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Washington joins multistate pledge to accelerate adoption of heat pumps to lower home energy costs, improve air quality

NESCAUM releases roadmap for states to help residents upgrade to highly efficient, zero-emission HVAC technologies and make energy bills more affordable

Boston — As energy bills continue to climb, a growing number of states across the country are taking action to make home heating and cooling more affordable. Today, the Northeast States for Coordinated Air Use Management (NESCAUM) released an Action Plan to help states lower home energy costs, improve outdoor air quality, and reduce emissions by modernizing homes with energy-efficient, zero-emission technologies like heat pumps and heat pump water heaters.

Washington joins California, Colorado, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, and the District of Columbia in signing the NESCAUM-led agreement, which sets a shared goal for heat pumps to meet at least 65% of residential-scale heating, air conditioning, and water heating sales by 2030 and 90% by 2040 across the participating states. The agreement, initiated in February 2024, builds on a 2023 commitment by U.S. Climate Alliance member states and territories to collectively quadruple heat pump installations by 2030.

Progress toward these targets will be aided with NESCAUM's release today of the "Multistate Action Plan: Accelerating the Transition to Zero-Emission Residential Buildings," which offers guidance to help states deliver energy-efficient, zero-emission home heating equipment amid rising energy costs and growing efforts to secure energy affordability, improve outdoor air quality, and reduce emissions.

"We're proud to join other states in committing to modernizing homes with state-of-the-art technologies like heat pumps that are highly efficient and pollution-free," said **Jennifer Grove, state energy office director, Washington State Department of Commerce**. "The Action Plan offers helpful, practical solutions to further our efforts to deliver lower energy costs, healthier air, comfortable homes year-round, and more resilient communities amid growing weather threats."

The Action Plan comes at a critical moment. Skyrocketing energy costs are significantly outpacing the rate of inflation, with residential electricity costs rising by nearly 30% since 2021 and residential gas costs rising 40% since 2019. The Action Plan offers more than 50 strategies states can adopt to equitably modernize homes – both single-family and

multifamily – with affordable, highly efficient, zero-emission technologies and other upgrades. States can choose from recommendations to meet their specific contexts and priorities, with strategies that include:

- Expanding incentive programs and offering accessible financing to help households weatherize and upgrade to pollution-free equipment
- Directing utilities to implement electric rates that lower costs for customers who adopt zero-emission equipment like heat pumps
- Setting healthy air standards to reduce health-harming pollution from buildings by increasing the sale of zero-emission home heating equipment
- Minimizing consumer costs through coordinated utility system planning and flexible, power-efficient solutions that lower peak energy demand
- Improving equity through community partnerships, targeted programs, and workforce development.

“With rising utility bills and the growing threat of extreme weather, drafty homes and outdated HVAC technologies are no longer meeting our energy and resilience needs,” said **Emily Levin, policy and program director, NESCAUM**. “The Action Plan provides states with a roadmap to modernize our housing stock with efficient, state-of-the-art technologies to deliver affordable energy bills, from the hottest California heat wave to the coldest Maine winter.”

Heat pump sales nationwide are on a steep upward trajectory, with heat pumps outpacing gas furnace sales since 2022. State commitments and policy solutions are advancing market momentum already fueled by robust consumer demand.

“Consumers are already driving a surge in heat pump sales because they see the value: lower bills, better comfort, and healthier air,” said **Matt Casale, managing director of states and regions at the Building Decarbonization Coalition**. “The market is moving. And these state commitments, paired with a strong consumer preference for energy-efficient clean heating and cooling technologies, send a clear market signal to go all in on heat pumps.”

Progress has ramped up since states initially signed the MOU, with building electrification and energy efficiency programs bolstered in Maine, Maryland, and New Jersey; all-electric building codes adopted in New York; and progress on gas system planning, energy affordability, and rate design in Massachusetts. Several states are also pursuing ambitious public-private partnerships such as the New England Heat Pump Accelerator and the California Heat Pump Partnership to advance sales of modern, pollution-free equipment.

Heat pump industry and state leaders will gather on September 22 for an in-person roundtable to discuss the Multistate Action Plan during Climate Week NYC, to identify further opportunities for collaboration and build on this momentum.

“States are stepping up where it matters most—delivering the energy-efficient technologies people want in the midst of an affordability crisis," said **Kelly Trombley, senior director,**

state policy, Ceres. “Businesses have made it clear: aligning state strategies to scale heat pump sales is a winning approach that saves consumers money and boosts local economies. The NESCAUM Action Plan will help states accelerate those benefits.”

Widespread adoption of highly efficient electric equipment like heat pumps can reduce strain on the power grid, and when paired with weatherization, demand flexibility programs, and smart rate design, can lower electricity rates for all. Maine’s energy efficiency and beneficial electrification programs – driven largely by heat pump technologies – are expected to deliver $492 million in long-term electricity cost savings by pushing down electric rates for all households.

Among its priorities, the plan calls for stronger protections and support to ensure that low-income families and households facing the highest energy burdens and greatest exposure to air pollution are the first to benefit from home upgrades. A quarter of low-income households in the U.S. spend more than 15% of their income on energy bills – far exceeding the threshold for high energy burden.

NESCAUM’s Environmental Justice Advisory Group (EJAG) supported the development of the Action Plan to ensure the plan delivered much-needed solutions for the frontline communities facing the most urgent health and energy affordability threats. **Ruth Ann Norton, president & CEO, Green & Healthy Homes Initiative**, speaking on behalf of the group said, “Home should be a refuge, yet too many families live in substandard, unhealthy, and inefficient housing and face extremely high energy bills.” Another EJAG representative, **Sharon Lewis, executive director, Connecticut Coalition for Economic and Environmental Justice**, continued, “Comprehensive, up-to-date weatherization combined with modern heat pumps delivers real results: healthier, more affordable homes and lasting reductions in energy burden.”

Burning fossil fuels in buildings accounts for 18% of greenhouse gases and 11% of smog-forming nitrogen oxides emitted across MOU signatory states,[1] which contributes to asthma, heart disease and premature death. Upgrading to modern, pollution-free equipment can prevent health emergencies, help states reduce emissions and meet climate targets, and deliver lifesaving, affordable cooling during increasingly severe heat waves and rising energy bills.

State signatory responses to the release of the Action Plan:

“New York is proud to be part of this multi-state agreement on a shared goal of increasing heat pump installation to not only reduce the pollution that contributes to climate change but also decrease energy costs for consumers,” said **New York State Department of Environmental Conservation Commissioner Amanda Lefton and New York State Energy Research and Development Authority President and CEO Doreen M. Harris.** “We commend the release of this Action Plan to continue building national markets for

[1] Based on NESCAUM analysis of the U.S. EPA National Emissions Inventory and Greenhouse Gas Emissions Inventory.

advanced technologies and invest in more affordable and energy efficient home upgrades to improve air quality, temper energy costs, and reduce harmful emissions."

"By making recommendations for states to adopt the use of heat pumps, NESCAUM's Multistate Action Plan helps advance the Murphy Administration's clean and affordable energy goals," said **New Jersey Environmental Commissioner Shawn M. LaTourette**. "These innovative heating systems operate more efficiently than traditional gas systems, playing a crucial role in reducing carbon emissions and improving air quality. New Jersey is proud to be working through NESCAUM with our partner states toward a more energy-efficient and environmentally healthier future for all communities."

"Heat pumps are Maryland's best-selling choice for heating and cooling. This Action Plan closes the gap by helping more families realize savings, comfort, and efficiency by transitioning to clean energy products. Together, we are sending a clear message that converting to cleaner appliances is affordable for families and a path toward a healthier planet," said **Maryland Secretary of Environment Serena McIlwain**.

"Energy-efficient and zero-emission technologies like heat pumps are a critical piece when it comes to decarbonizing the building sector and saving people money on their energy bills," said **Colorado Energy Office Executive Director Will Toor**. "The Action Plan will not only bring us closer to Colorado's climate goals, but it will also build upon the collective efforts of a broad range of states. Energy savings, clean air, and indoor comfort are important to quality of life no matter where you live, and we are excited to bring benefits to communities in Colorado and across the nation using this Action Plan."

"Heat pumps have proven to be a highly effective and efficient heating and cooling solution for Maine's climate, offering reliable performance even in the state's most severe weather conditions," said **Melanie Loyzim, commissioner of Maine's Department of Environmental Protection and co-chair of Maine's Climate Council**. "Efforts by Efficiency Maine, the Governor's Energy Office, and regional partners like NESCAUM have been instrumental in expanding access to this technology for residents and businesses across Maine. These coordinated efforts are helping to advance the adoption of clean energy solutions in communities large and small. By supporting the widespread installation of heat pumps, we are making meaningful progress in reducing greenhouse gas emissions."

"Massachusetts continues to see record heat pump adoption through our nation-leading energy efficiency programs, and we're proud to work with NESCAUM and the other states to help more residents and businesses access modern, efficient heating and cooling equipment," said **Massachusetts Department of Energy Resources Commissioner Elizabeth Mahony**. "Combining weatherization of existing buildings and highly-energy-efficient new construction with clean heat technology is the key to lowering energy bills, creating healthier, resilient living spaces, and cutting pollution from the buildings sector."

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About NESCAUM

As the association of air quality agencies in the six New England states, New Jersey, and New York, NESCAUM catalyzes, guides, and supports state initiatives to improve air quality and address climate change. Formed as a nonprofit organization in 1967 to address air pollution from New England power plants, NESCAUM is the oldest regional air quality organization of its kind. Today, NESCAUM addresses a wide spectrum of air quality, climate, and energy issues on behalf of its member states and their collaborating partners and provides a forum for states to work together to address climate and energy challenges on a collective basis, both regionally and nationally.