



NEW ENGLAND
HEAT PUMP
ACCELERATOR™

Presentation Redwood Energy

July 30, 2026



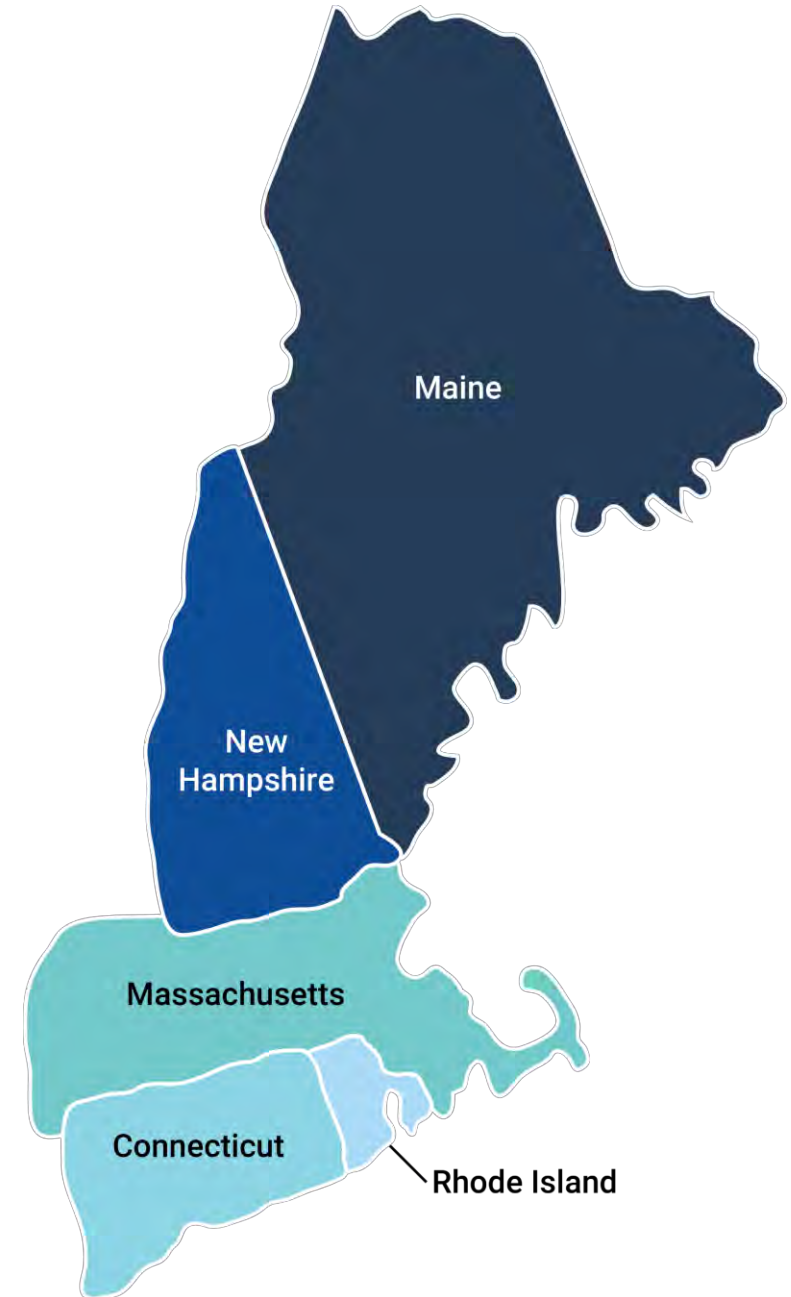
Agenda

- Program Overview : 4 minutes
- Midstream Program: 12 minutes
- Stakeholder Engagement: 7 minutes
- Q and A: 5 minutes



NEW ENGLAND
HEAT PUMP
ACCELERATOR™

Program Overview



Why heat pumps?

- Space and water heating are the **leading sources of greenhouse gas pollution from buildings**. Heat pumps can help change that.
- Our **heat pump technologies are mature and proven**—they are already used successfully in more than half a million homes in the region.
- Electric heating and cooling aligns with renewable energy sources



The Three Hubs of the New England Heat Pump Accelerator



Market Hub

We'll spur and support heat pump supply and installation by:

- Midstream Incentives to distributors
- Workforce Development



Innovation Hub

We'll support new ways to overcome barriers for low-income populations by:

- State-level pilots
- Community Grants



Resource Hub

Hosting a website that:

- Offers tools and online training
- Creates a data reporting warehouse
- Shares lessons learned



Market transformation

We'll support our overall goals by:

- Addressing market barriers
- Using data to continuously improve
- Developing a long-term strategic plan for region

Accelerator Theory of Change

Existing Conditions & Barriers Inhibit Market Growth



Our Theory of Change is Driven by Proven Actions

- Increase the Availability of Heat Pumps
- Invest in Installers and Contractors
- Build End-User Confidence
- Advance Regional Consistency
- Drive Innovation and Fair Access
- Use Data for Sustained Growth

Challenges

Challenge: Need Quick Reimbursement

- Government grants and state governments usually function on a reimbursement basis only, meaning participants have to “front” money and wait 60 days to be repaid.

This does not work in a Midstream Incentive Program where distributors require payment in 10 days

Challenge: Governance in a Coalition

- DEEP has the contract with EPA and the contract with the Implementer. State consensus is sought on most material issues, with DEEP having the right to decide disputes.

Challenge: Program and Regional Complexity

- The Accelerator addresses many complex issues with complex programs

Solutions

- EPA allowed DEEP to draw down an advance because our Implementer was procured as a Contractor, not a Subrecipient.
- DEEP leadership had to waive a state practice not to advance funds.
- The States' *Memorandum of Understanding* outlines roles and responsibilities of shared governance. The Convener, not DEEP, facilitates state decision-making. DEEP reserves the right to mediate conflicts and make final decisions on matter of great importance.
- The Implementer had three months to perform a Regional Workforce Gap Analysis and produce Draft Plans for each Hub. States provided feedback and Final Plans were produce in month five of the Implementer Contract.



NEW ENGLAND
HEAT PUMP
ACCELERATOR™

Midstream Incentive Program

- Overview of incentive design principals, structure, and QA
- Early incentive claim data

Midstream Incentives

- By engaging with market actors higher up in the supply chain, we can accelerate the adoption of new measures and serve hard-to-reach segments
- \$270M in midstream incentives through 2029
- Incentivize the stocking and sales of cold climate heat pump and heat pump water heater technologies across the region so they are readily available
- Residential retrofit sector focus (SF & MF)
- **Layers with and complements existing utility and state incentives**

Typical equipment supply chain

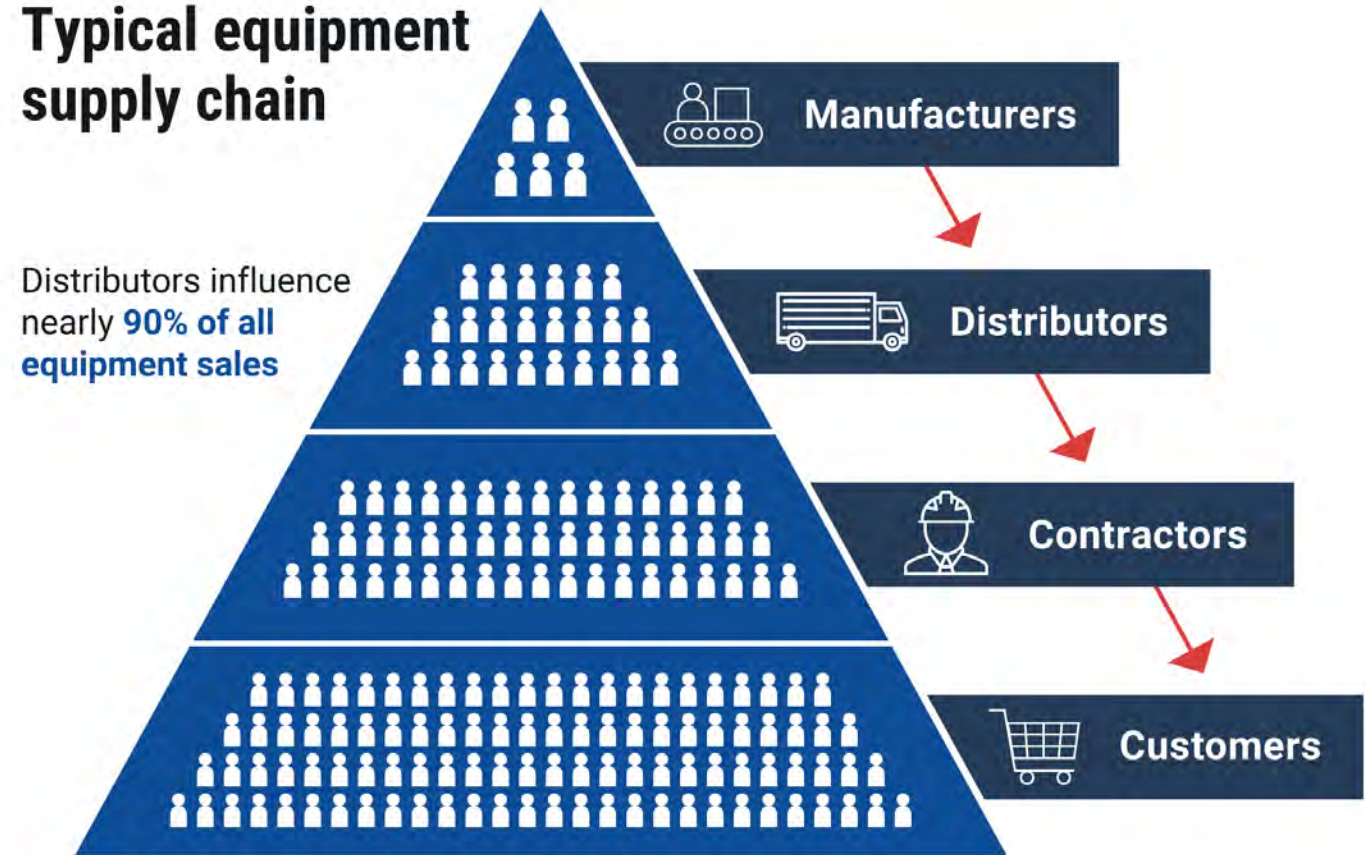
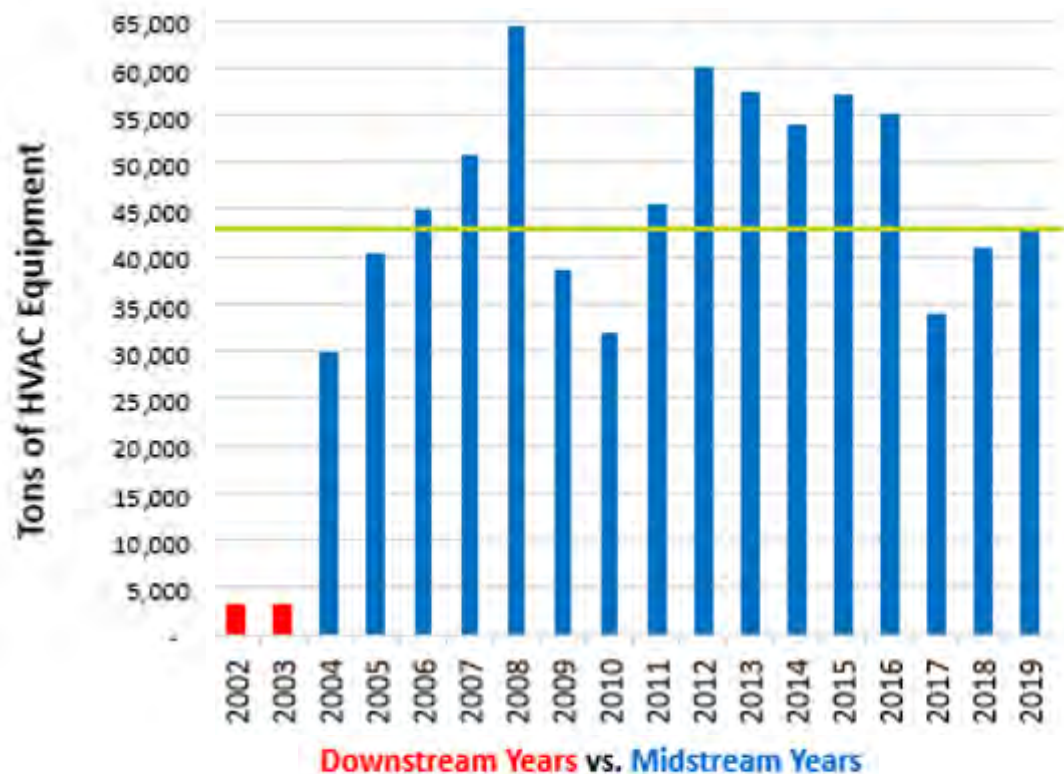


Image courtesy of Energy Solutions

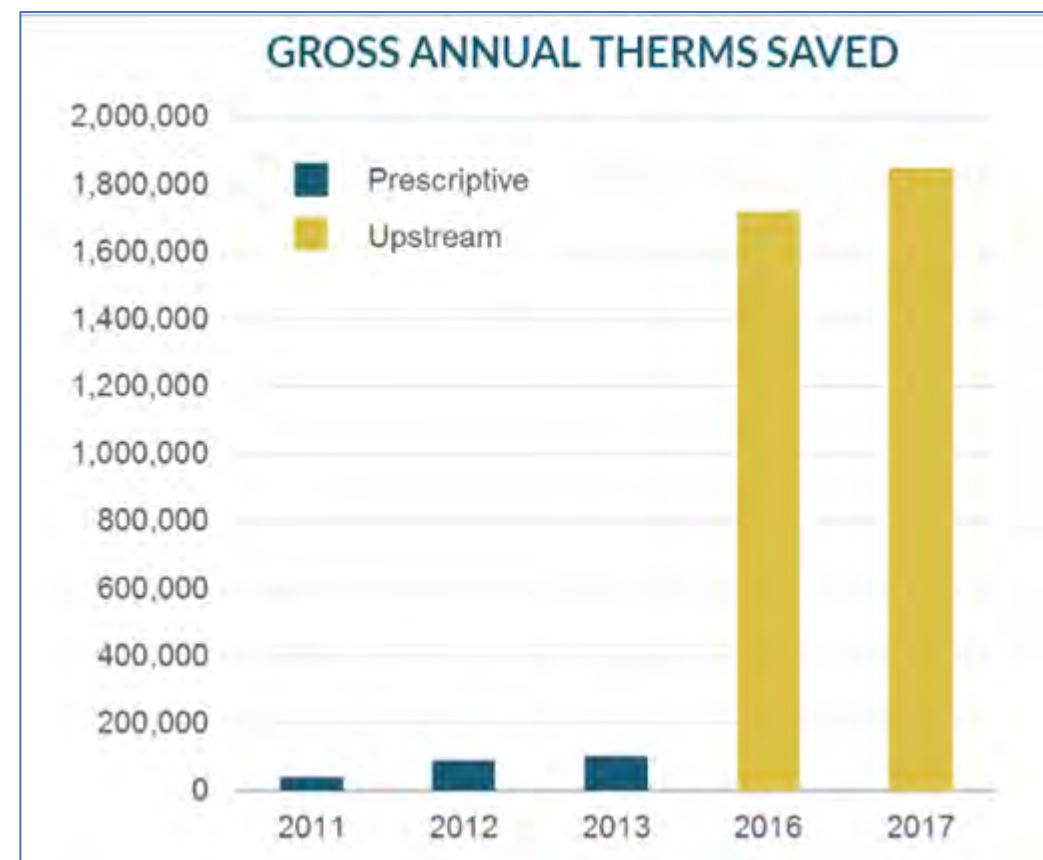
Looking Ahead: Ease of midstream path drives increased participation

Example: PGE Commercial HVAC

900% better results!



Example: Massachusetts Water Heating



Best Practices for a Successful Midstream Program

Key Elements	Implementation Strategy
Reduce supply chain partner risk	- Clearly documented program requirements, alignment with existing program product eligibility, and data collection requirements where possible
Keep program requirements stable over time, as regionally consistent as possible	- Phased, additive incentive rollouts and consistent product/project eligibility across states
Communicate frequently with supply chain partners	- Each distributor has a dedicated account manager, a hotline/inbox, regular review meetings, branch visits, webinars, and on-demand trainings
Minimize data collection	- Aligned data collection requirements with existing midstream programs in the region
Fast incentive repayment	- Paying approved incentives to distributors weekly from a pre-funded account
Leverage distributor and contractor relationships for trainings	- Utilize distributor relationships to host contractor trainings at distributor locations throughout the region

Enabling Prompt Claim Payment

The CT DEEP set up an advance account with the Accelerator team to ensure prompt payment of claims

- Claims for CT, RI, NH, and MA get reviewed continuously with approved claims being submitted for payment in weekly batches
- Government grant funds often require reimbursement payment models impacting payment cycle times
- Due to fact implementer is a Contractor and not a Subrecipient DEEP could invoice for Advance funds for Contractor
- Accelerator is employing a two months Advance

The team has received direct feedback from distributors that this promptness is really working well for them.

Program QA/QC:

All sales submitted to the program are subject to verification.

1. Claim Data Validation:

- Installation Address Eligibility
- Equipment Eligibility
- Duplicate claims
- Abnormal address, contractor, distributor participation patterns
- Minimum 3 layers of review prior to approval

2. Inspections implemented by Ridgeline Analytics

- Verifications of equipment installation at residential end user locations
- In person or virtual

3. Invoice audits completed by Energy Solutions

- Sales invoice documentation matches submitted claims
- Accelerator incentives appear as a line item on invoices

Water Heating Supply Company
555 Berkshire Avenue
Worcester, Massachusetts 01240
(617) 444-4444

Invoice #5551555
Date: 4/1/2026

Sold to:

Contractor Name
Contractor Phone Number
Installation Address

Item	Description	Qty	Price	Tax
1234	Heat Pump Water Heater	1	\$2,100.00	\$131.50 T
Sub-Total			\$2,231.50	
Mass Save Incentive		1	(\$750.00)	
NE HP Accelerator Incentive		1	(\$300.00)	
Delivery			\$250.00	
Total			\$1,431.50	

Sample Distributor Invoice

Data & Learning



Leveraging Midstream Program Data and Innovation Results to Inform Policy

1. **Where and what types of heat pumps are installed, at what cost?** Program Data: program participation, project features, equipment costs
2. **How much of the water heating and HVAC markets are heat pumps?** Sales Data: full category sales, heat pump market share, incremental costs
3. **Which innovative strategies demonstrated success to be scaled up or out?** Innovation Data: Results (costs, improved access, etc.) and learning summaries for each grant or state pilot

Use of Data for Coordination

- Full category sales data
- Adoption by State, Town, County, Income level and Original Fuel Source
 - Delivered Fuels Higher Adoption than Gas
 - Delivered Fuels in New England are in Rural Areas
 - The Opportunities with Electric Resistance Households
 - Current Data reflects 10% of benefit to distressed communities
 - However, highest income county has lowest adoption, indicating gas availability rather than income is most impactful predictor
- Finding the right incentive level
- Uniform Incentive OR adjustments by states and use of targeting?
- Stacking with state level incentives
- Use with IRA rebates

Midstream Incentives at a Glance (CT, MA, NH, RI)

Equipment Type	Product Eligibility Criteria*	Pass Through incentive	Distributor Stipend
Heat Pump Water Heater	ENERGY STAR® Certified	\$300	\$50
Air Source Heat Pumps < 5.4 tons	Meets ENERGY STAR® v6.1 Cold Climate Criteria	\$650	\$50
Air to Water Heat Pumps ≤ 6 Tons	Meets ENERGY STAR® 2019- 2020 Emerging Technology Award Requirements.	\$750	\$50
Geothermal Heat Pumps	ENERGY STAR® Certified	\$750	\$50

*Eligibility Criteria align with coalition states.
See Accelerator Qualified Products List (QPL) for more details

Sample State Level Stacking: ASHP

State	Accelerator Incentive	State Downstream Incentive (Avg)	Total Incentive	Accelerator Distributor Stipend	State Distributor Stipend	Total Distributor Stipend
CT	\$650	\$3,000	\$3,650	\$50	\$N/A	\$50
MA		\$8,500	\$9,150		\$100	\$150
NH		\$950	\$1,600		\$100	\$150
RI		\$1,400	\$2,050		N/A	\$50

- Average downstream incentive/state from Synapse GHG Analysis, Single Family, standard income. Downstream is per home, midstream is per unit.
- Average downstream incentive may vary by income level as well as heating fuel type and utility provider.

Sample State Level Stacking: 50 Gal HPWH

State	Accelerator Incentive	State Incentive*	Total Incentive	Accelerator Distributor Stipend	State Distributor Stipend	Total Distributor Stipend
CT	\$300	\$900	\$1,200	\$50	\$30	\$80
MA		\$750	\$1,050		\$50	\$100
NH		\$900	\$1,200		\$30	\$70
RI		\$625	\$925		\$50	\$100

*Standard income only. Income eligible can be up to 100% plus installation costs

Reminder: The Accelerator Incentive is to be applied to the invoice as a line-item discount at time of purchase. The stipend stays with the distributor.

Public Data Dashboards: Coming Soon

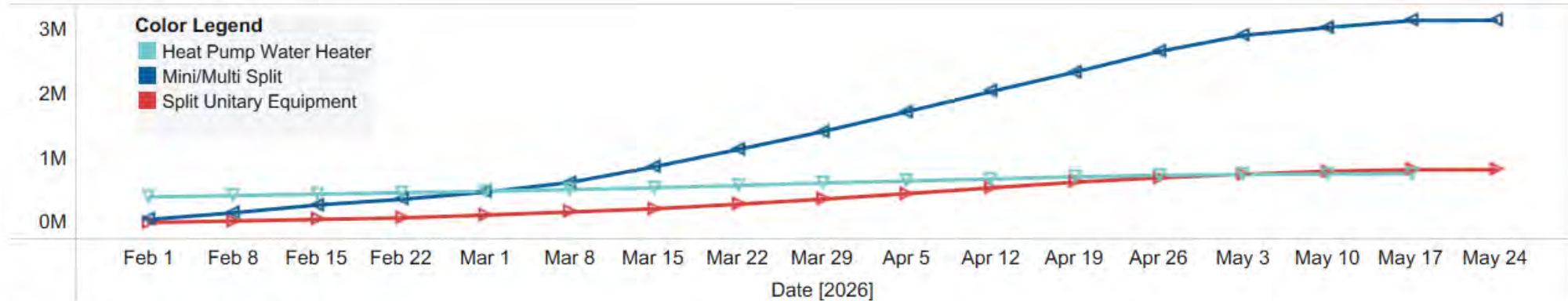


Explore Participation Over Time

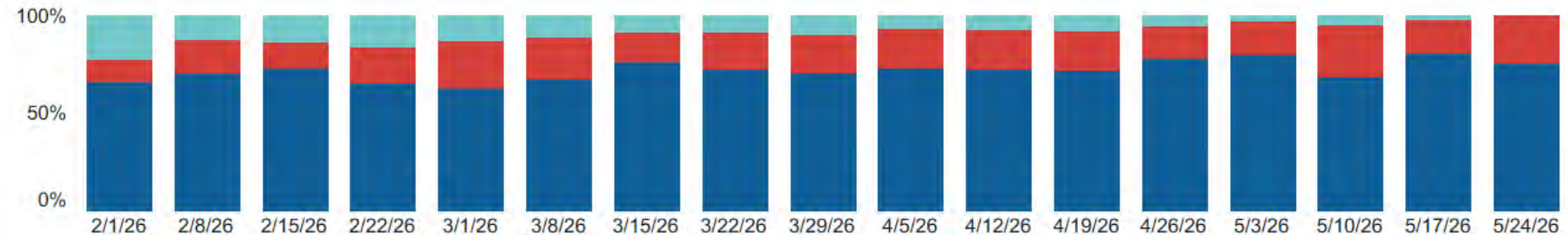
Select a program metric from the dropdown panel to see how it changes over time.

Choose Metric	Show Total vs Running Tot	Group By	Filter: US State	Filter: Building Type	Filter: Product Type
Total Incentive Dollars	Running Total	Product Type	(All)	(All)	(All)

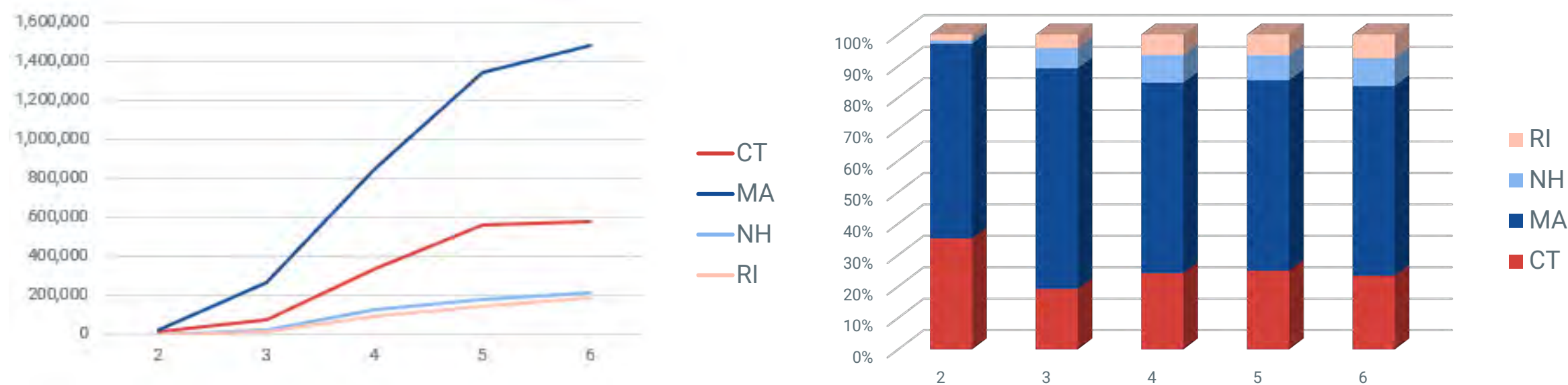
Total Incentive Dollars Trends



Total Incentive Dollars Breakdown



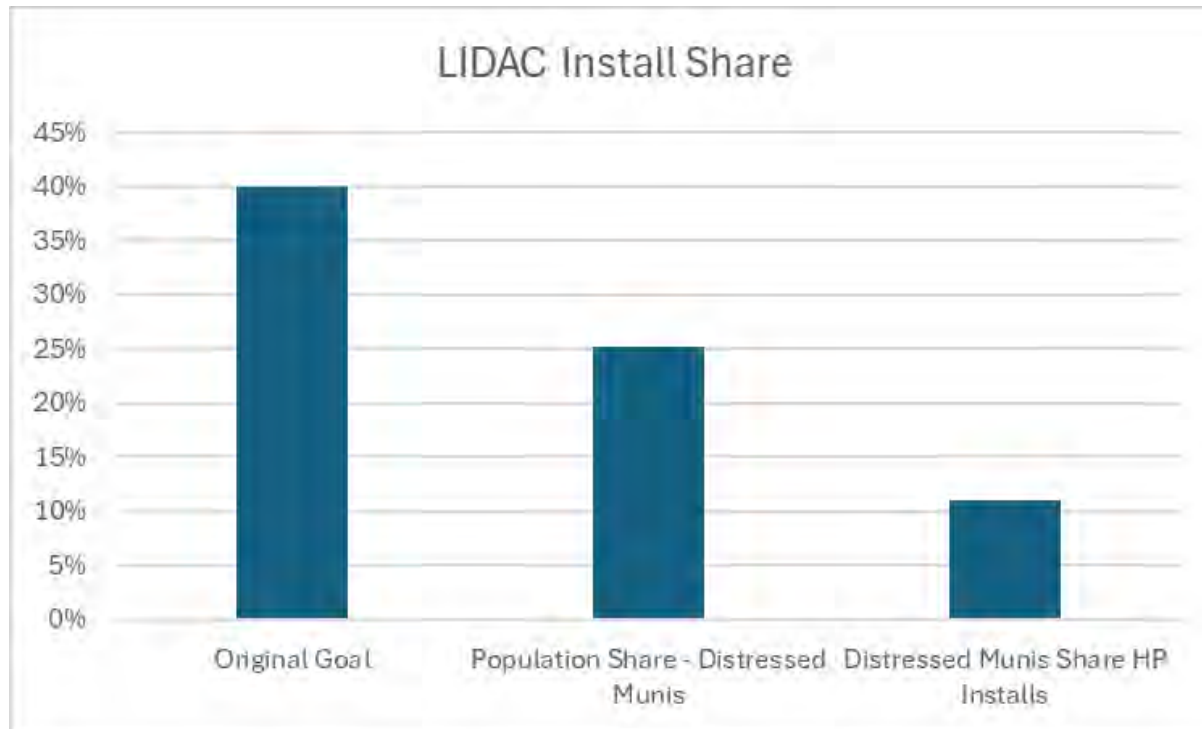
Total Incentives Invoiced by Month (CT, MA, NH, RI)



Incentive payouts have increased month over month in each state.
The rate of increase varies by state, reflecting the nuances of each state market.

Connecticut Installs – Distressed Municipalities

The original agreement with EPA provided for “at least 40% of Accelerator spending to low-income and disadvantaged communities”(LIDAC). While not a specific requirement any longer, it is helpful to monitor spending in these communities. This page uses Distressed Municipalities as a proxy for LIDAC.



- Distressed municipalities have had a significantly lower percentage of total installs than their share of the population
- Access to natural gas and lower shares of owner-occupied properties are expected to remain as significant headwinds



NEW ENGLAND
HEAT PUMP
ACCELERATOR™

Stakeholder Engagement Model

List of Stakeholders

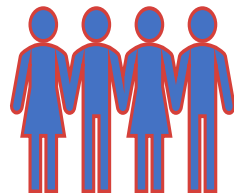
- Distributors (HVAC and plumbing)
- Renovation/construction businesses
- Heat pump manufacturers (WH & HVAC)
- Installation contractors
- State Department of Labor
- State Workforce Development Board
- Municipal Building Departments (marketing) *
- Plumbing (or HVAC) Home Retailers
- Technical schools
- Community Colleges
- Training program administrators
- Installation contractor trade associations (HVAC & plumbing)
- Construction Industry Trade Groups
- State Energy Program administrators *
- Utility program administrators *
- Weatherization Contractors *
- Architect and Engineering Sustainable Building Groups *
- Energy efficiency & decarbonization advocates *
- Municipal Organizations for Chief Elected Officials *
- Mayors and City Managers (direct) *
- Municipal Energy and Sustainability Boards *
- Municipal Sustainability Offices*
- Municipal Redevelopment Agencies *
- Municipal Community Development *
- Municipal Building Departments (recruitment or installation contractors) *
- Weatherization Agencies (CAP)
- LIHEAP Administrator, and LIHEAP Emergency HVAC Replacement Administrators
- Low-income advocates and Community based organizations*
- Clean energy educational and outreach organizations *
- University Sustainability Organizations *
- Housing Authorities, State and Federal *
- Owners of Government affordable housing (state, federal, federal project-based vouchers) *
- Owners of Naturally Occurring Affordable Housing (Private Owner-NOAH) *
- Owners of Multifamily Housing *
- Real Estate Organizations (represent owners of rental housing) *
- Real Estate Management Companies *
- Developers of Affordable Housing, Private *
- Housing Nonprofit Developers *
- State agency: Housing *
- State agency: Redevelopment *
- State agency: Energy *
- State Energy Efficiency Board or Equal *
- State Housing Finance Authorities *
- State Agency-Health *
- State and Regional Planning Commissions and Associations*
- State Elected Officials-Housing Committee *
- State Elected Officials-Energy Committee *
- Council of State Governments (northeast) *
-
- * The Advisory Council, DEEP and the Convenor will provide details and electronic mail contacts to the Contractor within the Coalition State.

Why Regional Engagement?

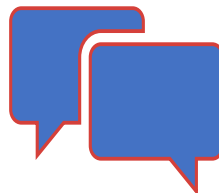
A regional program requires a regional engagement approach.



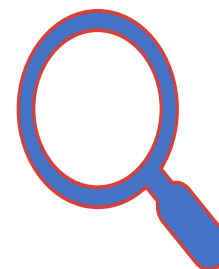
Ensure regional alignment across programs & partners



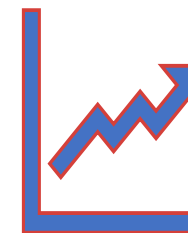
Center community and industry voices in design



Create consistent channels for feedback



Support transparency throughout the program



Scale reach and impact

Regional Engagement Groups

Community Outreach Group (COG)

- CAP Agencies
- Community-based Organizations
- Energy Efficiency and Decarbonization Advocates
- Municipal Sustainability Offices
- Low-income & Justice Advocates
- State Environmental Agencies
- Workforce Development Orgs

Technical Advisory Group (TAG)

- HVAC Contractors
- Weatherization Contractors
- Plumbers
- Manufacturers
- Distributors
- Labor Unions & Coalitions
- Trade Groups
- Utility Program Administrators
- Workforce Development Orgs
- Community Colleges
- Building Energy Experts

Housing Engagement Group (HEG)

- State Housing Agencies
- Housing Authorities
- Housing Financing Organizations & Community Development Finance
- CAP Agencies
- Housing Owners, Developers and Providers

Ambassadors: volunteer members of all three engagement groups cross-pollinate ideas

Outreach Tier: receive updates on important opportunities and deadlines. Includes overflow members from groups.



NEW ENGLAND
HEAT PUMP
ACCELERATOR™

Stakeholder Groups Feedback

COG Important Topics:

- **Affordability and Upfront Cost**
- Education for Households
- **Split Incentives in MF**
- Post-Installation Follow up and Education

TAG Important Topics:

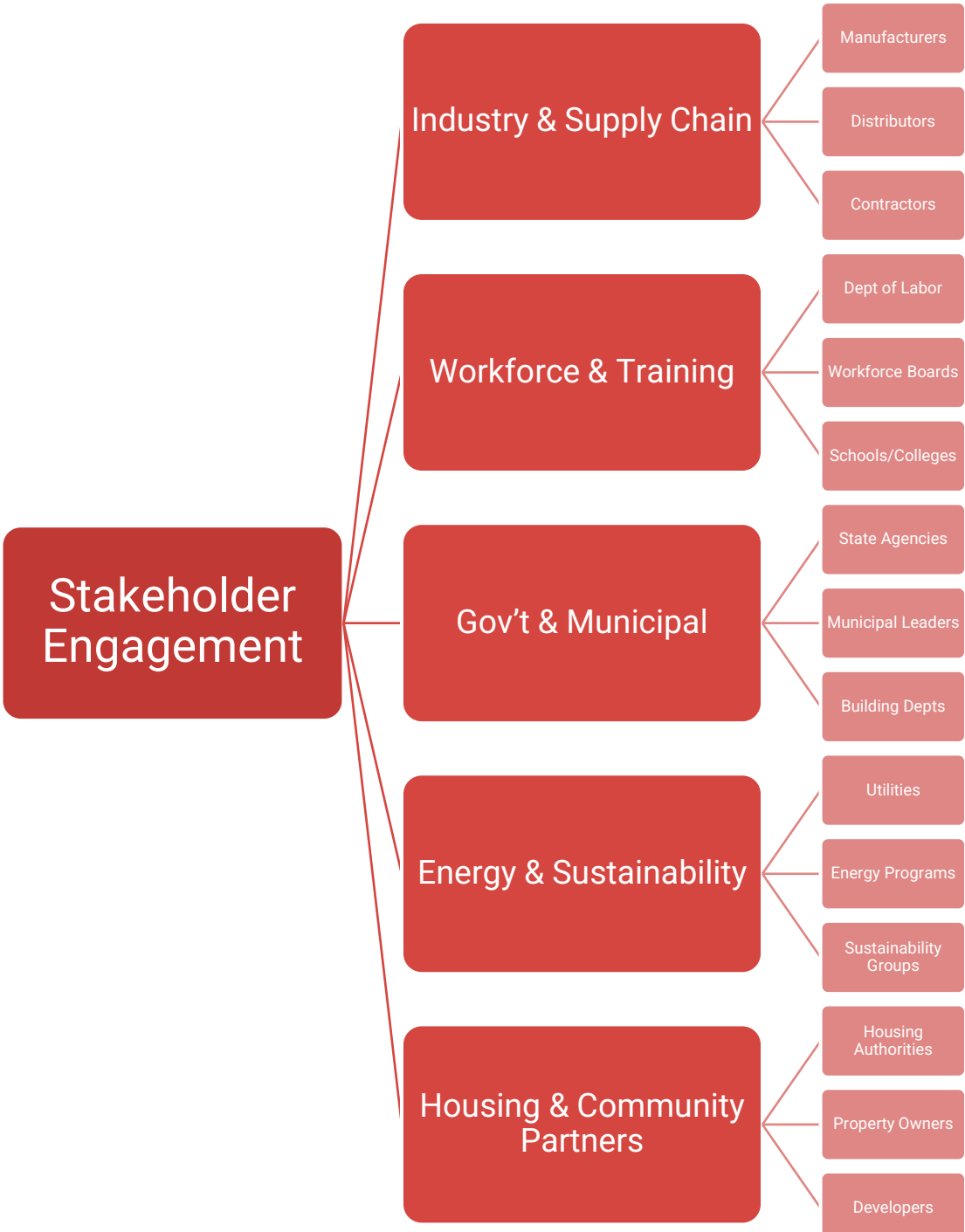
- Program Navigation, Customers Trust/Support
- **Split Incentives in MF**
- Contractor and Administration Considerations
- Education, including apprenticeships:
- Building Readiness for Electrification

HEG Important Topics:

- **Affordability and Upfront Costs**
- **Split Incentives in MF**
- Operating Cost and Customer Training
- **Education for Households**
- Emergency Replacement
- Finding Customers of right “fit”

Outreach Tier and Trusted Community Experts Model

- **Outreach Tier:** Members of same constituent groups as Regional Engagement groups, beyond the 20 members in those groups. This stakeholder network receives updates, and engagement opportunities that expands awareness across the region.
- **Trusted Community Experts:** Constituents who use approved materials to conduct peer-to-peer outreach



Plan for Stipends and Fees-Best Practices

- The Accelerator will offer stipends to support engagement in regional groups, outreach events and workforce development.
- Stipends may be provided to community experts and participants engaged in approved outreach.

Eligible Uses

- Conferences, educational programs, and workforce development activities
- Compensation for trusted community partners who provide expertise, facilitation, or hosting services
- We pay awardees fees (not stipends) for their feedback.

Fiscal Responsibility

- Stipends must be tied to specific activities and deliverables
- Compensation should reflect the level of effort and responsibility involved
- No payments solely for meeting attendance, we require survey completion, or feedback forms
- Consistent payment limits and documentation requirements to ensure responsible use of funds

Conflict of Interest

- Stipend recipients must disclose potential conflicts of interest
- Those receiving stipends are ineligible for Accelerator grant funding
- Policies designed to ensure transparency, fairness, and public trust

Administration & Documentation

- Simple and accessible stipend request and payment process
- Standardized forms for eligibility, payment, and compliance requirements

Contacts

Rebecca Rothman

Director of Operations

Vermont Energy Investment Corporation (VEIC)

RRothman@VEIC.org

Jennifer Elazhari

Program Manager

CT Department of Energy and Environmental Protection

Jennifer.Elazhari@ct.gov

Tara Donadio

Senior Manager, Policy and Programs

Northeast Energy Efficiency Partnerships

tdonadio@neep.org



Appendix: Workforce Development

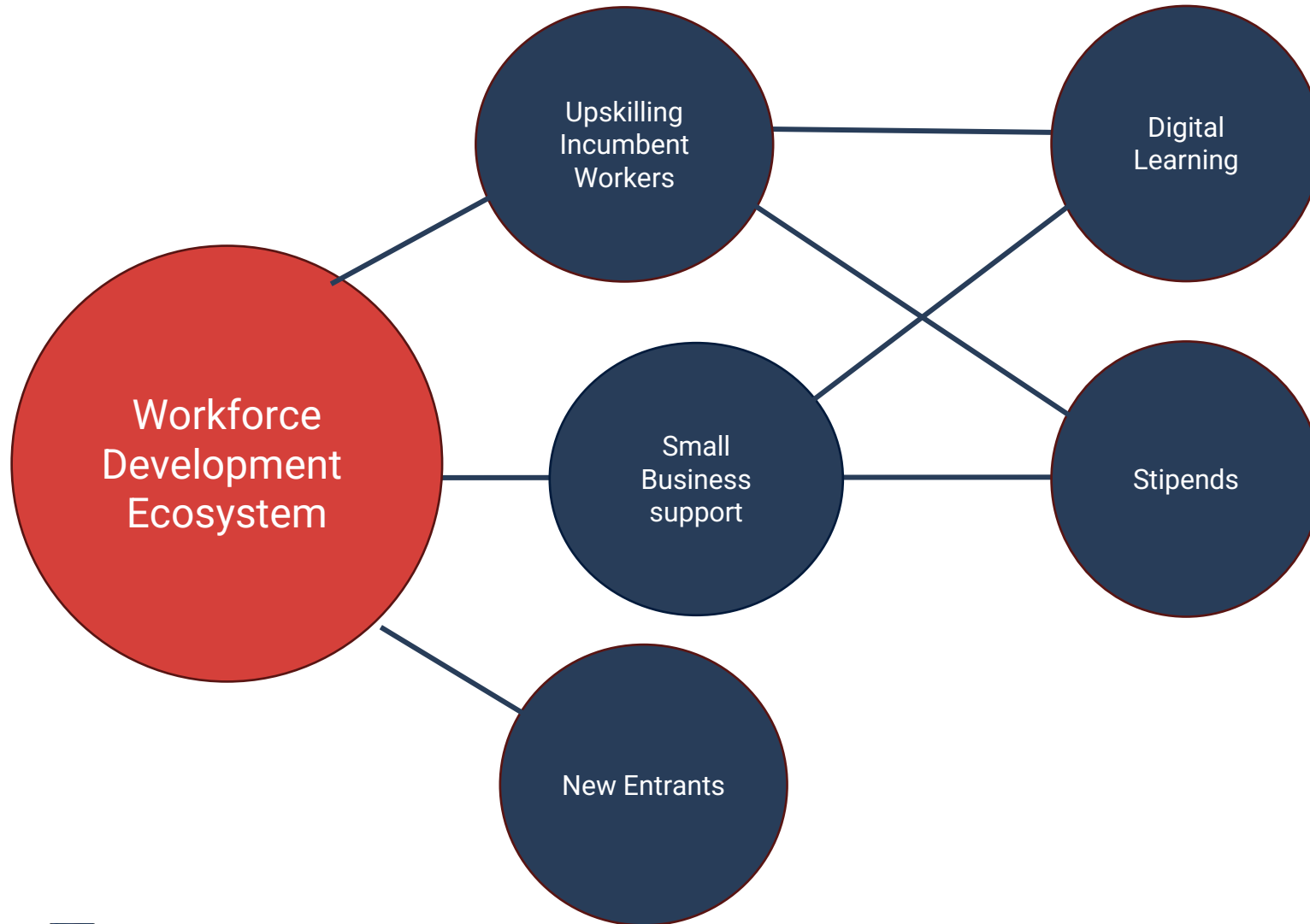


NEW ENGLAND HEAT PUMP

ACCELERATOR™

Workforce Development Approach

A multi-pronged system that elevates training in CT, NH, MA, and CT. ME is running its own program



- Provide high-quality training to current workforce that is manufacturer-agnostic and consistent throughout the region
- Assist small businesses with back office, technical, business support to grow and sustain in the future market
- Create pre-apprenticeship certification for new entrants
- Provide online learning options to support businesses of any size and incumbent workers
- Infrastructure, curriculum and trainers will outlast the life of the program
- Stipends will support participation

Market Hub: Workforce Development Appendix



Upskilling

Workforce Development: Upskilling

Program Model

- Focus is residential ASHP Training.
 - ASHP/residential heating installs represent majority of market
 - HPWH training will be offered via the Accelerator's Learning Center
- **KPI:** Conduct a minimum of **30 trainings** across Coalition States that reach **1000 contractors**
- Use distributors as hands-on training (or mobile) facilities. WFD Team will approve training facilities, trainers, and classes
- WFD Team will approve **Stipends** will support reducing cost of hands-on training; upgrading training facilities; and subsidize load calculations for software subscriptions



Small Business Support

The small business support program has three interrelated goals



Expand the capacity
of qualified installers



Support the creation
of quality local jobs



Fill the gaps of existing
business support programs

Train at least **65 small businesses** across the Coalition States

Three training cohorts will support business growth



Workforce Development: Small Business Curriculum

Section 1: Business Management Foundations

Business Planning, Finance, and Access to Capital

Operations Fundamentals

Generating and Securing Project Leads

Section 2: Heat Pump Market Readiness

Intro to the Growing Heat Pump Market

Heat Pumps as a Business Opportunity

Customer Education and Heat Pump Incentives

New Entrants

Workforce Development: New Entrants

Program Model

- **KPI:** Conduct a minimum of **25 trainings** across Coalition States that reach **900 students**
- Targets high school graduates, community college students, existing construction workers, veterans, former fossil-fuel workers, and unemployed individuals
- **Career Technical Initiative (CTI) model:** combines pre-apprenticeship with entry-level coursework. Accelerated & credential-focused.



Workforce Development: New Entrants Curriculum

200-240 Training Hours

Intensive, technical,
hands-on instruction

No former HVAC
experience required

Credit-bearing and
credit-aligned

Three Embedded Credentials

OSHA-10

EPA Section 608

Hotworks Certification

Core Content Areas

Safety

HVAC skills

Building Science

Career Skills

Licensing Literacy

Digital Learning Strategy

2026 Content Development Plan

- Monthly delivery of new microlearning modules (10–15-minute duration)
- Quarterly live webinars to foster engagement and reinforce learnings
- Content development focus areas:
 - Heat Pump Myth Busting
 - Heat Pump Communications with Customers
 - Heat Pumps as a Business Opportunity
 - Responding Effectively to Issues & Concerns