

DRCOG Responses to Unanswered Chat Questions from the April 11, 2025 Meeting

Q: Do we have actual utility bill data for the 12 months prior to conversion compared to the 12 months following a conversion in your examples?

A: We are aware that Xcel Energy is leading a broad study of performance and utility bill impacts of many cold climate heat pump installs. We are very much looking forward to reviewing the real-world results of this study and comparing it to several models we are evaluating to help consumers more accurately calculate potential bill impacts of installing cold climate heat pumps and other combinations of measures. Separately, our programs focused on low-income households will have measure packages designed specifically to reduce utility costs.

Q: It concerns me that we continue to use terminology like "more cost effective" and "lower cost" without clear data to illustrate utility cost post conversion. I agree that installation conditions drive that, but widespread installs will certainly push these systems into building (or home) envelopes not ready for this technology and result in potential utility burdens, not savings.

A: The 'theory of change' for the incentive program is to provide incentives that assist with the first-costs (upfront costs) of equipment selection, which is why that was much of the focus of the presentation. Our energy advising services and quality installation verification are some of the most important ways we are providing operational cost information to customers and insuring proper system design, sizing and selection of heat pump systems respectively. We look forward to sharing more of the specific ways we will mitigate poor quality installations and poor outcomes when we present details on program design.

Q: How are you vetting installers?

A: Our staff has already been working with program administrators from Xcel Energy, the Colorado Energy Office, the Collective Clean Energy Fund and Rewiring America to propose a unified approach to vetting installers. We plan to require specific technical trainings, active licensure, and industry standard insurance and warranty coverage. We will require that all projects are properly permitted with the local jurisdiction and have a quality installation program which will validate proper system sizing, selection, installation, and commissioning. For programs serving low-income households and more vulnerable families we will require additional vetting, training, up front design reviews and higher levels of quality installation verification. We plan to balance these consumer protection and requirements with contractor support to help smaller HVAC businesses access training, get experience with cold climate heat pump installations and tackle the administrative requirements. Overall, our focus is on promoting the installers that are doing the highest quality work with the best customer service.

Q: Is it feasible to have a formal process for contractors to determine that homes meet a set of criteria we determine to qualify as conversion customers?

A: At baseline, all systems will be required to be permitted with the local jurisdiction and are properly sized, selected, installed, and commissioned. We will also be sharing information with customers via our energy advisor program to help evaluate all aspects of bids customers receive so customers can more easily make educated decisions about their projects which match their goals.

Q: What are the opportunities for contractors to apply for the vetted list of contractors? Especially smaller, community-oriented businesses?

A: To help contractors participate in the program, we will first be engaging with partners like Xcel Energy, who already manage extensive lists of approved contractors. Smaller businesses without experience installing cold climate heat pumps will have access to training opportunities and additional support registering for programs.

Q: Mac, you talked about easing the application/participation process. How are you engaging with potential program participants - contractors and program customers - during the program design process?

A: We plan to engage with contractors and customers prior to launching our programs and on a continual basis after launch. We will have feedback opportunities prior to launch through local stakeholder groups like the Energy Efficiency Business Coalition. Our incentives program vendor will be recruiting a panel of contractors to help provide guidance and feedback for program design on an ongoing basis. Follow-up surveys, site visits and interviews will be the primary methods of engaging customers for feedback on incentive processes, contractor performance and energy advising.