



GEO Policy Update



Steve Smith

President and CEO
Enertech Global LLC

**Board Member
GEO – The Geothermal
Exchange Organization**



GEO is the Voice of the U.S. Geothermal Heat Pump Industry

Advocacy • Partnerships • Outreach • Research • Standards

OUR OBJECTIVES INCLUDE

Sensible Public Policy

**Common Interests with Allies for
Strength In Numbers**

Public Relations and Outreach

**Research of Issues and Technologies
to Promote the Industry**

**Promotion of Quality in Training,
Certification, and Accreditation**





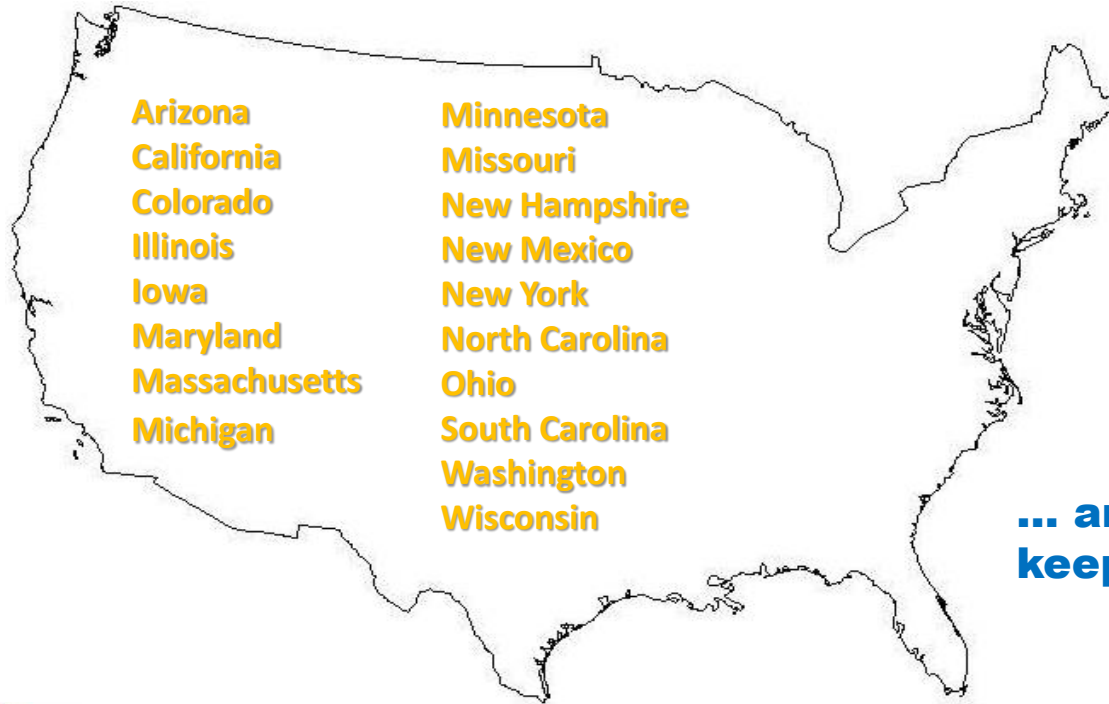
VICTORY! After Two Years of Work Congress Reinstates GHP Tax Credits

- GEO PERSISTANCE
- GEO DILIGENCE
- FOCUS ON THE PRIZE
- TAX EQUITY ACHIEVED



- Tax Credits for geothermal heat pumps expired December 31, 2016. **GEO** Board, staff and DC team worked with coalition for 2 years to regain parity with solar through fairness in tax code.
- Congress approval was included in budget passed on February 9, 2018.
- 30% tax credit for residential installations extended through 2021 with a 2-yr. phase-out (26% in 2020, 22% in 2021). Commercial tax credit reinstate at 10% through Dec. 31, 2021, with “placed in service” language changed to “work commenced.”

GEO State Geothermal Initiatives



**... and the list
keeps growing!**



**GEO is Helping with Local Initiatives and Urges
Formation of State Geothermal Associations**



States Advocacy for GHPs



**GEO Provides Essential Assistance
with State Initiatives and Urges
Formation of New State Geo
Associations Nationwide**

2017 Highlights

New York – Tax Credit Bills and \$15 million in State Support for Geo Installation Rebates

Michigan – Bill passed to provide Renewable Energy Credits for Geo Installations

Illinois – GEO advocacy changed law and regulation, spawning ComEd Rebate Program

Virginia – GEO is helping the new VGHPA to pass Geo Tax Credit bill

Massachusetts RPS law change ushers in state GHP rebate program

California Three energy efficiency and net zero bills in play



Partnerships – Our MOUs With Allies



IGSHPA

Partnering with a new Memorandum of Understanding with the International Ground Source Heat Pump Association that allows for more focused mutual research and coordinated events.



NGWA

Longstanding relationship with the National Ground Water Association that involves information sharing and advocacy efforts for the geothermal heat pump industry.



HRAI

Friendship crossing international border as GEO signed MOU with Heating, Refrigeration and Air Conditioning Institute of Canada to foster mutual goals.



Public Relations and Outreach

Grassroots Action WORKS!

GEO Action Alerts rallied the industry to call and email key legislators to support the tax credits for GHPs. Many invited their representatives to visit geothermal job sites, driving home the benefits of our technology.

GEO Industry News Monthly circulation nearly 5,000, presenting industry news on policies, regulations, installations, events and more.

GEO in the News Press Releases and Op-Eds, GEO reaches out to HVAC trades, political news and popular press.

GEO Website (www.geoexchange.org)

Revamped with modern design, GEO's new website is a treasure of information aimed at all audiences.

GEO Forum Check out the GEO Forum at our website for consumer leads and technical discussions.



Chairman's Message



Keeping the Faith

By Joe Parsons, GEO Chairman of the Board

As *GEO Industry News* readers know, the GEO staff, the Board of Directors and our DC advocacy team have been very active over the past year with untiring efforts to reinstate the federal residential and commercial tax credits for geothermal heat pumps (GHPs) that expired at the end of 2016. We have worked closely with our lobbyists in Washington and several of our companies on grassroots efforts, resulting in hundreds of calls and scores of visits to key congressional and Senate leaders. Progress continues with every step.

It's extremely encouraging that support for renewing the tax credits crosses party lines. We have Rep. Tom Reed's (R-NY) H.R. 1090 in the House that would reinstate and extend our tax credits through 2021, including a 3-year phase-out. With the help of several important allies like the National Rural Electric Cooperatives Association and the National Ground Water Association, we've rallied amazing support for HR 1090, with more than 100 cosponsors on both sides of the aisle in full support of the bill.

Continuing to add to our cautious optimism is the recent introduction of S. 1409 in the Senate by Senators Tom Carper (D-DE) and Dean Heller (R-NV). The bill compares closely with H.R. 1090, and would retroactively reinstate the residential and commercial tax credits for GHPs. We see the bills in both the House and the Senate as great opportunities to achieve our tax credit goal on Capitol Hill.

In retrospect, every GHP manufacturer anticipated a steep decline in unit sales, but I think we all underestimated just how rapid and radical that decline would be. Loss of the tax incentives has already led to the harsh reality of employee layoffs and a decline in sales of more than 40% for the first half of the year.

In fact, GEO estimates that 2.5 jobs touch a GHP from R&D, components made, GHPs produced, loop install, loop components, service techs, drill rigs produced, maintained, sales staff, office personnel, etc. So we predict that by the end of the year over 56,000 people will lose good paying domestic jobs. Projections are for that decline to continue if the tax credits aren't restored by the end of this year.

Regardless of the outcome, GEO's role as an advocacy organization must continue with the support of every GHP and related manufacturer, dealer, distributor, engineer, designer, architect, installer and driller. To

GEO Action Alert!
We need your help NOW
to promote H.R. 1090 with
emails and congressional
visits to geothermal jobs.
[Details on Page 3](#)



Research and Standards

Research

GEO Study on Geothermal Heat Pump Systems vs Variable Refrigerant Flow (VRF) – ASHRAE International Headquarters Building, Atlanta, Georgia – Dr. Jeffrey Spitler with the University of Oklahoma analyzed data from systems at the ASHRAE building, determining that over time, geothermal heating and cooling was 40% more efficient than conventional air-source systems.



Standards

C448 Bi-National Standard for Geothermal Heat Pumps – GEO and its members provided valuable input and public outreach to CSA for its C448 Bi-National Standard, which harmonizes technologies, simplifies and incorporates existing regulations, and provides credibility for the geothermal heat pump industry across North America through accredited neutral standards.

Proposed

Geothermal Heat Pump vs. Air Source Heat Pump Performance in Cold Climates



Questions? Contact GEO Staff

GEO – The Geothermal Exchange Organization

312 South 4th Street • Springfield, IL 62701 • Phone (888) 255-4436



Doug Dougherty, President and CEO

(217) 414-0341 • Doug@GeoExchange.org



Ryan Dougherty, Chief Operating Officer

(217) 891-5847 • Ryan@GeoExchange.org



Ted Clutter, Outreach and Communications

(509) 769-7585 • tclutter@GeoExchange.org