



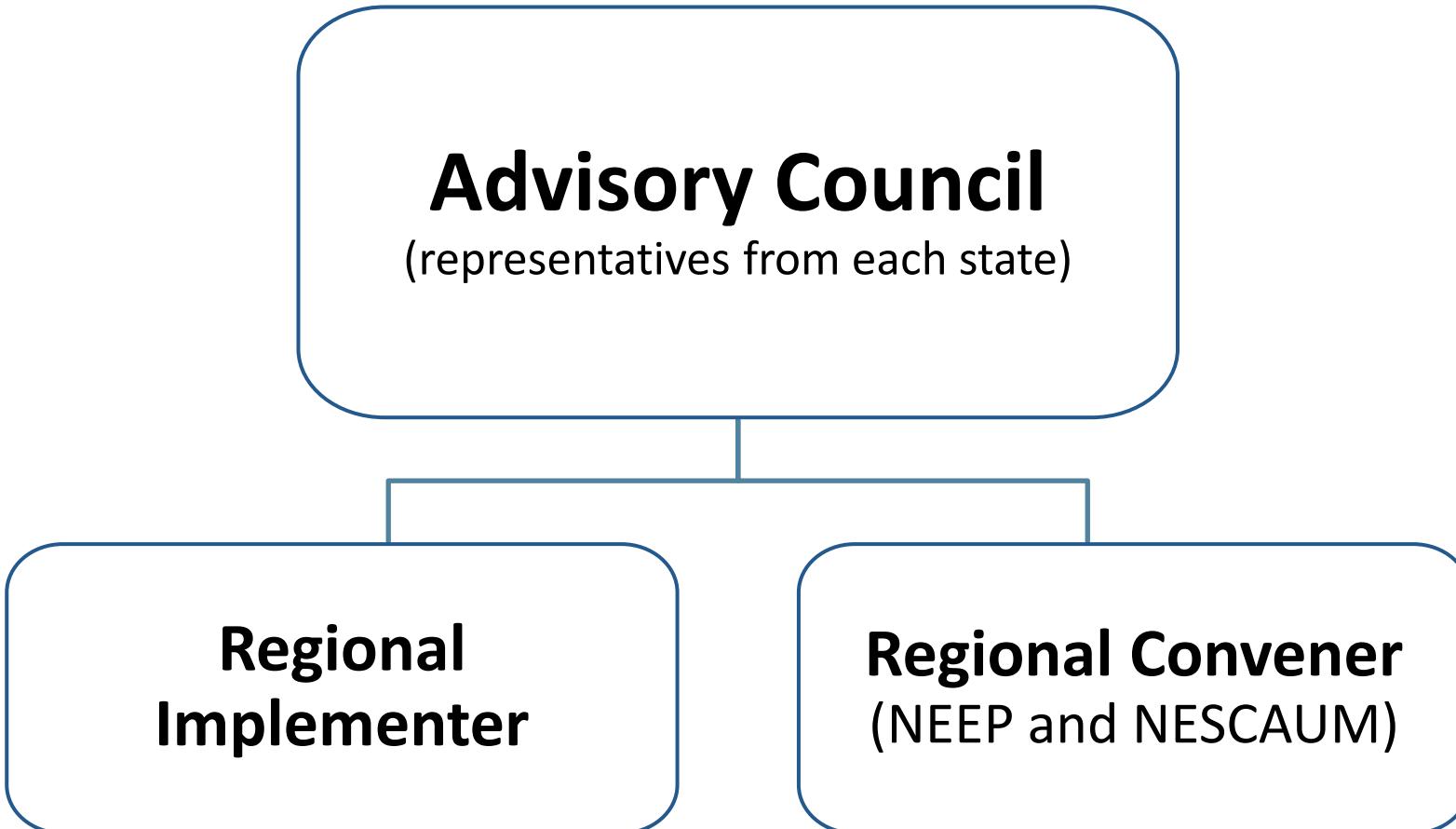
New England Heat Pump Accelerator (CPRG) Grant Update

June 25, 2025

Background: New England Heat Pump Accelerator

- Maine is part of a coalition of five states (with CT (lead), RI, MA, and NH) which was a successful applicant to the EPA for Climate Pollution Reduction Grants (CPRG) funds
 - The coalition was awarded \$450M last summer
 - The application was for “heat pump acceleration” across New England, focusing on midstream market interventions
- The Accelerator combines three program pillars: a market hub, innovation hub, and resource hub
- Since that time, CT has worked to bring the Regional Convener (NEEP and NESCAUM) under contract and launched a solicitation for a sub-contractor to serve as Regional Implementer or “delivery team.” Contract negotiations with the winning bidder are underway.

Grant Coalition



Heat Pump Accelerator Program Pillars

Market Hub

Spur the heat pump market through regional strategies

Midstream incentives via distributors

Contractor training on cold-climate heat pumps and whole-home installations

Workforce development in underserved communities

Innovation Hub

Overcome barriers for LMI and disadvantaged communities

1–2 large-scale initiatives per state to scale solutions for LIDACs

Quick Start Grants seeding community-based solutions

LIDAC stakeholder engagement throughout design and implementation

Resource Hub

Share learnings across the region

Collect and share program, market, and building data

Resources for consumer and contractor education

LIDAC outreach and resources

Market Hub Details

Midstream Incentives

- \$500-\$1,000 per unit incentive to wholesale distributors for qualifying ASHPs, GSHPs, and HPWHs.
- Standardized distributor reporting and invoicing.
- Standardize equipment based on New England's climate and housing needs.
- Collaboration with distributors.
- Collaboration with utility and multifamily program implementers.

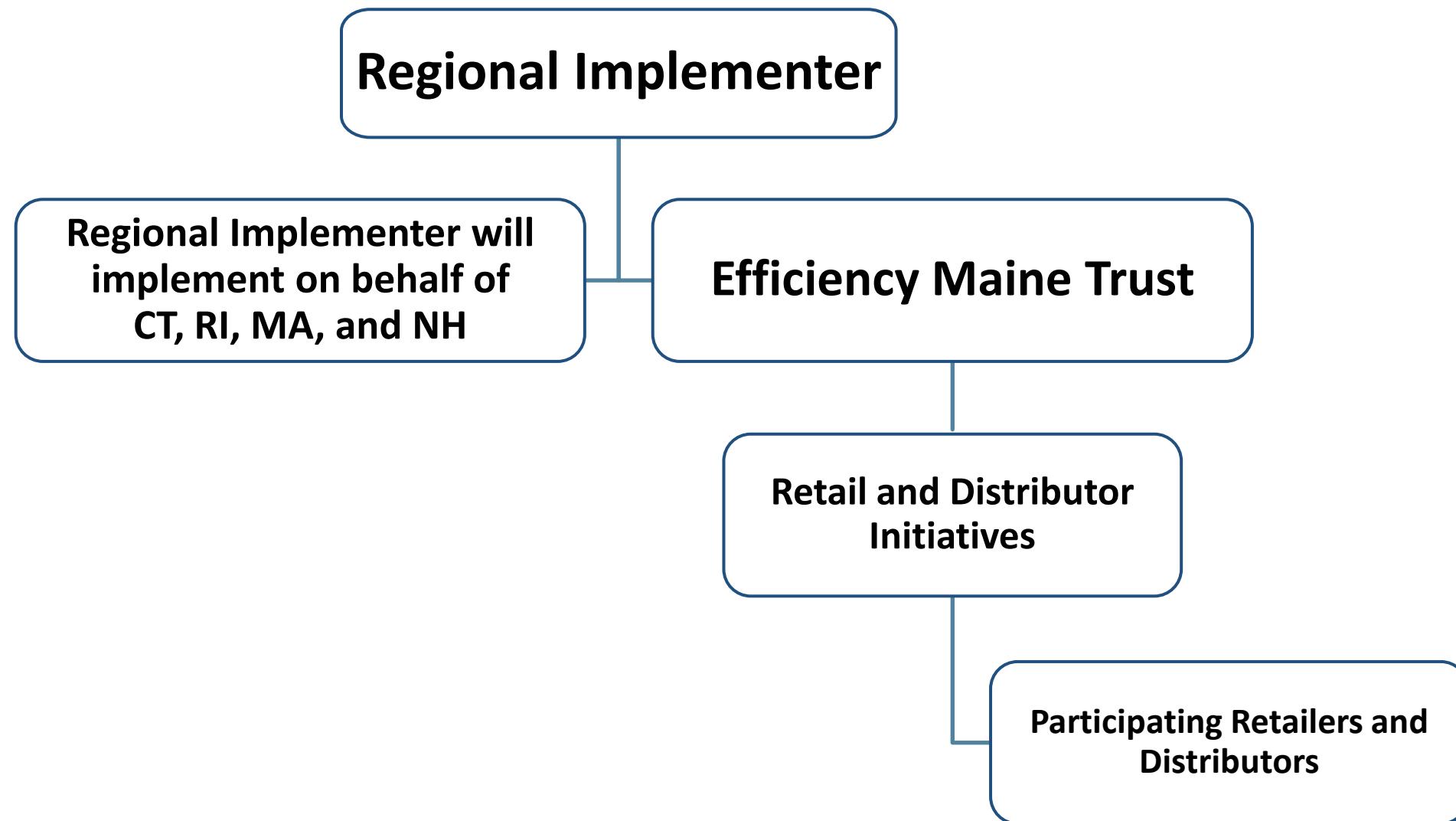
Contractor Training

- Leveraging distributors' contractor networks/relationships to reach contractors quickly.
- Integration of electrification and New England program-specific content into existing manufacturer and distributor training infrastructure.
- Training resources for contractors on topics such as: cold-climate ASHPs, equipment sizing, control strategies, whole-home installations, fuel switching, and emerging technologies.

Prioritizing Access in Underserved Communities

- Workforce development programs to grow the contractor base, with a focus on promoting job creation and entrepreneurship in LIDACs.
- Outreach and engagement workforce organizations in LIDACs.
- Tools and training to overcome barriers to entry in current workforce programs.
- Incentive adders for distributors and contractors serving LIDACs and incentivizing equipment types needed in LIDAC buildings.

Market Hub Implementation



Market Hub in Maine

- Maine's portion of CPRG Market Hub budget is about \$48 million dollars
- For the Triennial Plan VI period, the Trust elected to allocate these CPRG revenues to promote heat pump water heaters (HPWH) through its Retail and Distributor Initiatives
- The FY2026 budget forecasted \$17.6 M in investment in Retail and Distributor Initiatives, \$13.4 of which was to be funded by CPRG
 - CPRG funds are unlikely to be available before Q2 of FY2026
 - Staff is recommending a budget adjustment to allocate new RGGI revenues to the Retail and Distributor Initiatives in FY2026 to cover any funding gaps until CPRG funds are available (*see FY2026 budget adjustment memo*)

Innovation Hub Details

State Initiatives

- 1-2 large-scale, multiyear projects in each coalition state to address specific state priorities and develop scalable solutions to overcome LIDAC barriers.
- Examples Include: heat pump strategies for multifamily buildings and mobile homes, networked geothermal systems, heat pump technologies to address specific housing barriers (e.g., 120V HPWHs), inclusive financing, and hydronic system replacement options.
- Modeled on TECH Clean California's [regional pilots](#).

Quick Start Grants (Community Based)

- “Bottom-up” annual grants for smaller-scale, community-based pilots.
- Simple, accessible application process to invite creative ideas that expand access to heat pumps for LMI households and LIDACs.
- Community-based groups can apply for Quick Start Grant funding.
- Modeled on TECH Clean California's [Quick Start Grants](#).

EJ Engagement in Design and Implementation

- Representatives from environmental justice (EJ) and community groups involved in the design of the state pilots and selection criteria for Quick Start Grants, with stipends to support their time.
- Shared outcomes and learnings from pilots and grant-funded projects for the region.

Innovation Hub con't

- Innovation funds will be allocated both by state and by project size/type
 - Some funds will be set aside for smaller community-based grants
 - Other funds will be set aside for larger innovation pilot projects
- Innovation Hub funding process is TBD
 - For the larger innovation pilot funding, the Trust will either apply directly to the Regional Implementer (as a sub-contractor) or may play the role of in-state administrator (to fund projects using the same process as its other Innovation Initiative).
 - Maine's share of budget estimated at ~\$9M over 4 years
- Trust Staff is interested in expanding next phases of the Trust's pilot project testing Hydronic Heat Pumps with Thermal Storage (in Millinocket) and using CPRG funds for this purpose
 - Staff is also interested in exploring ways the Trust could collaborate with parties in other states to test & demonstrate the performance of hydronic HPs with thermal storage in other NE climates and utility rate structures

Resource Hub Details

Data Hub

- Website hosting publicly accessible aggregate or anonymized data, including: market data (ASHP, GSHP, and HPWH sales and full-category HVAC and water heater sales), wholesale and installation cost data (as available), and program participation data.
- Maps and tools for regional trend analysis, synthesizing publicly available information from each coalition state on building decarbonization policy and programs, housing stock and fuel sources, available incentives, and electricity and fuel costs.
- Modeled after the [TECH Clean California Public Data Portal](#) and the [Midwest ASHP Collaborative](#).

Educational Resource

- Web-based, easily searchable repository of resources.
- Contractor training resources covering: trainings on cold-climate heat pumps, quality installation practices, sizing tools and guidance, emerging heat pump technologies, whole-home installation, multifamily options, and customer sales and support techniques for heat pumps.
- Consumer resources covering: selecting a heat pump, assessing operating cost impacts, cold-climate tools, operating and maintaining a heat pump, and developing a plan to fully electrify your home.
- Policy and program resources including: market studies and program evaluations.

LIDAC Outreach & Engagement

- Multilayered outreach and engagement with groups representing LMI households and disadvantaged communities. Stipends to support community participation.
- Collected resources for equitable building electrification policies and programs.
- Resources specific to help consumers and contractors in LIDAC communities.

Timeline and Next Steps

- CT hopes to finalize the contract with the Regional Implementer in July/August
 - The Trust will simultaneously negotiate a contract for the market hub funds with the Regional Implementer
 - The Trust hopes that contracts will be in place to invest CPRG funds in heat pump water heaters by Q2 FY2026
- The budget adjustment with RGGI funds will allow the program to not slow investment pending CPRG funds, it also provides some wiggle room to finalize pre-funding or reimbursement logistics
- Staff will continue to work on details for an expansion of the hydronic heat pump pilot as well as other innovation project concepts to be ready for the launch of the innovation hub

Discussion