BUILDING ELECTRIFICATION ACCELERATOR

84 Milton Street, Arlington, MA, 02474
www.electrifybuildings.org

October 19, 2026

Elizabeth Mahony, Commissioner
Massachusetts Energy Efficiency Advisory Council
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 900
Boston, MA 02114
ma-eeac@mass.gov

Re: Comments of the Building Electrification Accelerator on the 2028-2030 Three-Year Plan Summary of Straw Proposals: Heat Pump Incentives

Dear Commissioner Mahony and Members of the Energy Efficiency Advisory Council:

Thank you for the opportunity to comment on the Summary of Straw Proposals for the 2028-2030 Three-Year Plan. The Building Electrification Accelerator (BEA) is a nonprofit network working toward a future of sustainable, resilient, and healthy buildings that are affordable and attainable for all. We support equitable electrification efforts in Massachusetts by connecting participants with resources, model programs, funding opportunities, and one another.

Many BEA network participants are engaged with Mass Save. In preparing these comments, we gathered direct feedback from organizations in our network in response to the draft straw proposals presented at the September 17 Residential Workshop and the updated straw proposals presented at the October 15 Integration of Recommendations Workshop.

In these comments, the Building Electrification Accelerator wishes to express **opposition to Residential Straw Proposal 3 that would eliminate the existing incentive tier for whole-home heat pumps**. We believe that it would be premature to reverse course on this approach as whole-home electrification gains momentum and could lead to market confusion that would slow the long-term adoption of whole-home heat pump systems. **Incentivizing partial-home systems for gas customers leads to continued reliance on the gas network, which is contrary to the state's climate commitments and leads to higher costs system-wide** if

both gas and electric systems must be maintained. This is of particular concern for historically underserved populations who are least able to afford increasing energy costs.

At the same time, we support the emphasis on reducing rebate-related complexity for customers and contractors and improving outcomes for customers. We offer additional feedback on these two opportunities areas, including but not limited to support for Straw Proposals 4, 5 and 6.

Discussion

Tiers play a critical role in cost-effective heat pump rebate design. Tiers allow for broad customer choice and flexibility, provide a signal to the market for higher impact installations, and allocate incentive dollars more efficiently to achieve this impact. In contrast to the justification that a uniform incentive could lower program costs by streamlining implementation, tiers can balance cost and impact by differentiating incentives based on the depth of savings from the selected measures. Programs across the country have observed that differences in incentive design result in significantly different realized savings, even when the same heat pump equipment is installed.

In July 2026, Xcel Colorado became the latest to propose moving away from a single rebate tier for all electrification projects to a two-tiered system that elevates full electrification above dual fuel installs. Colorado's EM&V study showed that hybrid systems led to less than a 40% displacement of fossil fuel use.[1] Reasons for these low savings include:

- Contractors setting a higher switchover temperature for the natural gas backup than the Company anticipated;
- For ductless systems, simultaneous operation of the heat pump and natural gas system – so the heat pump may be "supplemental" rather than the primary heating source;
- For ductless systems, customers installing the systems to serve only a portion of the home rather than the whole home.

A Maine EM&V study similarly showed that partial-load installs displaced far less fossil fuel use than originally anticipated (<33%) and far below the realized savings of full electrification installs (>70%).[2]

Limited data cited in the consultant report regarding customer dissatisfaction with whole-home heat pumps is not a complete or timely

[1]Xcel Docket: 26A-0263EG 2028-2030 DSM Filing. Exhibit 103 p 20-22 and Exhibit 102, p603. (https://drive.google.com/file/d/10P0OePKMbr4aMYWMEAG7j5lzW6B565wx/view?usp=sharing)
[2] https://www.aceee.org/wp-content/uploads/2026/08/how-to-maximize-heat-pump.pdf

rationale to eliminate the whole-home incentive tier. There are legitimate concerns with customer outcomes in the current heat pump marketplace that require further attention, including inconsistent installation quality and dissatisfaction regarding operating costs and comfort at extreme temperatures. We discuss solutions further in the section to come. However, the consultant report provides no evidence that dissatisfaction is associated with pushing the market too fast.

First, the Consultant report points to one question on customer satisfaction: *Figure c.5, satisfaction with HP performance relative to their prior system during extreme weather events*. The source data being used includes a broader readout, including overall satisfaction with heat pump systems and other factors that may drive customers' perception of performance.[3] For example, customer dissatisfaction with operating costs appears to align very closely with dissatisfaction with performance during extreme cold weather; perhaps the reported dissatisfaction is more associated with the cost than the actual system performance. Additional analysis of more recent experience should be used to draw a more nuanced story about customer satisfaction with whole home electrification, and the drivers therein, which should inform a discussion of solutions.

Second, the Consultant Rationale uses customer outcomes from the 2024 program to propose a major change to the 2028-2030 program, without first calling for more fulsome review of market transformation, quality assurance, and heat pump operating cost outcomes as a result of more recent efforts. In particular, impacts of the heat pump electricity rate on perceptions of operating costs and overall effectiveness of heat pumps should be evaluated.

Continued effort should be made to support improved contractor practices and increased customer education and support to increase satisfaction with heat pumps and particularly with whole-home heat pump installations. We support Straw Proposals 4, 5 and 6a-c. Some specific concerns cited by BEA Participants include:

- Customer experience challenges related to HP sizing and controls
    - Cost issues exacerbated by installer tendency to oversize whole-home systems or include electric resistance backup to play it safe
    - Conversely, there are risks to system undersizing which can lead to customer discomfort or backup resistance kicking on frequently
- High reliance on installer practices requires better training vehicles than currently in place
- Need for better customer education to understand cost impacts and operational best practices

[3] https://ma-eeac.org/wp-content/uploads/EEAC-EMV-Presentation-April-2026-final-4.14.26.pdf

In addition to the recommendations in Straw Proposals 6a-c, customer education could be enhanced by encouraging use of heating cost calculators and heat pump quote comparison tools, and providing consistent user operation training at point of installation by the contractor, such as through use of a checklist and other supporting resources and signed attestation required by the installer and customer taken at time of commissioning

Simplifying the rebate process for contractors and customers and reducing administrative costs remains an important goal. Changes to the rebate requirements and process can contribute to this goal without eliminating tiered rebates. For example:

- Consider eliminating the fossil fuel disconnection requirement for some customer classes (eg, delivered fuels), allowing the system to remain for emergency backup only, as in the Efficiency Maine Program, while still requiring the heat pump system to serve 100% of load. This would save time and cost in measure verification and help build confidence in heat pump performance and economics by those delivered fuel customers with the most to gain.
- Extend ACH payments of rebates to customers (i.e. move beyond only paper checks)

In regards to the best means of encouraging weatherization along with heat pump installations, as was the focus of the Workshop 4 discussion, we refer you to the NEEP and NESCAUM study on pairing weatherization with whole-home heat pump rebates.[4] The study lays out the advantages and disadvantages of requiring weatherization alongside heat pump installations, and suggests that the existing Mass Save approach for whole-home heat pumps is appropriate. Additional tweaks to weatherization requirements could be considered to streamline installations and rebates, including offering no-cost weatherization to heat pump customers to further decrease barriers to action, but this is a secondary issue to maintaining a whole-home rebate tier.

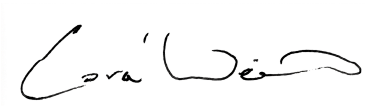
Conclusion

Thank you again for the opportunity to comment and for the EEAC's ongoing work during this planning process. We strongly encourage the EEAC to specifically address the whole-home heat pump incentive tier as it finalizes recommendations for the 2028-2030 Three Year Plan, and believe that maintaining direct support for whole-home electrification is essential to continuing market momentum to eliminate

[4]https://neep.org/weatherize-or-not-weatherize-should-residential-energy-efficiency-programs-prioritize

reliance on fossil fuels and enable the Commonwealth to meet its climate, energy affordability, and equity commitments.

Sincerely,



Seth Federspiel
Co-Executive Director
Building Electrification Accelerator

Cora Weissbourd
Co-Executive Director
Building Electrification Accelerator