

March 14, 2023

Senator Nick Frentz  
Energy, Utilities, Environment, and Climate Committee  
95 University Avenue W., Minnesota Senate Building  
St. Paul, MN 55155

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

We, members and partners of the [Minnesota Air Source Heat Pump Collaborative](#), respectfully submit this letter to express our support for SF 2775, 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.

SF 2775 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

