



Home Performance with ENERGY STAR® in Vermont

Jim Grevatt
Director, Residential Energy Services

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“Old-fashioned” Vermont winter....



2004-2005 Startup

- Pilot program- using electric ratepayer \$ to fund fossil savings
- Original criteria:
 - Minimize investment
 - Scalable infrastructure for market-driven future program
 - Building science-based for real savings
 - Deal with Health and Safety
 - Comprehensive (minimize transaction costs)

Barriers at Startup

- Homeowners didn't know what to invest in for real savings- Windows? Boiler replacement? Fiberglass in the attic?
- No distinction in the market between contractors who didn't use building science approach and those who did
- There were very few contractors who used a building science approach!
- First cost not considered the bigger barrier in 2005, and we had no resources to address it anyway

Initial Vision:

- Home Performance with Energy Star is sought-after approach to home improvement in Vermont
- Homeowners trust and demand certified contractors
- Contractors carry out fully comprehensive jobs and are financially and technically successful
- Increased demand generates growth in startup and existing businesses
- Efficiency Vermont and partners provide training, mentoring, market development, and quality assurance.

Key Decisions:

- Market the Home Performance with Energy Star brand
- Make greatest investment in BPI training and certification to build contractor base
- Provide moderately reduced-rate financing options



Awareness

- General Efficiency Vermont Marketing
- EPA-supported pilot marketing campaign, led to web referral option
- Publicity, articles in local papers and TV/Radio
- Co-op ads support for contractors

Heating/Cooling
ENERGY STAR labels (at right) for boilers, furnaces, and air conditioning make it easy to find efficient systems.



Lighting

Attractive, high performance light fixtures and light bulbs use approximately 66% less electricity to light a home. Advances in technology ensure that the fixtures provide enough light while offering the same look and feel of traditional lighting. Look for ENERGY STAR qualified lighting products at your local retailer.



Inspected and Tested
A blower door test exaggerates air movement to measure and identify air leakage.

Each home participating in Home Performance with ENERGY STAR is tested with a blower door to measure air leakage rates.

Appliances

Look for the ENERGY STAR label on refrigerators, dishwashers, room air conditioners and clothes washers.



Here are some additional Efficiency Vermont services for residential customers:

Financial incentives are available for:

- ENERGY STAR lighting and appliances
- Qualified ENERGY STAR heating and cooling equipment
- Other eligible custom efficiency measures

If you are building a home, we can help by providing:

- Professional design and consulting services
- Financial assistance for incorporating energy efficiency

Live telephone technical assistance regarding energy concerns

Do-It-Yourself tools including our:

- Meter loan services
- On-line energy savings calculators
- Home energy survey
- Electrical usage chart

Special services for income qualified customers

Burlington residents should call Burlington Electric Department at 802-865-7337 or visit www.burlingtonelectric.com for help with energy efficiency.

Efficiency Vermont

255 South Champlain Street • Suite 7
Burlington, Vermont 05401-4894
888-921-5990

www.officialvermont.com/homeperformance

Energy Audits and Improvements



Home Performance with ENERGY STAR®

Efficiency Vermont



Efficiency Vermont

your resource for energy savings



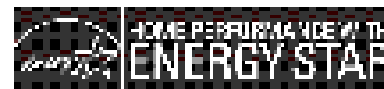
Efficiency Vermont

INCREASE PROFITS
AND REDUCE
CALLBACKS

Home Performance contractors use a “whole-house” approach to create energy-efficient, durable buildings that are comfortable and safe for the people who occupy them. Efficiency Vermont works with independent contractors to promote this service in Vermont.



Home Performance
with **ENERGY STAR**[®]
can help your business.



www.encyvermont.com/homeperformance

888-921-5990



Efficiency Vermont
your resource for energy savings

Training

- BPI certification classes 2-3 times per year
\$1500 fee, \$500 rebate when BPI-certified,
\$500 rebate for reporting first 3 jobs
- One-on-one relationship between contractor
and technical advisor
- Quality Assurance
- Working on new partnership with *VTC Center
for Sustainable Practices*

Contractor Requirements

- BPI-certified Building Analyst, Shell Specialist, Heat Specialist
- Registered Vermont business
- Meet quality standards of Efficiency Vermont & BPI (EVT performs QA on % of jobs)
- Report projects to EVT for pre-approval and upon completion and test-out
- Production: Contractors must report a minimum of twelve (12) completed jobs per year to Efficiency Vermont
- \$100 per reported job, \$1000 additional per 12

Customer Incentives

- Buy down market interest rate by 3.5%
- or-
- 10% up to \$500 cash back

Successes:

- Greatly increased BPI contractor base
- Reporting is increasing- Tell customers about incentives!
- State-wide policy buy-in for brand and BPI
- Contractors installing electric DI
- TA relationships- sense of camaraderie with contractors, a willingness to work together to build the market and make the services stronger

Market Research (August 2008)

- Cost savings is primary motivator
- Increased awareness is still needed
- Word of mouth is critical (50% learned of HPwES this way)
- 51% between 45 and 64 yrs old
- 72% between \$25k and \$100k
- 53% with graduate degrees, only 10% without college degree

Results So Far

- More than 600 projects representing more than \$3 million in customer investment to date
- 296 completed whole-house projects in 2008 compared to 121 in 2007
- Additional 200+ projects with DI only in 2008
- 324 annual MWh savings in 2008
- 12,400 annual MMBTU savings in 2008
- Average project cost ~ \$7,000

What's New?

- Act 92 Spring '08: Authorized moderately increased investments through FCM and RGGI
- “Advance Funding” winter 08-09
- GMP Energy Efficiency Fund
- Volatile fuel costs
- The Economy
- Federal Recovery funds- tied up in state politics, but anecdotally many homeowners are waiting before investing

Challenges:

- Highly volatile market driven by fuel cost fears and economic woes
- How to streamline process while adhering to cost-effectiveness and reporting requirements, and still delivering defensible savings
- Avoided costs don't reflect climate change imperative- conflict between cost-effectiveness and deep savings
- Building contractor base and the market in tandem, one doesn't outpace the other

More Challenges:

- Greater expectations for quality due to the Efficiency Vermont presence- but it's hard to assure- is it time to adopt accreditation?
- How to build competition in the market when getting multiple quotes requires paying for multiple audits?
- Staff challenges- the transition from doing audits to training contractors is non-trivial

Shifting Barriers

- *Incentives matter more-* Awareness with minimal incentives doesn't move jobs
- *Contractor infrastructure is sufficient* – But QA is increasingly important, and how to build competition?
- *Complex incentive structure is a huge barrier to selling jobs-* Great to have an influx of funding, but it can't complicate the transaction
- *Need to assure cost-effectiveness without pre-screening each job-* The current pre-approval process is difficult to administer and confuses contractors and homeowners

Plans for 2010-2011

- Incentive structure that is clear, predictable, and consistently available to all customers, regardless of utility, heating fuel type, or income.
- Allocation method for HPwES to attribute costs and savings between funders
- Streamlined pre-approval process
- Streamlined contractor reporting process using a web-based reporting tool

Questions?

Jim Grevatt
Director, Residential Energy Services
Efficiency Vermont
jgrevatt@veic.org
802-860-4095 x 1156