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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,

Great River Energy, as 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 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.

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 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