

# City of Palo Alto Utilities Heat Pump Water Heater Emergency Replacement Program (HPWH ER)

## Program Background:



Household gas use contributes almost 20% of GHG emissions in Palo Alto and water heaters are one of the top gas uses.



City approved the advanced HPWH initiative and launched the Full-Service HPWH program. This program supports the City's climate goals.



Many customers calling into the Full-Service HPWH program have emergency replacement needs. The Full-Service HPWH program was designed for customers who are proactive. The program provides good value and assistance but wasn't designed for emergencies.



Launched the Emergency Replacement program in September 2024 to restore hot water within 2 days while helping residents switch to a heat pump water heater.





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## How the Program Works:

- 1 Customer Inquiry**  
Customers enter program by calling Home Efficiency Advisory or completing an online form that is directed to the City's contractor, Larratt Brother's Plumbing.
- 2 Initial Assessment**  
City contractor responds promptly via phone or text and completes a virtual assessment to determine the correct HPWH tank size and system type (120V, 240V).
- 3 In-person Assessment (if needed)**  
For complex projects or at the customer's request, an in-person site assessment is completed.
- 4 Estimate Provided**  
City contractor sends an estimate to the customer that includes the City's \$3,500 rebate + \$1,000 site preparation credit.
- 5 Permit and Installation**  
City contractor obtains an instant HPWH permit and restores hot water within 2 business days, providing temporary solutions if extensive electrical work is needed.
- 6 Final Inspection**  
City contractor schedules final inspection with the Buildings Department.



## Program Highlights:



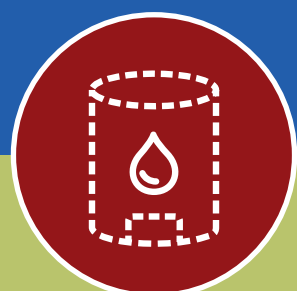
**69**

Customer sign-ups



**19**

Completed installs



**2\***

Temporary loaners  
\* To allow time for a panel upgrade and a new slim model



**100%**

Restoration rate of 2 business days or less



**9.3**

Customer survey satisfaction score

## Barriers to Participation:

Top reason was due to the cost being higher than gas. Some customers decided to enter our Full-Service HPWH Program which has a higher discount but a longer wait time for installation.

## Lessons Learned:

- Marketing an emergency replacement program requires a different approach than other programs
- Having multiple programs with different incentive levels can cause confusion for customers
- Cost is a major factor, customers are reluctant to spend significantly more than a gas water heater replacement