



Evolution of the Ductless Heat Pump Market

Ductless Heat Pump Workshop

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AGENDA

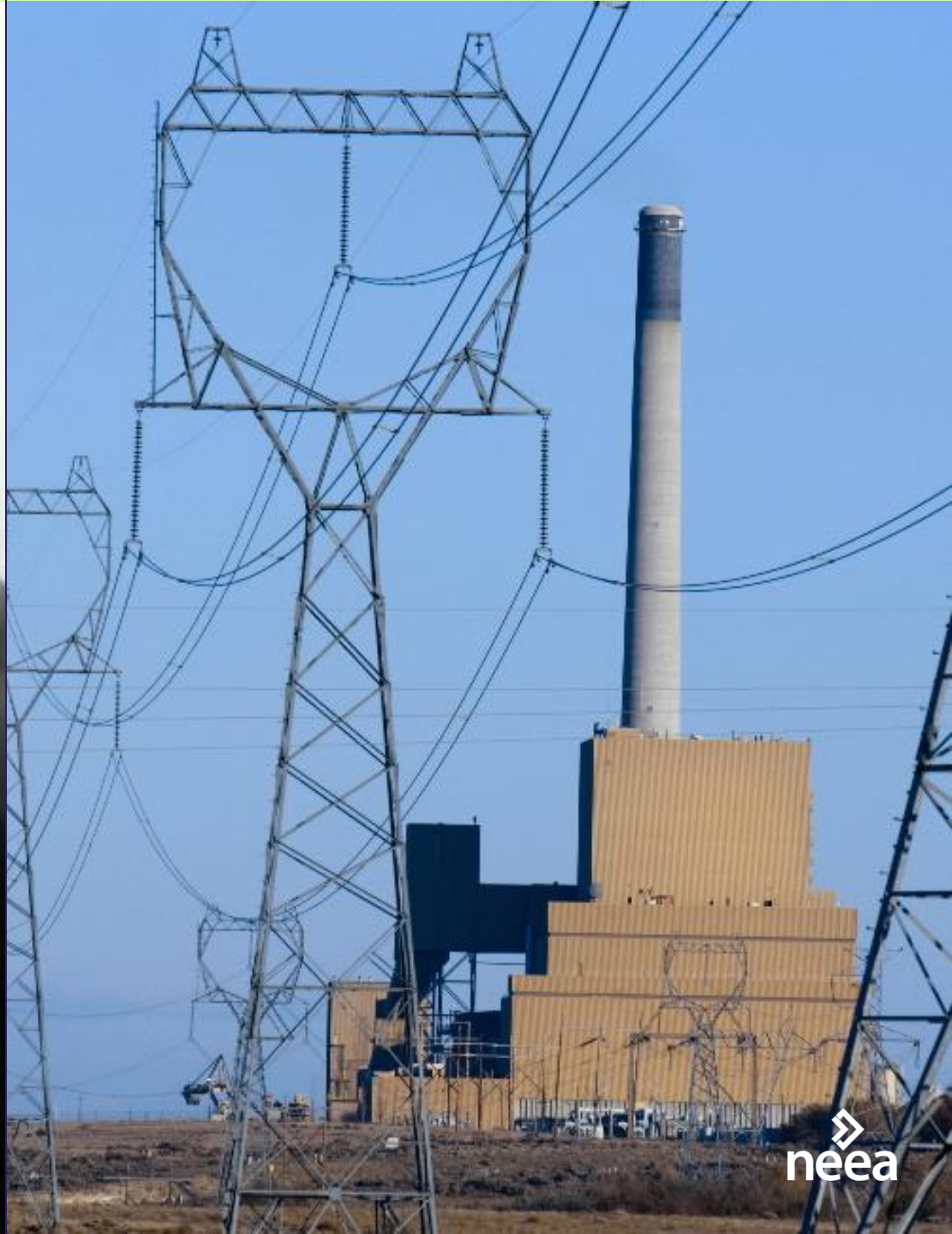
Why Do We Care?

The Technology

Market Growth + Success

Market Direction - What's Next?

WHY DO WE CARE?





WHY DO WE CARE?



THE TECHNOLOGY

DISPLACEMENT APPROACH



THE TECHNOLOGY

DISPLACEMENT APPROACH



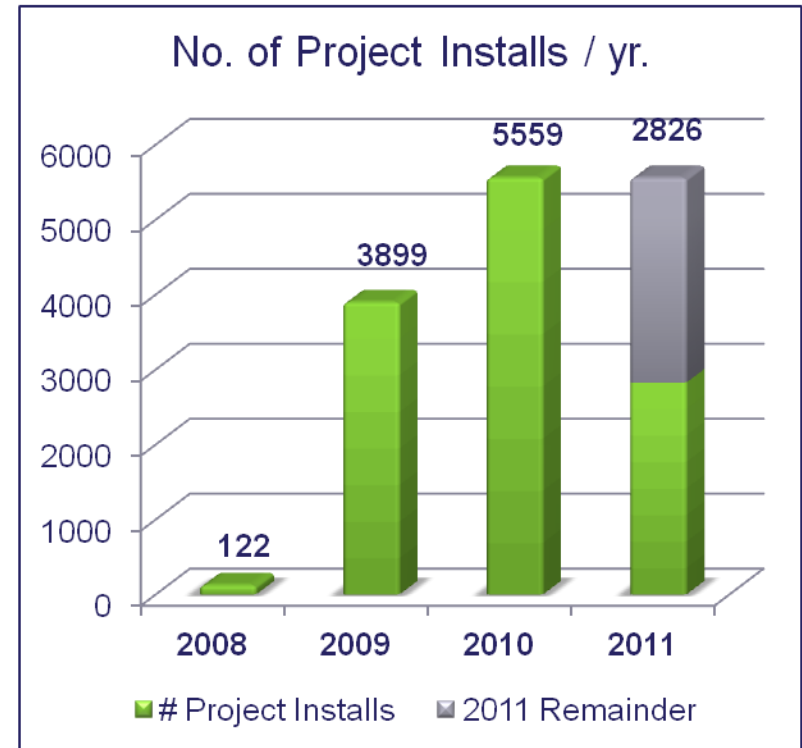
NW DHP MARKET PRE-2008



MARKET GROWTH + SUCCESS

Significant increase in NW market share

- Manufacturer reported growth:
 - 13% in Oregon
 - 20.7% in Washington
- Distributor reports doubled sales annually
- Evolving HVAC business models



2011 installation activity projected to meet or exceed 2010 installation activity

MARKET GROWTH + SUCCESS

Contractor Success Story: Metfab Heating, Inc., SW WA

- Profiled by Department of Commerce
- Adopted DHP business focus in 2008
 - Identified DHPs as an opportunity during the economic downturn

DHP installs make up 70-80% of their business



MARKET GROWTH + SUCCESS

Contractor Success Story: Formula Fabrication, Libby, MT

- Previously installed traditional systems
- DHPs revolutionized their business
- Sales growth beyond incentives



BIG OR SMALL WE DO IT ALL

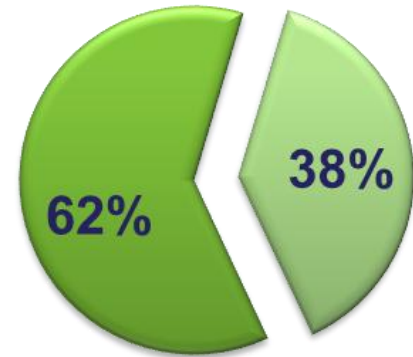


MARKET GROWTH + SUCCESS

Moving the Market Forward Master Installer Program

- Launched Fall 2010
- Highlights installers who perform best practices installations
- Promotes quality installations and homeowner satisfaction

2011 Installations

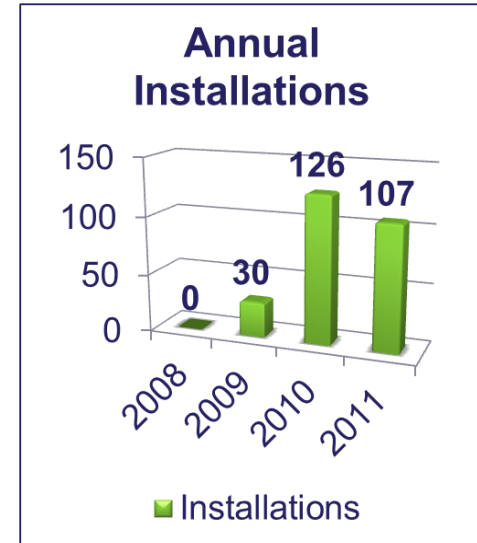


- Master Installer
- Non-Master Installer

MARKET GROWTH + SUCCESS

Utility Success Story City of Richland, WA

- Successful program in a cold climate
- 60-70% of customers utilized utility loan



COLD CLIMATE PERFORMANCE

-16°F in Helena, MT & the system continued to perform!



WHAT'S NEXT?



MARKET DIRECTION

