

EEBC Provides Members

the platform to **Advocate** for your business initiatives, the opportunity to **Influence** policy/legislation outcomes, and receive **news, information, and updates** on initiatives and trends that can make a difference to your business' bottom line

EEBC is the industry's voice to create business opportunities to grow your energy efficiency industry

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EEBC is a 501 (c)(6) nonprofit statewide trade association that represents and advocates for businesses that provide energy efficiency, demand response, and beneficial electrification, products, and services in Colorado.

EEBC supports energy efficiency policies and programs that create sustainable workforce, increase cost-effective energy, improve the environment and public health, uphold the standards for safety, quality, and professionalism in the energy efficiency industry.

May 12, 2022

George McGuirk
Xcel Energy
1800 Larimer St
Denver, CO 80202

Re: Xcel Energy's 60-day notice re [Heat Pumps](#) Comments Due May 12, 2022

Dear George:

On behalf of the Energy Efficiency Business Coalition (EEBC), I am writing in support of the proposed rebate changes associated with EER and HSPF performance rating criteria for heat pump systems.

In the short-term, EEBC feels these new requirements are a move in the right direction and will enable a greater portion of our manufacturer members' premium inverter-driven, variable capacity ASHP, ccASHP and ccMSHP products to be eligible for heat pump rebates and further remove hurdles to participation.

This is a positive first step and we expect more changes to come through the 2023 DSM Extension filing, Strategic Issues filing, and 2024-2025 DSM full filing as EEBC's HVAC/HP Action Group (working group) continues working with Xcel Energy to enable the majority of its heat pump equipment and products to be eligible for rebates.

EEBC's manufacturer and distributor members have agreed to provide data analytics and case studies from other utilities and energy efficiency programs across the country who have restructured their eligibility criteria for more participation and/or to eliminate EER with appropriate alternative methods. Below are ideas and concepts that we are interested in exploring further to include, but not limited to:

- Create a tiered rebate structure with an Income-Qualified "earmarked budget" that provides slightly higher rebates for lower-cost, high-performing equipment to encourage greater adoption with the income-qualified contingent. The upper tier of this structure would allow for a higher rebate for higher efficiency equipment. Consider equity and inclusion goals as well.
- Follow the Northeast Energy Efficiency Partnerships (NEEP) specification for cold climate air source heat pumps (ccASHPs).
- Utilize a different rating criteria for inverter-driven, variable capacity heat pump (VCHP) equipment versus single- or two-stage equipment
- Increase rebate levels for all inverter-driven, variable capacity air source heat pump equipment. For example, increase the incentive \$1,500 for non-ccASHPs and \$2,000 for ccASHPs, with no incentive difference between ducted and ductless equipment.
- Combine increased incentive levels with an elimination of the EER requirement for VCHPs in order to drive increased heat pump adoption and to help Xcel Energy achieve its 2030 goals.

- Allow for the replacement of natural gas or propane water heating equipment with a heat pump water heater if the customer has electric service with Xcel Energy.

EEBC is committed to working with Xcel Energy and other stakeholders to increase the adoption of heat pumps and assist contractors to transition their business for success in electrifying Colorado's homes and businesses. We look forward to continuing this important work with you.

Supporting EEBC Members

Trane Technologies
Mitsubishi
Daikin Comfort Technologies
Carrier West
GA Larson
Vista Sales
City of Boulder
Boulder County
City and County of Denver

Please do not hesitate to let us know what questions you may have.

Sincerely,



Patricia Rothwell
Executive Director