



BRIDGING THE GAP TO MARKET TRANSFORMATION: A CASE STUDY FOR HEAT PUMPS IN QUEBEC

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Hydro-Quebec's Challenge



Hydro Quebec's Goal

- ✓ Targeting **21 TWh in energy savings by 2035** – equivalent to powering ~20% of households for a year.

Heat pumps as a Strategic Lever

- ✓ Most Quebec households rely on electric baseboards for heating. Heat pumps are central to HQ's goals.

Current Approach: LogisVert program

- ✓ A **resource acquisition program** offering incentives for residential heat pump adoption.

The Challenge

- ✓ Incremental approaches may not be enough. Ambitious goals require market change.

The Opportunity: Market Transformation

- ✓ Shift from one-project-at-time
- ✓ Target all consumers, **reshape the market, enable long-term savings.**



Leveraging Evaluation to Support Market Transformation



Evaluation Objective

› Inform Hydro-Quebec's decision on market transformation (MT) for residential heat pump (HP) market

- › **How LogisVert evolve into a Market Transformation program?**
- › **What would a successful MT program look like?**
- › **What analytic elements are required?**

Evaluation Approach

› Leverage LogisVert evaluation (process and market) to build MT foundational elements:

- › **Identify barriers**
- › **Develop program theory/logic model**
- › **Identify market progress indicators**
- › **Develop natural market baseline**

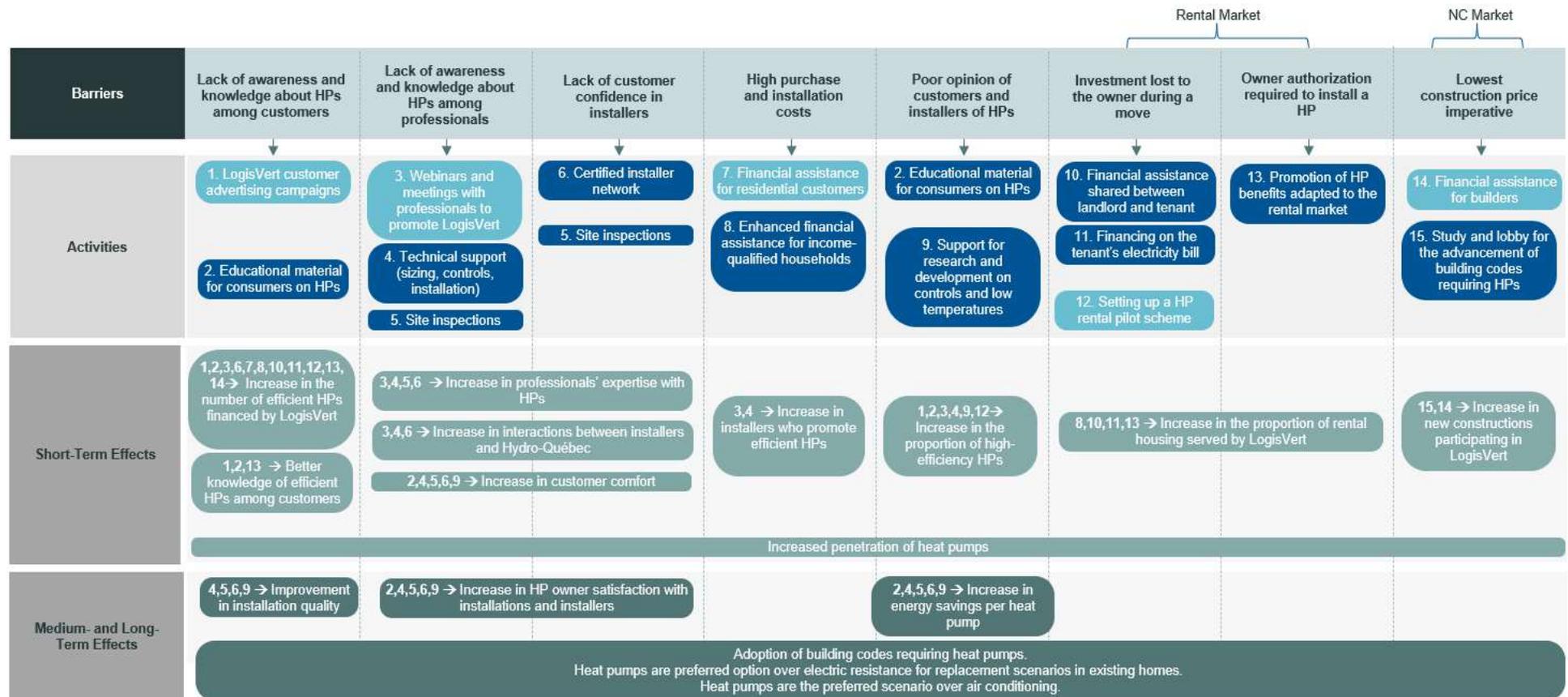
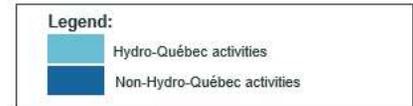
Data Collection Overview



Data-Collection Activity

	Market Barriers	MT Activities	Logic Model	Progress Indicators	Natural Market Baseline
Interviews with jurisdictions	✓	✓	✓		
Web survey with general population/participants	✓	✓	✓	✓	✓
Interviews with builders (participants/non-participants)	✓	✓	✓	✓	
Telephone survey with installers/distributors	✓	✓	✓	✓	✓
Delphi panel with distributors	✓	✓	✓	✓	✓
Interviews with market experts	✓	✓	✓		✓

Logic Model



Key Barriers Not Addressed by Current Program

Barrier

Lack of trust in installers

Lack of knowledge among installers about heat pumps

High purchase and installation costs

Lowest construction price imperative (new construction)



Proposed Activity

Network of certified installers

Technical support for professionals and onsite inspections

Enhanced financial assistance for low-income households

Studies on and lobbying for the advancement of a building code requiring heat pumps

Select Market Progress Indicators

Short term

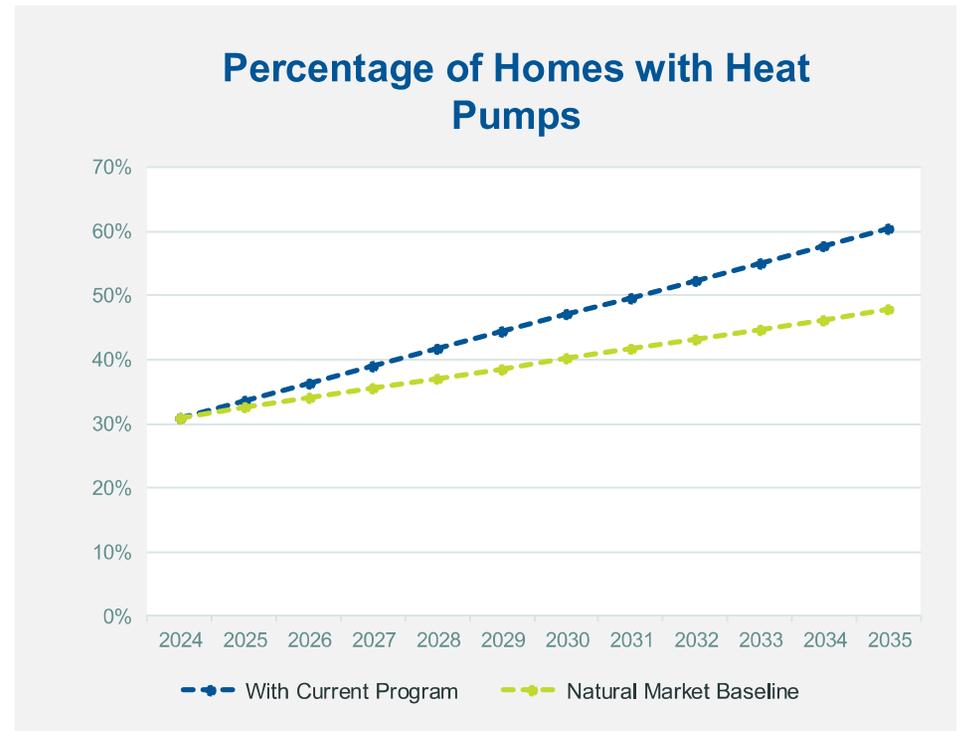
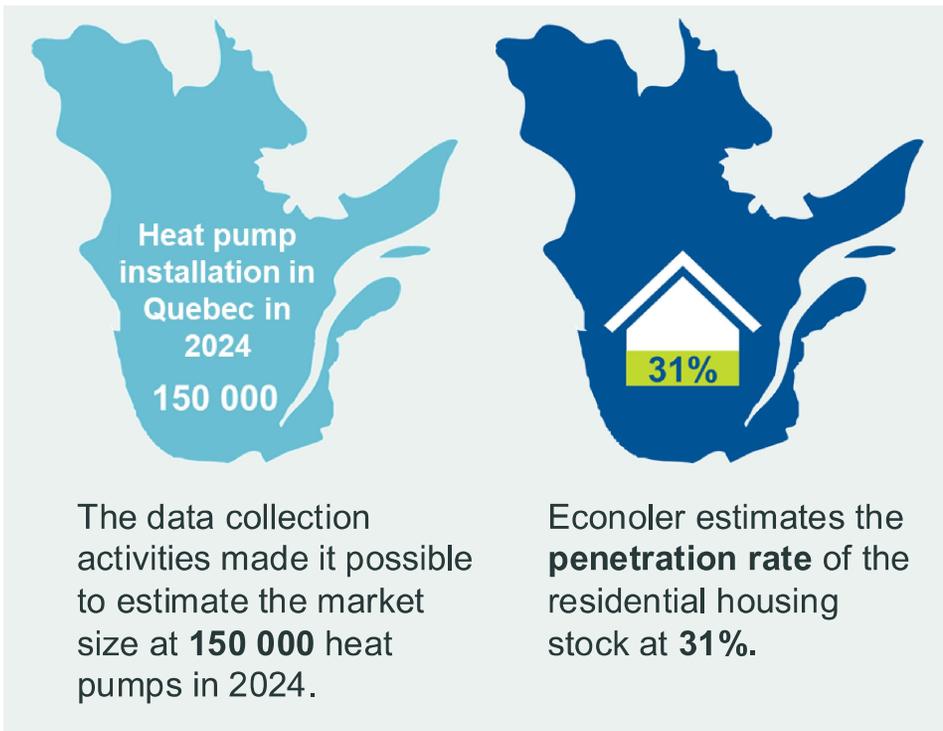
- Increased proportion of rental housing served by LogisVert
- Increase penetration of heat pumps (renters and owners)

Medium and long term

- Improved installation quality
- Percentage of population who are satisfied with their heat pumps
- Adoption of a building code requiring heat pumps



Natural Market Baseline



Key Findings



Market not yet transformed despite high program uptake



Incentives are critical to current adoption rate



MT efforts should focus on low-income, rental market and new construction



Long-term baseline has greater uncertainty



Conclusion



- This study offers a **practical model** for transitioning from resource acquisition to **market transformation**.
- Key elements:
 - **Market barriers to heat pumps**
 - **Activities to address those barriers**
 - **Market Progress Indicators**
 - **Natural Market Baseline**
- Hydro-Quebec is moving forward with a market transformation program for heat pumps.
- An implementation plan is underway, with actions already targeting market actors.

Lessons Learned



1

Integrate MT early – embedding MT into RA program evaluations brings efficiencies but requires dedicated focus.

2

Sales data gaps – estimating heat pump sales needs triangulation and iteration.

3

Baseline uncertainty – long-term projections are difficult without historical data and expert consensus.



THANK YOU

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QUESTIONS?

