



Minnesota Rural Electric Association

11640 73rd Avenue N | Maple Grove, MN 55369 | p: 763-424-1020 f: 763-424-5820 | www.mrea.org

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,

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 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.

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.

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. 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