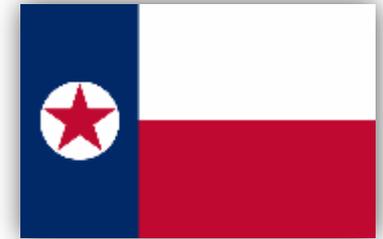




# 2016 HPwES Partner Meeting

Austin, TX

April 4, 2016



## Welcome and Thank You!

- Thank you to the Home Performance Coalition (HPC)
- Special thank you to the Sponsors and Contractors that deliver HPwES across the country
- Thank you to HPwES & DOE Teams
- Thank you to our Hosts at Austin Energy





# Welcome to Austin!

**Denise Kuehn**

**Director**

**Energy Efficiency Services**



## The Future of HPwES depends on *YOUR* Involvement and Input



“ Your Success is Our Success through investment in an ever changing market place”

## Partner Meeting Agenda

- 8:30 Welcome, Opening Presentation and Ice Breaker
- 10:00 Capitalizing on HPwES in a Changing Market (Presentations and Panel Discussion)
- 11:30 DOE Initiatives to Expand Residential Energy Efficiency & Complement HPwES
- 11:50 Pre-lunch Presentation: Financing Energy Efficiency  
*Brandon McBride, Administrator, Rural Utilities Service, USDA*
- 12:00 HPwES Lunch with Awards Recognition and Keynote Speaker – (Salon E)  
*Deana Carrillo, Executive Director, California Alternative Energy & Advanced Transportation, Financing Authority*
- 12:00-2:50 Home Energy Score Lunch & Partner Meeting – Room 416 (*lunch served in 416*)
- 1:30 Positioning HPwES for a Changing Investment-Driven Marketplace: PART 1  
“Bringing more resources to HPwES Sponsors and Participating Contractors” - Salon D

## Partner Meeting Agenda

2:50 Break

3:00 Afternoon Breakout Sessions

- Positioning HPwES for a Changing Investment - Driven Marketplace: PART 2 –Salon D
- DOE Home Energy Information Accelerator Meeting – Energy - Room 416
- Home Improvement Catalyst Session- Leveraging the home improvement marketplace for energy upgrades - Room 415

4:20 Break

4:30 Closing Session - Ely Jacobsohn, DOE – Salon D

5:00 Adjourn for the Day & Networking Reception (Hosted by HPC)  
Outside Salon D (*in prefunction space*)



## Introduction of the Day

### “Ready for Sustainable Investment through Innovation and Collaboration”

As HPwES expands across the country, it is very important to adapt to market conditions, budgets and trends which will help with growth and sustainability.



"We have more opportunity today than ever before to make choices. So change your perspective. Invest in the change you want to see in the world."

## Sustainability: Defined



- Commitment to economic well-being for both the present and the future
- Balancing society's needs today with the demands of tomorrow
- Encompasses behaviors, processes, tools and technologies that can be perpetuated and replicated in ways that achieve economic, social or environmental benefits

# ESG: Environmental (“E”) Social (“S”) Governance (“G”)



Incorporating ESG principles into a corporate sustainability framework will yield **cost savings through innovation, resource efficiency, and revenue enhancements**

Clark, Gordon; Andreas Feiner, Michael Viehs: *From the Stockholder to the Stakeholder – How Sustainability Can Drive Financial Outperformance*, Sept 2014

Environmental (“E”)	Social (“S”)	Governance (“G”)
Carbon Emissions	Community Relations	Accountability
Climate Change Risks	Customer Relations	Board Structure/Size
Energy Usage	Diversity Issues	Corruption
Raw Material Sourcing	Employee Relations	Ownership Structure
Waste & Recycling	Health & Safety	Shareholder Rights
Regulatory/Legal Risks	Responsible Marketing	Transparency

## Measureable Benefits of Sustainable Investment

Firms that actively pursue improvements in ESG metrics also tend to have lower costs of capital and higher operational and stock price performance

### Sustainable Equity Mutual Funds

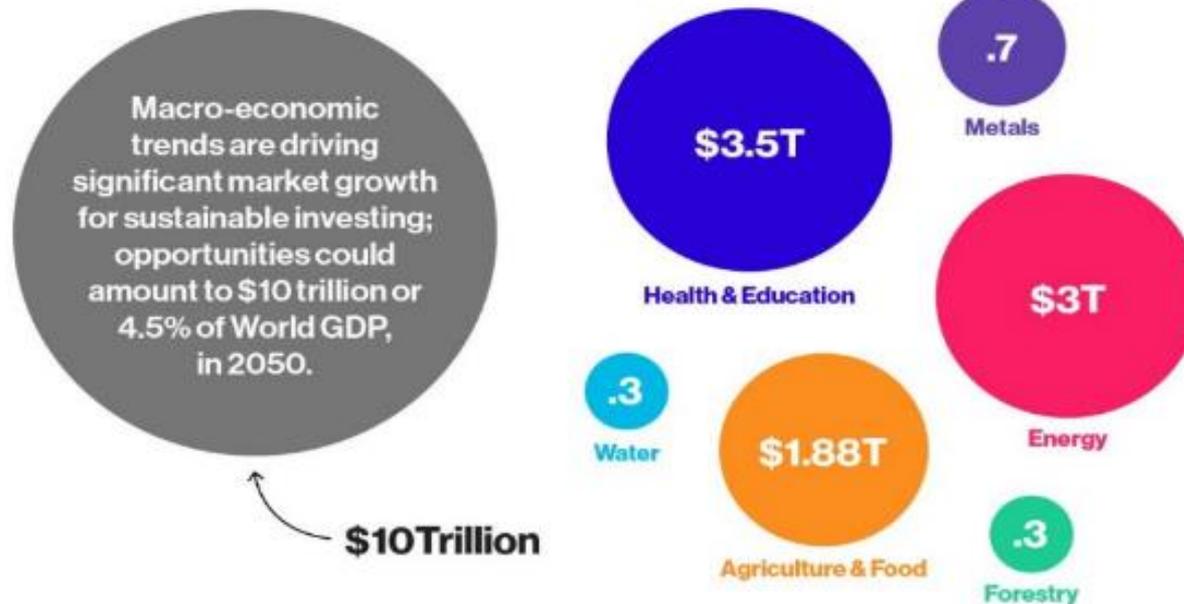
- equal or higher median returns
- equal or lower median volatility

For 2/3 of the periods examined during the last 7 years compared to traditional counterparts

“A 2011 Harvard study found, that given a \$1 investment in 1993 in a value-weighted portfolio of high sustainability versus low sustainability firms, the high sustainability portfolio would have grown to \$22.60 by 2010, while the low sustainability portfolio would have only reached \$15.40, a difference of over 46%.”

# Sustainability in 2050

## New Sustainability-Related Business Opportunities in Key Sectors in 2050



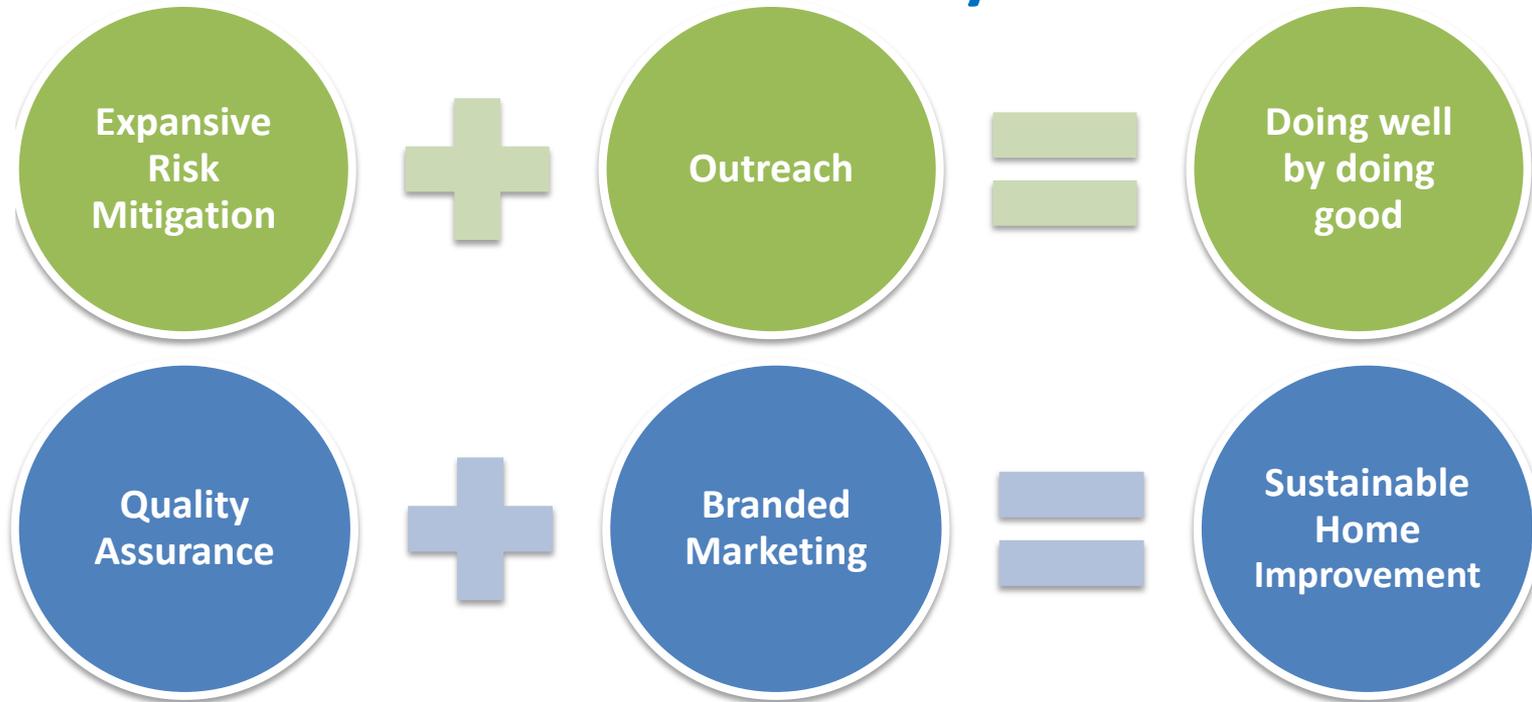
SOURCE: VISION 2050: THE NEW AGENDA FOR BUSINESS, WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT, 2010

GRAPHIC: BLOOMBERG CUSTOM CONTENT

## HPwES and Sustainability



**Sustainability**



### Two ways this helps HPwES Stakeholders:

1. Organizations who integrate sustainable principles into their operations are likely to achieve better performance with lower costs and more value
2. Organizations and businesses who position themselves as deliverers of sustainability (i.e. energy efficiency, health benefits, durability, resiliency) are more likely to justify greater levels of investment targeting sustainability.

## 2015 Partner Meeting Recap: Quality Objectives for 2016



- Define your customers throughout the supply chain, and focus on their needs
- Align interests and improve communication across teams, partnerships, and the supply chain
- Test and measure results to evaluate changes and inform continuous improvement efforts
- Use goal oriented strategic planning to inform implementation strategies
- Focus on the successful customer-contractor transactions, and
- Keep it simple!

# Value Proposition Design Process Update

## Purpose of the Customer Value Maps (Pains and Gains)

- Reality check of products and services offered by programs
  - Are we creating value for our customers?
- Prioritization of investment in new activities, products, and services
  - Do our priorities align with our customers?
- Inform messaging by customer type
  - Are we speaking their language?
  - Does our message resonate?

Q2'15

Engaged HVAC  
manufacturer

HPwES  
Partner  
Meeting

Q3'15

Engaged  
insulation  
manufacturers

Q4'15

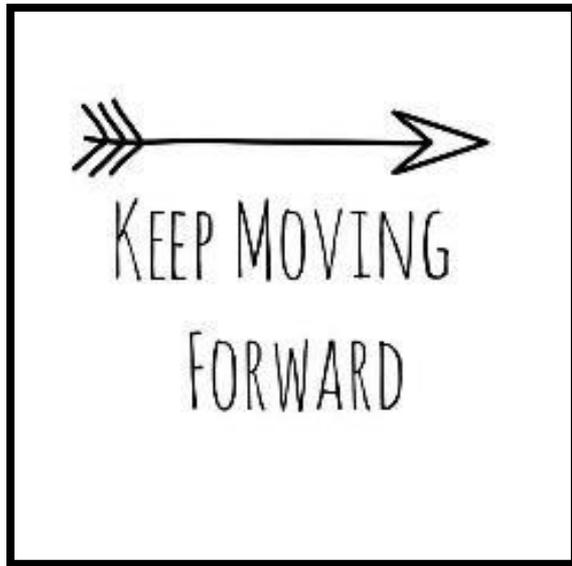
Contractor  
input

Q1'16

Mapped to  
program  
services

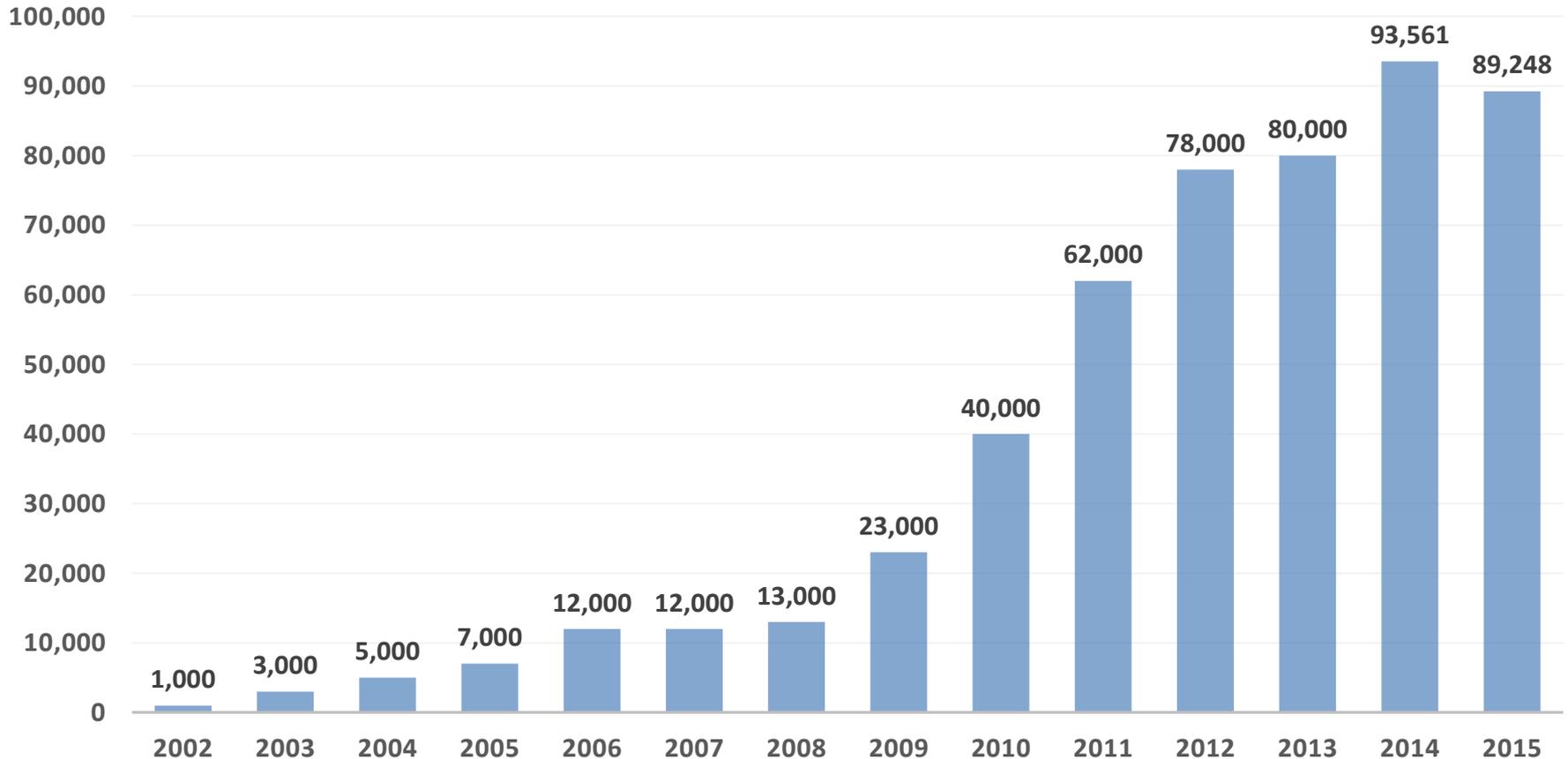
Future work includes testing strategies to promote gains and resolve pains in the marketplace via demonstrations and pilots...

## Home Performance with ENERGY STAR Update



- 41 Productive Sponsors
- Alaska Housing Finance Corporation joined as a HPwES Sponsor in April 2015
- Southern California Gas Company joined as a HPwES Sponsor in October 2015
- PEARL Certification, Empower Gas & Electric, and EnHabit joined as Pilot Aggregators
- New Home Performance with ENERGY STAR Contractor of the Year Award
- HPXML Implementation Guide released April 2015
- Developed Certificate of Energy Improvements and Certificate of Performance Templates

## HPwES Projects since 2002



You Hit 500,000 Projects in 2015!

## Areas of Growth

- Increase in average invoice cost of 17% to \$6,797
- 16 Sponsors saw growth in 2015, with regional strength in the Mid-Atlantic and South
- Growth in total site electric savings is 17.7%
- Vast improvement in contractor field inspection rates
- Streamlined processes and increased consumer outreach
- Increased activity in multifamily
- Identifying sectors in the market that we can focus on to achieve scale

# Areas of Uncertainty

“What are we hearing?”

15% Growth

93,561 projects completed in 2014

89,248 projects completed in 2015

4.6% Decline

Sustainable Program Funding

Incentives or Rebates

Program Changes

Market Saturation



## More Uncertainty....

**Over 70%  
decline since  
June 2014**

U.S. Energy Information  
Administration (EIA)

**Cost of Oil**



**13% decline  
since 2014**

U.S. Energy Information  
Administration (EIA)

**Cost of  
Natural Gas**



**Weather**



**Housing Starts are  
at the highest  
since the great  
recession**

**New  
Construction**



**Others?**



# Investing to Support Home Performance

## Consumer Marketing and Website Enhancements

- New Marketing Materials for Sponsors and Contractors
- HPwES Website Enhancements
- More Clarity on the Awards Process



## Operational Excellence

- Linkage to other DOE Programs
- Leverage DOE Home Upgrade Accelerator
- Assist with Process Improvement Studies
- Provide Links to Technical Support



## Creating and Expanding Markets

- More Support for Sponsors and Contractors
- Facilitate and Encourage Outreach to State HFA's and other Affordable Sector Partners
- Provide Links to Financing and Technical Support



# Marketing & Outreach

- **Website enhancements**
  - New sponsor search tool
  - New graphics
  - Simpler messaging
- **Consumer marketing**
  - Promotional flyers/factsheets
  - Testimonials
  - Glossary of home performance terms
  - Videos/tips
  - Updated program brochure
  - Social Media

**The Comfort You Deserve**

HOME PERFORMANCE WITH ENERGY STAR

**Do you have:**

- ☰ Drafts?
- 🏠 Uncomfortable rooms?
- 💰 High energy bills?
- 🕸 Excessive dust or spiders?

*"I didn't know just how uncomfortable my house was until I improved it under Home Performance with ENERGY STAR!"*  
— DeeDee, Baltimore, MD

**Get more from your home with Home Performance with ENERGY STAR.**

A local expert will look at how the systems in your home can work together to provide:

- Fewer drafts and more comfortable rooms
- Utility bill savings of 20% or more
- A cleaner, healthier environment

Every Home Performance with ENERGY STAR project provides:

- A Home Performance Assessment
- A sequenced installation
- Expert work performed by specially trained contractors
- Third-party quality assurance

**Home Performance Assessment**

- Homeowner Interview
- Energy Bills Review
- Visual Home Inspection
- Combustion Safety Evaluation
- Diagnostic Testing
- Data Collection and Analysis
- Home Energy and Comfort Improvement Recommendations

ENERGY STAR® is the simple choice for energy efficiency. For more than 20 years, people across America have looked to the ENERGY STAR program for guidance on how to save energy, save money, and protect the environment. Home Performance with ENERGY STAR is a systematic approach to improving energy efficiency and comfort in homes, while reducing the greenhouse gas emissions that contribute to climate change. Today, ENERGY STAR is the most widely recognized symbol for energy efficiency in the world, helping families and businesses save \$360 billion on utility bills, while reducing carbon pollution by 2.5 billion metric tons since 1992. Join the millions who are already making a difference at energystar.gov.

Partner Logo & Contact Info Here

Home Performance with ENERGY STAR  
**GET MORE FROM YOUR HOME**

When you take ENERGY STAR's pathway to performance, you'll discover improvement opportunities throughout your home that together can make it more comfortable and affordable to own.

1. Click on "Find local help" on the Home Performance with ENERGY STAR site.
2. Schedule a home energy assessment.
3. Prioritize & schedule home energy improvements with your contractor, such as these:
  - Air sealing
  - Insulation
  - High efficiency heating and cooling systems
  - Efficient lighting, appliances, and water heating equipment
  - Window replacement
  - Renewable energy systems
4. Experience the difference!
  - More Comfort: fewer drafts and a safer, healthier indoor environment
  - More Savings: utility bill savings up to 20% or more
  - More Quality & Value: Work performed by specially trained contractors and backed by third-party quality assurance
  - A cleaner environment

**WHAT IS YOUR HOME TELLING YOU?**

Problems like these mean your home isn't working as it should. A Home Performance with ENERGY STAR participating contractor can turn it around.

- HOT OR COLD SPOTS
- MOISTURE ON WINDOWS
- DRAFTS
- ICE DAMS
- MOLD
- HIGH UTILITY BILLS

Over **half a million** happy homeowners

Over **2,000** home improvement contractors

Projects save an average of **\$500** per year

Supported by over **50** local programs

Saved enough energy to power more than **86,000** homes for a year

[www.energystar.gov/hpwws](http://www.energystar.gov/hpwws)

*"I didn't know just how uncomfortable my house was until I improved it under Home Performance with ENERGY STAR!"*  
— Ms. Woolf, Baltimore, MD

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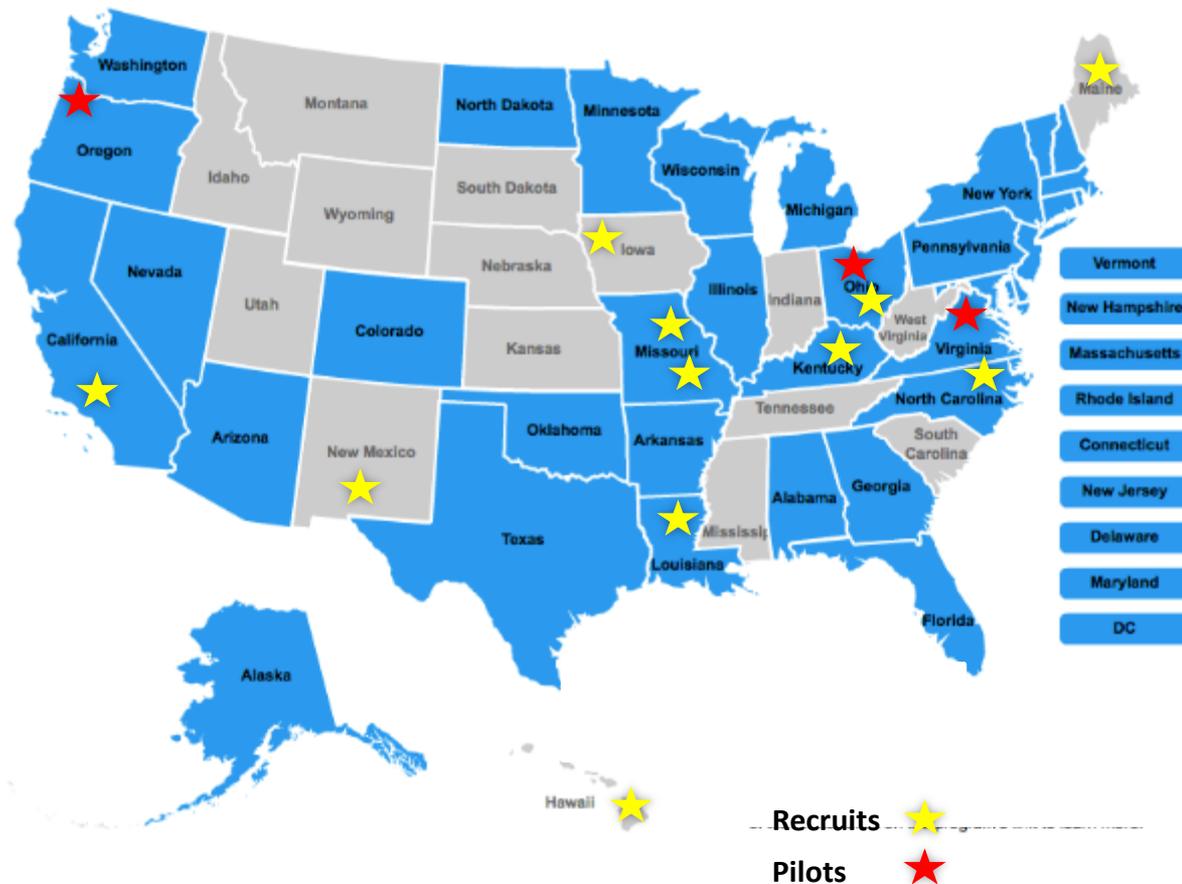
## Operational Excellence

### DOE Plans for Process Improvements

- **Evaluate/Demonstrate Processes**
  - Reduce burden to stakeholders
  - Integrate resources
  - Provide examples from DOE implementation
- **Pursue process efficiency**
  - Identify Sponsor “pains”
  - Retool Sponsor Quality Reviews
    - Focus on key elements
    - Assist Sponsors in achieving “Excellence”
- **Leverage DOE Home Upgrade Accelerator**
  - Assist with process improvement studies
  - Highlight successes for program promotion



# Recruiting New Partners



Targeting Lasting and Productive Sponsors



Encourage and Embrace Broader Program Models

## Improved Flexibility



Pathway to Performance/  
Incremental Measures



HPwES v1.5  
Sponsor Guide



Whole-House  
*and* Broader  
Program Models  
Permitted



Innovation  
Encouraged



Residential  
Portfolio  
Integration  
Encouraged



# Dispelling HPwES Myths



The Assessment

Comprehensive Improvements

Program Sponsor Types

Incentive Structure

Quality Assurance



# What could the future HPwES v2.0 include?

“2016-2018 investments will help shape the future of HPwES”



## Increased Promotion of HPwES Benefits

- It is important to showcase the benefits to the HP Industry and external stakeholders/customers
- Messaging is critical

## Less Restrictive Partnerships

- Innovation in the market place will help evolve the ever changing HP market
- Less restrictive partnerships will help attract new entities to HPwES



## Better Focus on Risk Management

- Focusing on risk management will help ensure quality will be maintained and trust in the market place will increase

## Better Analytics/Data Exchanges

- Improved analytics and data exchange will help reduce the program burdens on Sponsors and contractors
- Will help DOE and rest of market understand relevant trends, measure performance, and strengthen accountability

# 2016 ENERGY STAR Award Winners

ENERGY STAR Partner of the Year  
Sustained Excellence

ENERGY STAR Partner of the Year



# ENERGY STAR Award Winners

## Home Performance with ENERGY STAR Contractor of the Year



## Time for the Audience!

“We want to hear from you”



# Icebreaker Time!

## Time for the Audience!

Share your feedback at the microphone or write down your Success, Challenge or Other Topic on the corresponding sticky notes provided on the tables then place it on the easels and your feedback will be captured!

- **Successes = Pink**
- **Challenges = Orange**
- **Other Topics = Yellow**

## After the Break....

### Capitalizing on HPwES in a Changing Market (Panel Discussion)

- **Let's Do It! How to integrate more of your residential program portfolio under HPwES** – *Carlos Ruiz, Residential Energy Program Supervisor, SoCal Gas*
- **HPwES Delivery in the Private Market** – *James Otterbacher, Existing Home Division Manager, Energy Services Group, NJ*
- **Cha-Ching! Innovations in Leveraging Financing with HPwES** – *Andrew Isaacs, Senior Finance Specialist and HPwES Account Manager, CSRA*
- **Mission and Money! Connecting HPwES and Low & Moderate Income Programs** – *Greg Zagorski, Legislative and Policy Associate, National Council of State Housing Agencies*
- **Connected Devices and the Internet of Things** - *James Jackson, Business Development Manager, Emerson Climate Technologies*



*10 Minutes*