

## **Heat pump sales in Finland continues at a good pace. Heat pump sector excellent for green recovery from coronavirus.**

### **The heat pump year got off to a good start. Sales increased by 13 % as compared with the first quarter.**

According to Finnish Heat Pump Association (SULPU ry) statistics, air-to-water heat pumps showed the highest growth rates (60 %). The continued growth in the sales of ground-source heat pumps was also gratifying. The 27 % increase of was particularly reflected in large sites. In many blocks of flats or other large properties, district and oil heating have given way to heat pumps. The sales of air-source heat pumps climbed 8 %, despite last year's strong growth figures. Small-house construction volumes levelled off, which was reflected in the unchanged number of installed exhaust-air heat pumps.

Last year was a boom year for the heat pump sector. The 30 % growth translated into annual sales of approximately 100,000 heat pumps. Annual investments in the heat pump sector are in the order of EUR 600 million, principally made by the consumers. Every year, these heat pumps produce about one extra TWh of clean, combustion-free heating and cooling energy. Finland's 1 million heat pumps produce over 10 TWh of energy per year, which means 15 % of the heating energy of residential and service buildings.

### **Heat pumps to drive coronavirus recovery**

In the first quarter, we did not yet see the coronavirus pandemic's impact on heat pump sales, but we believe that there will be effects, says Jussi Hirvonen, Executive Director of SULPU. However, the heat pump sector provides an excellent opportunity for green recovery during and after the coronavirus pandemic.

Jussi Hirvonen sends his greetings to be considered for government reports related to coronavirus recovery. A few simple, cost-efficient measures, such as increasing the tax credit for household expenses for energy refurbishments, streamlining current energy subsidies and their allocation more directly and clearly to, for example, conversion from oil heating systems and exhaust air recovery from apartment buildings, and creating green financial and collateral instruments would quickly bring additional annual investment amounting to hundreds of millions of euro. The heat pump sector can react quickly, as the nature of the activities or the products no longer need to be invented, the business is already substantial in volume, it is labour intensive, domestic, quite local, does not require extensive project plans, and the sector itself is already relatively competitive.

### **An untapped potential of EUR 3 billion just in oil heating and the exhaust air from apartment buildings**

There is potential for heat pumps. In Finland, for example, about 150,000 houses are oil heated. Every two hours, 38,000 apartment blocks release a houseful of 23-degree exhaust air onto the roof, all year round. If, for instance, 100,000 users of oil heating were encouraged to switch to clean heating and exhaust-air heat pumps were deployed to recover the waste heat from exhaust air in 10,000 apartment blocks, that would mean viable investments, which can be carried out quickly, to the value of approximately EUR 3 billion. If there is political will, this investment could realistically be carried out in 5 years, using a reasonably light 'carrot-and-stick' approach and financial instruments. Most of this 'carrot money' will return to the state in VAT and other taxes, employment, economic resurgence as well as exports. In just these two examples, we are talking about approx. 5 TWh of emission- and combustion-free production per year and about a cut in emissions of several million tonnes of CO<sub>2</sub>-eq.

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