committee. This bill incentivizes homeowners to make home energy efficiency upgrades. Additionally, the state incentives, combined with the federal incentives detailed in the Inflation Reduction Act, will allow homeowners to maximize their cost savings while making necessary energy efficiency improvements that lower GHG emissions and help Minnesota meet its statewide emission reduction goals.

Today, over 42,200 Minnesotans work in energy efficiency comprising nearly 75 percent of our state's almost 58,000 clean energy jobs.<sup>2</sup> The program to train qualified heat pump installers, as detailed in the bill, will ensure there are qualified technicians able to do the work of increasing energy efficiency in homes across the state. This will work hand-in-hand with the rebate allowing more Minnesota residents to transition to high efficiency heat pumps to better regulate temperatures in their homes.

Thank you for the opportunity to share our support. We look forward to the passage of HF2771. If you have any questions, please let us know.

Sincerely,



George Damian  
Director of Government Affairs  
gdamian@cleanenergyeconomymn.org

<sup>1</sup> MN Air Source Heat Pump Collaborative: <https://www.mnashp.org/>

<sup>2</sup> 2022 Clean Jobs Midwest Report: <https://www.cleanenergyeconomymn.org/clean-jobs-midwest>



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March 21, 2023

Minnesota House Climate and Energy Finance and Policy Committee  
593 Minnesota State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
Saint Paul, MN 55155

Chair Acomb and Committee Members,

Fresh Energy is a 30-year-old, Minnesota-based nonpartisan, not-for-profit organization. We work to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. We appreciate the opportunity to offer our perspective on House File 2771 (Acomb).

Fresh Energy supports HF2771, which will support decarbonization of residential buildings in Minnesota. While climate warming pollution from major sectors such as electricity generation and transportation have seen reductions in emissions over the past several years, our residential building emissions continue to rise. To change this stubborn trajectory, state leaders must make strategic investments in proven strategies to reduce emissions. Supporting adoption of cold climate air-source heat pumps is a critical solution for addressing climate change in buildings. Additionally, the contractor training and support included in the bill will address some of the market and workforce gaps that exist.

This bill also uses smart building science to maximize the efficiency and decarbonization potential of heat pumps by first requiring an energy audit and necessary insulation and air sealing for the building enclosure. The cleanest energy is the energy we don't use. By reducing the heating and cooling load of a building first, homeowners will see fewer drafts (meaning higher comfort), lower energy bills, and smaller equipment needs once heat pumps are installed.

Accelerating progress in emissions reduction from the residential building sector is critical to achieving reductions consistent with broader scientific consensus goal of reaching net-zero emissions economy-wide by mid-century. Increasing emissions from the building sector is directly undermining the progress that Minnesota is making in other areas of our economy, and we must bend that curve in order to have any hope of achieving decarbonization at a pace consistent with the consensus of our best scientific leaders.

Minnesota has the technology and ingenuity to achieve solutions that work for our climate and our economy. House File 2771 makes the right investment at the right time to leverage that technology and ingenuity, and we encourage members to support this important legislation.

Sincerely,

Eric Fowler  
Senior Policy Associate,  
Buildings Fresh Energy  
[fowler@fresh-energy.org](mailto:fowler@fresh-energy.org)



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March 17, 2023

Representative Patty Acomb  
Climate and Energy Finance and Policy Committee  
597 State Office Building  
St. Paul, MN 55155

Dear Chair Acomb and Members of the Climate and Energy Finance and Policy Committee,

Great River Energy, as members, and partners of the [Minnesota Air Source Heat Pump Collaborative](#), respectfully submit this letter to express our support for HF 2771, which will establish state rebates for residential heat pumps combined with air sealing and insulation improvements, as well as customer-facing energy advisor services and training and support for installation contractors. Installation quality and customer experience are paramount to pave the way for long term adoption of heat pump technologies. Investments in positive installation quality and customer experiences will benefit the achievement of energy saving and carbon reductions associated with ASHP technologies at a more rapid and sustained pace.

ASHPs are highly efficient space heating and cooling equipment. The 2018 Minnesota statewide energy efficiency potential study found that over the next decade, ASHPs, and specifically cold climate ASHPs, are projected to be the largest source of energy savings in the residential sector in the coming decade. However, ASHP's face market barriers, including high upfront costs, a general lack of customer familiarity with ASHPs, and a lack of experience and knowledge of application types, product selection, sizing, and controls integration with existing heating systems by installers.

HF 2771 will help to address the initial market barriers of higher first cost and support customers and contractors in navigating holistic energy saving and carbon reducing upgrades. This bill will ensure that ASHPs are installed in combination with cost-effective energy efficiency improvements to ensure that consumers who adopt these technologies realize their full energy and cost savings potential. The bill will also increase the knowledge and skill level of installers and ensure that consumers across Minnesota will be able to identify and hire highly skilled installers.

We thank the Committee for considering this bill and we encourage members to vote in support of it.

Sincerely,

/s/ Jeffrey T. Haase  
Director, Member Services, DER and End Use Strategy