

RCEA – Redwood Coast Energy Authority

Quick Start Grant Executive Summary

Project Description

In rural Humboldt County, many residents still need to heat their homes with non-regulated fuels, such as propane or wood. These fuels are inefficient, with high-carbon emissions creating poor indoor air quality, as well as sustaining subpar economic conditions for many residents.

To address this barrier, Redwood Coast Energy Authority (RCEA) partnered with TECH Clean California to provide rebates for twenty projects to convert space heating and water heating systems that use non-regulated fuels to electric heat pump technology. These customers also layered incentives with RCEA's locally funded heat pump rebate program, increasing access for households by lowering upfront costs.

Market Barrier

Not only are some Humboldt County residents hesitant to electrify their utilities, but more rural residents also face the barrier of high upfront costs for heat pump and water heating. However, these rural, isolated residents tend to have a lower range of income while also being subject to higher fuel costs, adverse health impacts from poor air quality, and greater difficulty in acquiring and maintaining an adequate supply of fuel. Many of these customers have lost trust in utilities and/or have never connected to the system, making them ineligible to receive incentives funded by utility ratepayers.

Proposed Solution

Together, RCEA and TECH Clean California addressed a gap in rebate accessibility for efficient heat pump equipment by targeting customers within the IOU service area, who are not connected to the gas grid. By installing heat pump technologies, the pilot aims to reduce heating costs for households living with limited financial resources, as well as avoid future service line extensions.



TIMELINE:
February 2022 –
May 2023



HOUSING TYPE:
Residential
Single Family



EQUITY SEGMENT:
Hard-to-Reach
Communities



TECHNOLOGY:
Heat Pump Water
Heater, Heat
Pump HVAC



LOCATION:
Humboldt Co., CA

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This program is part of the TECH Quick Start Grants (QSG) program, designed to fund targeted, innovative projects that test approaches to overcoming market barriers to heat pump space and water heating adoption.

In addition, RCEA will layer rebates to reduce upfront costs for customers and provide a dedicated new community outreach staff, connecting customers and contractors while building trust with the program. Furthermore, this effort will improve indoor as well as outdoor air quality by reducing the use of carbon emissions from propane, kerosene, fuel oil, and wood

Key Learnings

RCEA discovered that the limited availability of rebates prevented some customers from moving forward, while others saw it as a motivator to act immediately. Due to a lack of trust in public provided utilities, some customers were hesitant to electrify. Past experiences with prolonged or frequent power outages were a catalyst in this distrust leaving residents unable to heat their home. However, local contractors proved to be significant drivers of adoption as RCEA navigated how to engage and support the community's needs and win back their trust.

- Upfront costs of heat pumps restrict low-income households from electrifying
- Successful customer outreach was conducted through multiple channels
- Dedicated program liaison for contractors drove participation in rural areas
- Rural, hard-to-reach communities inherently require more effort to facilitate engagement

Recommended Next Steps

- Provide an expanded, more consistent stream of incentive funding for heat pumps to support customers with non-regulated fuel in small, rural communities
- A percentage of funding for programs in rural communities should be used for local, part-time administrative staff, resource support, and engagement to actively promote the program at public events

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Heat Pump Rebates Flyer



- Rebates are now available for space heating or water heating heat pumps to replace propane, wood stoves or other secondary fuel sources
- Get **\$3,100** for complete replacement of the above secondary fuel sources
- Pair with additional RCEA rebates to increase total incentives.
- Ask RCEA which contractors are eligible for TECH Clean California opportunities
- Reduce greenhouse gases and have cleaner air in your home!



Call **Nick** at (707) 572-9154 or email nbrandi@redwoodenergy.org for details.

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