



Priming the Market

Gas Heat Pump Water Heaters

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AGENDA

NEEA Overview

Why Gas Heat Pump Water Heaters?

Where have we been?

Where do we want to go?

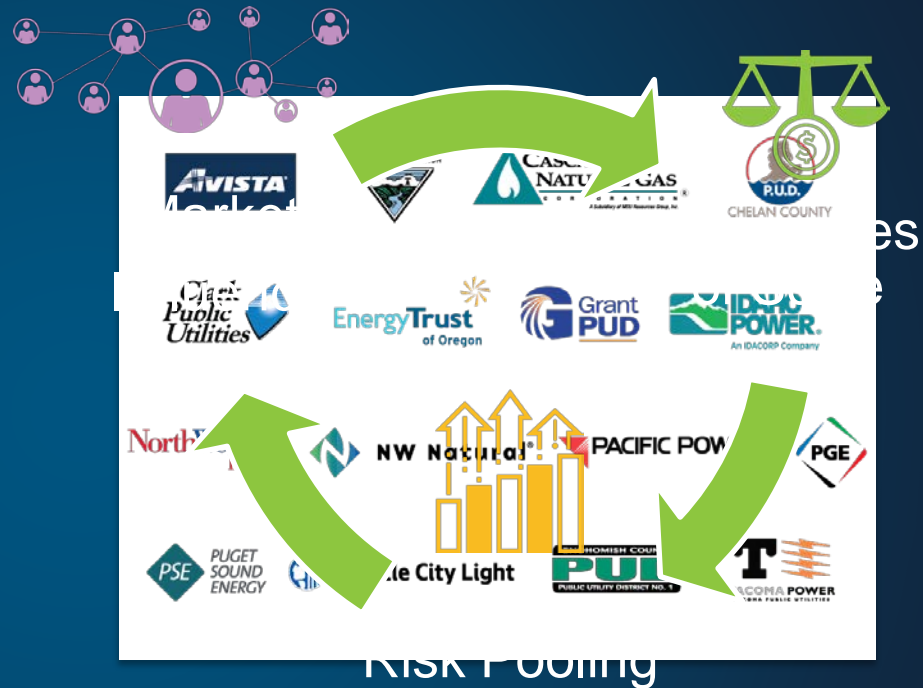
How fast can we get there?

How can you get involved?

Q&A



NEEA is
AN ALLIANCE
of utilities and
energy efficiency
organizations



NATURAL GAS COLLABORATIVE GOAL

To accelerate the development and market adoption of efficient natural gas products, practices and services resulting in

INCREASED CONSUMER CHOICES

and

INCREASED EFFICIENCY OF NATURAL GAS USE

in the Northwest.



In the Community to Serve®



NW Natural®

We grew up here.



**PUGET
SOUND
ENERGY**

WHY GHPWH?



	UEF	Installed Cost (Retrofit, including incentives)	Payback (yrs)
Current Baseline Product	.60 (or less!)	~\$1,050	NA
Condensing Tank or Tankless	.80 - .96	~\$3,000 +	11 - 36
GHPWH*	>1	~\$2,250	10 or less

* Estimates

Key Question: Where are we Going?



Multiple GHPWHs on the Market



Indications of likely standards change



Diverse, well-trained and supportive installer base

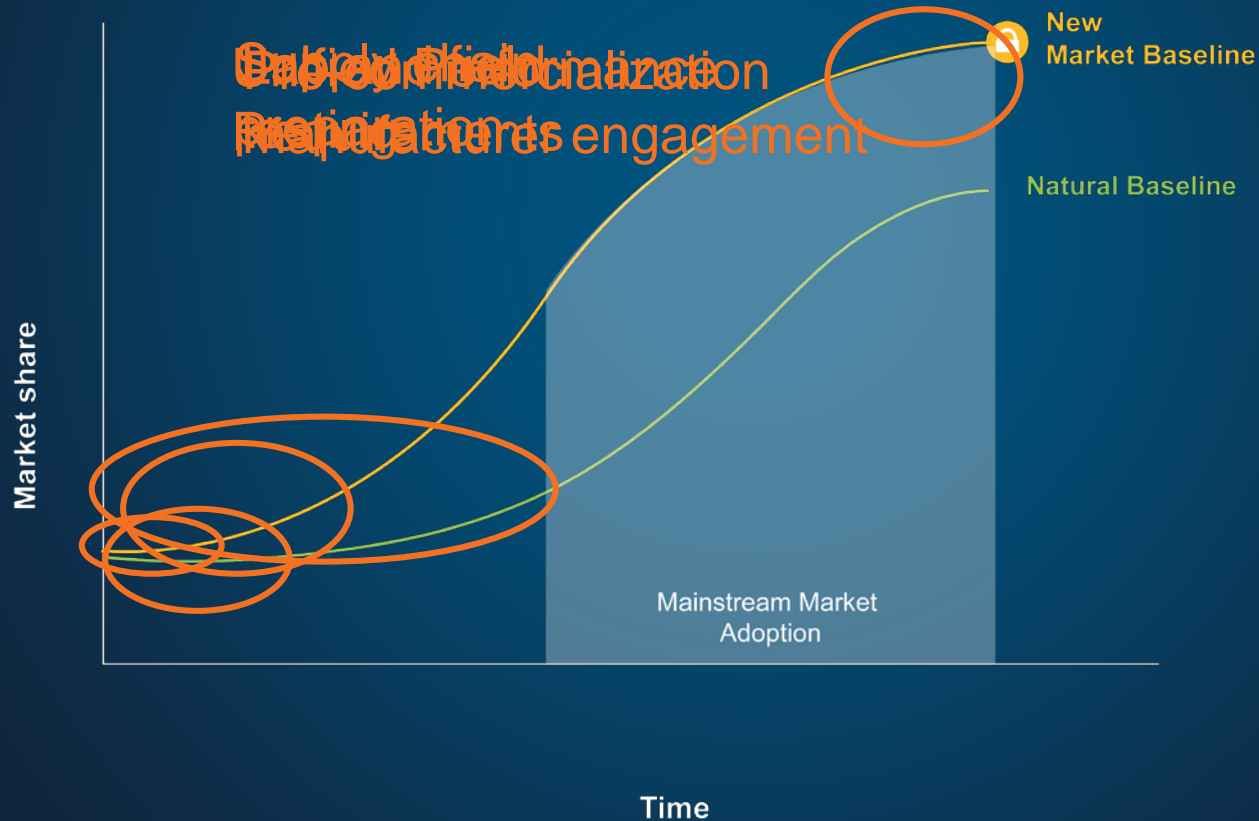


Widespread Utility Programs



Advanced Water Heater Specification integrated into a NA specification

WHERE DO WE WANT TO GO?



Key Questions: Where have we been? (An overview...)



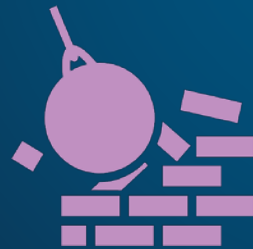
**Successful
Testing**



**Relationship
Building**



**Market
Research**



**Cost Reduction/
Barrier Removal**



**Utility
Engagement**

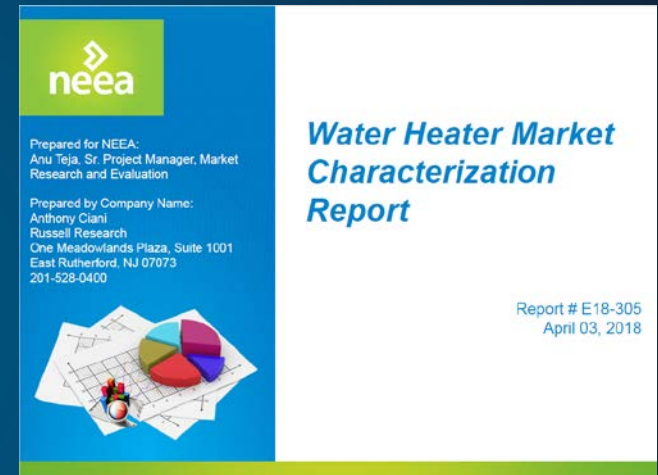
WHERE HAVE WE BEEN?



Successful lab and field testing



Relationship building to demonstrate the business case



Field testing and regional technical trainings

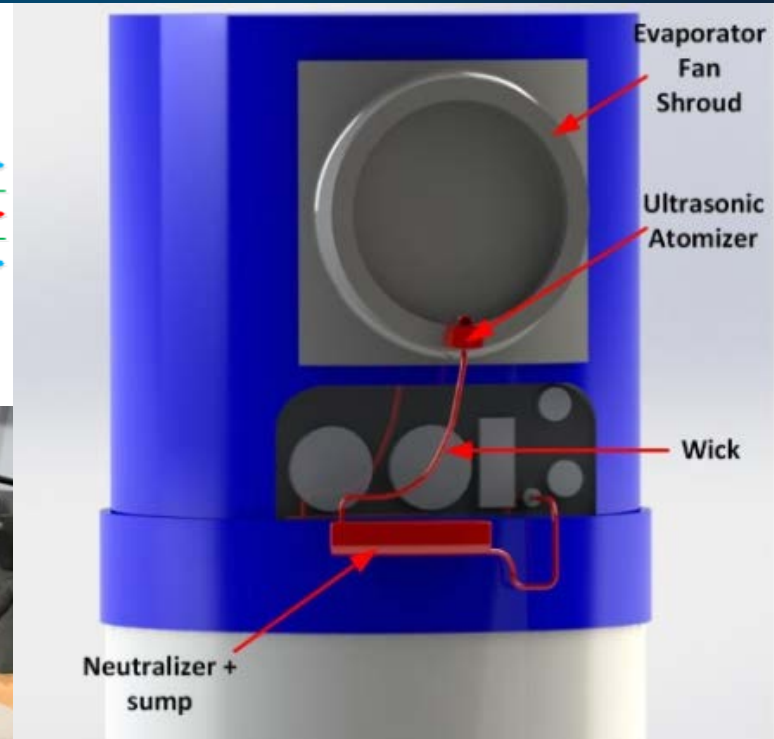
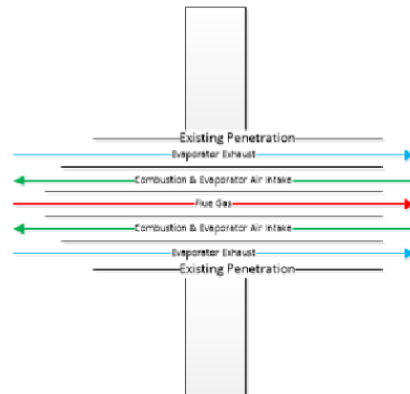
WHERE HAVE WE BEEN?

> Majority of gas water heaters in Pac. NW are:

- > Non-condensing
- > Storage-type
- > Are not within 4 feet of a sanitary drain

> Estimates for installation of new floor drain range from \$500 to \$2,000*, though can be higher

— Basement vs. Garage



Cost reduction/
Installation barrier
removal

HOW FAST CAN* WE GO?

Advanced water heater specification update

Installer outreach

Technology scanning

Product launch

Utility program initiation

Supply chain activation

2015 - 2018

2019

2020

2021

2022

Successful testing

Partnership development

Market research

North American utility test

Product commercialization

Supply chain engagement

Utility program development

* Based on available technology, this desired timeline is achievable. Reality may vary.

HOW CAN YOU GET INVOLVED?



**Demonstrate
North American
commitment**



**Collaborate on launch
strategies**



**Accelerate product
development**



**Participate in field
trials**



**Develop aligned rebate
programs**

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Questions?