Opportunity Brief

North American Gas Heat Pump Collaborative
TECHNOLOGY FOR A CLEANER FUTURE

Residential HVAC Gas Heat Pumps, A Remarkable Opportunity for Growth

Over the next 5 years, utilities in the North American Gas Heat Pump Collaborative ("Collaborative") aim to accelerate the adoption of residential Heating Ventilation and Air Conditioning Gas Heat Pumps (HVAC GHPs) in the United States and Canada. Residential HVAC GHPs are an extremely efficient technology in an area poised for growth, with almost 900,000 units replaced per year in the service territories of US Collaborative members. If we assume 10% of replacements are HVAC GHPs over 5 years, this will represent almost 5% of the total US market for replacements, a remarkable growth opportunity for manufacturers of this technology.

Lead the Market

- **Leverage utility incentives.** The Collaborative aims to achieve 1% market penetration within the first year that HVAC GHPs are on the market: approximately 9,000 units in the US Collaborative member service territories alone. This number grows to over 87,000 units by the 5th year of projected adoption.
- **Meet upcoming appliance standards.** Beginning in 2023, all residential HVAC GHPs will be held to higher efficiency standards than those most recently set in 2015. These standards require higher efficiencies for air source heat pumps, resulting in massive energy savings for residential customers throughout the US.[1]
- **Pursue aggressive climate goals.** DOE estimates the 2023 standards and technology improvements to reduce emissions equivalent to the annual electricity use of over 1.2 million homes.[2]

Residential HVAC GHP Customer Benefits

Extremely efficient. Residential HVAC GHPs have up to 126% heating efficiency.

Superior performance in cold climates. Units have performed reliably at temperatures as low as -20°F.

High reliability and easy maintenance. Customers can expect maintenance requirements similar to those of existing equipment and high reliability due to few internal components.

1 Efficiency requirements for residential central AC and heat pumps to rise in 2023 - Today in Energy - U.S. Energy Information Administration (EIA)
2 Federal Register : Energy Conservation Program: Energy Conservation Standards for Residential Central Air Conditioners and Heat Pumps

Who is the Collaborative?

In late 2019, thirteen gas utilities formed the Collaborative. By 2022, the Collaborative added new members and has been restructured as a non-profit, beginning visible outreach to key stakeholders and using market transformation tactics to accelerate the adoption of gas heat pump technologies throughout North America.

Why Work With the Collaborative?

- Collaborative member utilities represent more than 35% of all U.S. and Canadian households that use gas.
- Members are ready to support the development and commercialization of residential HVAC GHP technologies through upstream incentives and customer rebates.
- Member utilities will be promoting residential HVAC GHP technologies, training opportunities, and developing technology advocates across North America.

Residential HVAC GHP Adoption Timeline

0-2 Years

- GHPs enter the market in residential applications
- Collaborative's activities drive early consumer adoption and product advocates

3-5 Years

- GHPs market matures and is cost effective
- GHPs readily available and adopted throughout standard supply chains

5-10 Years

- GHPs are standard offering

To learn more about the Collaborative's capabilities and connect with the Collaborative members, visit our website gasheatpumpcollab.org or email us at info@gasheatpumpcollab.org.