

## The benefits of heat pump water heaters



The Voltex hybrid electric heat pump water heater is EnergyStar-qualified and has an energy factor (EF) rating of 3.24. It is a Smith



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*Jill Reynolds*

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Heat pump water heaters (HPWHs) have been around since the 1980s, but today's models are a far cry from their predecessors. They are performing well for customers, and when compared with standard electric water heaters, the energy savings can't be beaten. By making a switch to a HPWH, customers can save up to 60% on their water heating costs year after year.

HPWHs can also be a business booster, since the profitability of HPWHs is typically higher than standard electric tanks, making each sale a valuable opportunity.

In the Northwest, Hot Water Solutions — an initiative funded by utilities in Idaho, Montana, Oregon and Washington through the Northwest Energy Efficiency Alliance — is working to dramatically increase consumer demand for HPWHs through consumer awareness, training and monetary incentives over the next few years.

The initiative is also working to boost business for contractors and installers. Fast Water Heater Company and GreenSavers are two Northwest contracting companies that are building business around HPWH sales. They took time from their busy installation schedules to share some insights into what has made their HPWH sales a success for their companies — and to offer advice for plumbing contractors looking to build their business around this energy-efficient technology.

### **Fast water heater company**

Headquartered in Bothell, Wash., Fast Water Heater Company's territory covers three states: Washington (Puget Sound region to Olympia), Oregon (Portland and Salem areas) and California (San Francisco Bay Area, Los Angeles and Orange County).

Fast Water Heater's market is large-volume, direct-to-consumer sales. Out of their 25,000 units sold each year, HPWHs are a growing piece of the pie. They began offering the technology about six years ago, and they expect HPWHs to account for approximately five percent of sales in 2017.

“We like having options that address different customer needs,” Fast Water Heater Company CEO **Jason Hanleybrown** says. “HPWHs are a great product for those who have an interest in energy efficiency as well as those who are just looking for a way to spend less on their monthly water heating bill.”

However, most customers will not ask for a HPWH, Hanleybrown says. And, many times, they haven't heard of the technology before.

“The sale is usually dependent on us presenting it as an option,” he says. “We ask our customers where their unit is located, and if they say they have electric — or if it's in the garage — we will offer them a HPWH.”

Hanleybrown's staff is also well versed in HPWHs and can make sure they are a good fit for a customer. For example, HPWHs are ideal for garage and basement locations where there is adequate space for the unit, and the sound (like that of a refrigerator) will not bother a sleeping household.

The staff at Fast Water Heater can also walk a customer through the latest rebates and do the math to show what they will qualify for with their local utility. In many cases, a HPWH will be less expensive than a standard model. After that, they can reap energy savings for years to come.

While the energy savings and green aspects of a HPWH are appealing, Hanleybrown has learned that one of his most effective sales techniques is to focus on the dollars that are wasted by using less efficient technology.

“You need to appeal to their pocketbook to sell,” he advises. “Don't talk about saving money; instead, talk about not wasting money.”

At the end of the day, HPWHs are providing Fast Water Heater with a good profit margin. The company ensures they always have them in stock, so they are ready for the nearly 90% of customers who call with an emergency need. They also regularly offer their sales staff incentives, such as tickets to a ball game, so sales will keep growing.

## **GreenSavers**

Because of the energy savings offered by HPWHs, sales are also growing amongst companies whose primary focus is bettering the planet. Such is the case for GreenSavers. Sustainability and energy efficiency is GreenSavers' niche, and while the company sells and installs individual water heaters, most of their work focuses on providing whole home energy retrofits, called Home Performance.

GreenSavers Home Performance Specialist **Elliot Fireston** explains the benefit of selling HPWHs, saying, “For us, HPWHs mesh well with what we do — with our goal and purpose as a company.”

Headquartered in scenic Bend, Ore., GreenSavers has expanded over the past decade to the entire Central Oregon region as well as the Portland metro area.

Fireston says HPWHs are a no-brainer when it comes to increasing a home's overall energy performance. In terms of upgrades for the home, HPWHs are in the top tier for both energy savings offered and for return on investment.

Jill Reynolds oversees the Northwest Energy Efficiency Alliance's heat pump water heater initiative, Hot Water Solutions, which focuses on promoting the development and adoption of heat pump water heater technology. Prior to joining NEEA, she managed several residential programs for a variety of Northwest utility and municipal clients. Programs included single family weatherization, single- and multi-family direct install, retail products and lighting, and single and multifamily audits. Reynolds is a graduate of Linfield College in McMinnville, Ore. She holds a JD from Lewis and Clark law school in Portland, Ore.

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