

Residential Gas Heat Pump Water Heaters: a \$9 Billion Opportunity



Over the next 5-10 years, members of the North American Gas Heat Pump Collaborative (“Collaborative”) aim to accelerate adoption of gas heat pump water heaters (GHPWHs) in the US and Canada. GHPWHs are the next tier of efficiency for gas water heating and, with over 5 million tank-styled water heaters sold in the US alone each year, represent a \$9+ billion growth opportunity.

Lead the Market

- **Leverage utility incentives.** The Collaborative aims to achieve 10% market penetration within the first five years GHPWHs are on the market and estimates incentives amounts up to \$3,000 per unit.
- **Meet upcoming appliance standards.** In the next 10-15 years, appliance standards throughout North America will likely require all water heaters to have efficiencies above 100%. Canada has already announced its goal of all new water heaters having efficiencies greater than 100% by 2035.
- **Pursue aggressive climate goals.** GHPWHs can play a crucial role in North America’s decarbonization strategy because they offer significant emissions reductions for domestic water heating (up to 40-60% decrease in emissions).¹

¹ According to results from field and lab testing

GHPWH Customer Benefits

Extremely efficient. GHPWHs are estimated to be 2x more efficient than existing equipment.

Superior performance in cold climates. Customers can expect reliable performance even in negative temperatures.

More hot water available. Customers can expect a larger quantity of hot water available.

Low installation costs. GHPWHs are a drop-in replacement for existing water heating equipment.



Who is the Collaborative?

In late 2019, thirteen gas utilities formed the Collaborative. Its mission is to develop and implement activities to accelerate the adoption of gas heat pump technologies in North America.

Why Work With the Collaborative?

- Members of the Collaborative represent more than 35% of all US and Canadian households that use gas.
- Members are ready to support the development and commercialization of GHPWH technologies through upstream incentives and customer rebates.
- Members will be promoting GHPWH technologies, training opportunities, and developing technology advocates across North America.

GHPWH Adoption Timeline

- **0-5 Years**
 - GHPWHs enter the market
 - Collaborative's activities drive early consumer adoption and product advocates
 - ENERGY STAR adds GHPWHs as the only ENERGY STAR qualified gas storage water heater
- **5-10 Years**
 - GHPWHs make up 10% of gas storage water heater replacement sales
- **10-15 Years**
 - All water heaters required to have >100% efficiency in North America

To learn more about the Collaborative's capabilities and connect with the Collaborative members, visit our website gasheatpumpcollab.org or email us at info@gasheatpumpcollab.org.