

# ENERGY STAR Homes: Observations from the Field

Oncor Electric Delivery & Rocky Mountain Power

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# 2007: What a year it turned out to be!

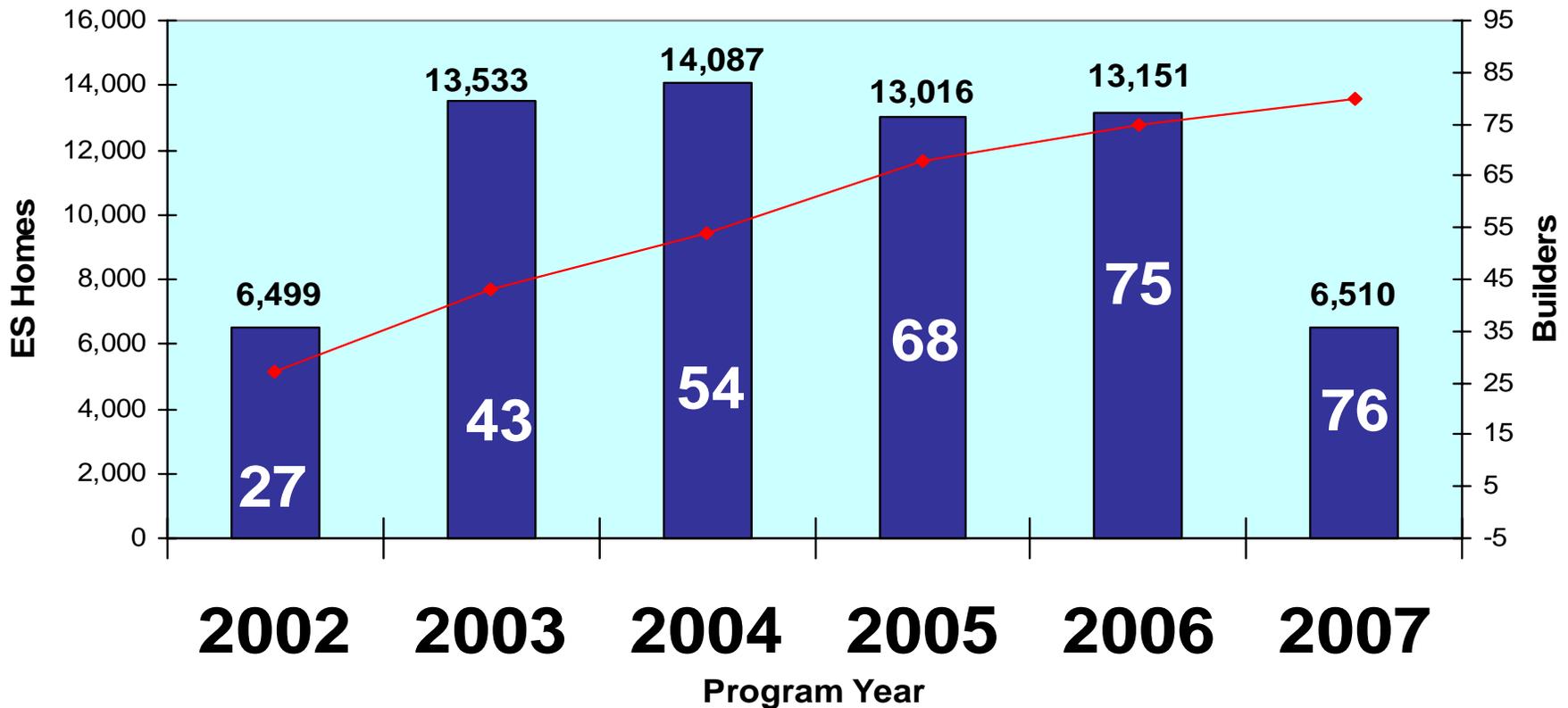


# Texas: Oncor Electric Delivery

- Largest service territory in Texas (7.5 million people)
  - DFW
  - North Austin/Williamson County
  - Temple/Killeen
  - Midland/Odessa
  - Waco
  - Tyler
  - Wichita Falls
  - Sherman/Denison
- Economy
  - Overall, well diversified & growing
  - Very resistant to national economic downturn  
(<http://dallasfed.org/research/swe/2008/swe0801b.cfm>)
- Political
  - HB 3693 increased IOU, Municipal & Co-Op DSM requirements (KW & KWh metrics)
  - Governor Perry passionate about wind generation

# Program Data: 2002-2007

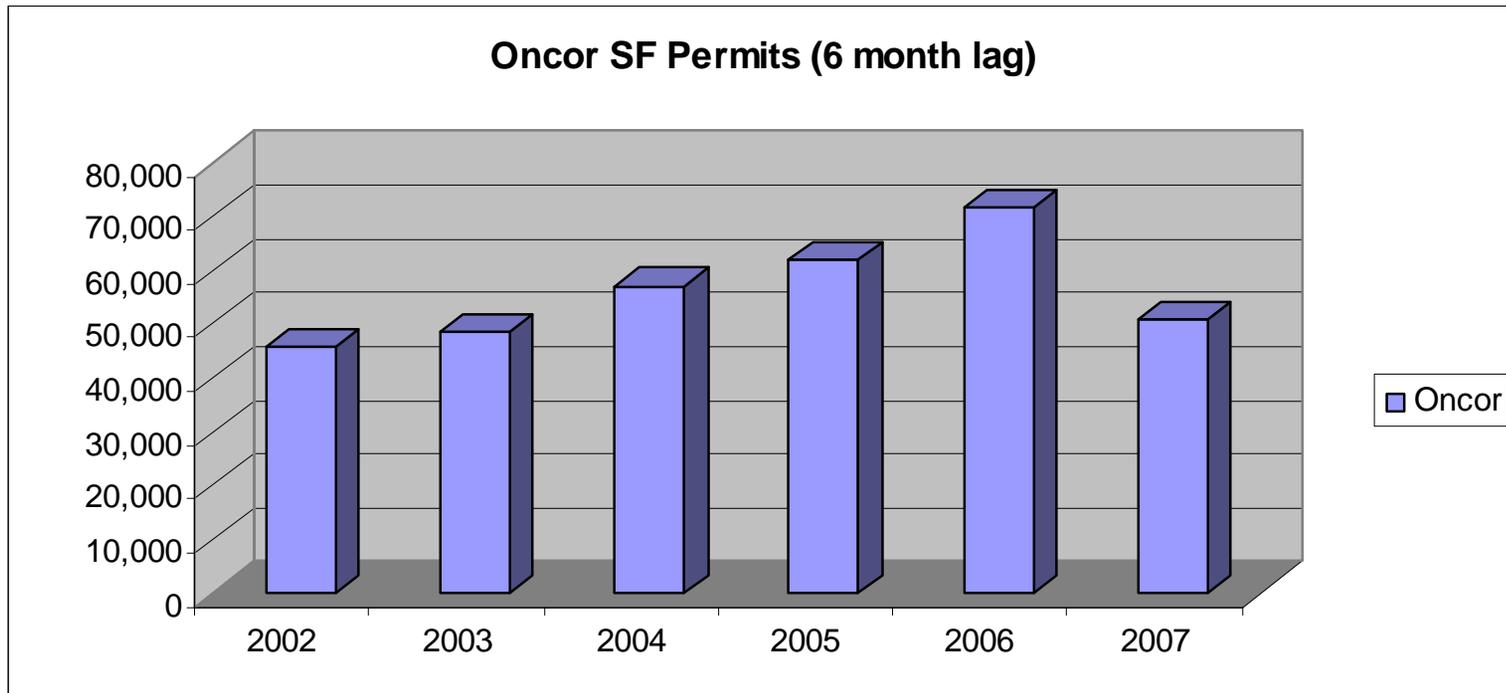
Homebuilder Participation and ENERGY STAR Homes Submitted  
in North, Central, East & West Texas



# So what happened in 2007?

## Some “acceptable” reasons

- Housing downturn
  - Territorial permits down 29% from 7/2005-6/2006 through 7/2006-6/2007



# So what happened in 2007?

## Some “acceptable” reasons

- Expanded ENERGY STAR requirements
  - 22 Builders that had participated in 2006 program dropped out of 2007 program
    - Pulte (DFW)
    - DR Horton (DFW & CTX)
    - History Maker Homes (DFW)
    - Grand Homes (DFW)
    - Centex (Austin/CTX)
    - Lennar Family (DFW/CTX)

# So what happened in 2007?

## Some “unacceptable” reasons

- Miscommunication between builders & raters (data integrity)
  - Assumptions were made on both sides
  - Parkinson’s Law
  - Raters stretched thin; depended too heavily on HVAC companies
  - 1,800 homes “stuck” in database
  - Only 500 homes rollover into 2008 program
  - Translated ~ \$300K loss for builders & \$15k loss for raters
  
- Misaligned goals
  - Oncor, Homebuilder, ICF → All same goal
  - Rater paid regardless of builder receiving incentive
  - Oncor data requirements

# 2008: Improvements (more cowbell!)

- **Recruitment**

- Major email/fax campaign (~3,000 targeted emails, ~500 targeted faxes)
- Leverage “green” momentum
- Leverage energy \$\$ tradeoff (i.e. auto vs. home)
- 245 builders applied for 2008

- **Data Collection/Submission**

- ICF first “filter”
- “Waterfall” approach to rater information
- “Force” rater to better participate in QA/QC & realign rater goals

- **Award process**

- Lessened the “science” and increased the “art” → More field experience
- Currently 179 builders participating
- Kicked out 2 raters; Enhanced requirements (Oncor approved); 30 participating raters.
- Player vs. Poser: Thin out builders after March 31<sup>st</sup> milestone (previous milestone May 31<sup>st</sup>)

- **ALP**

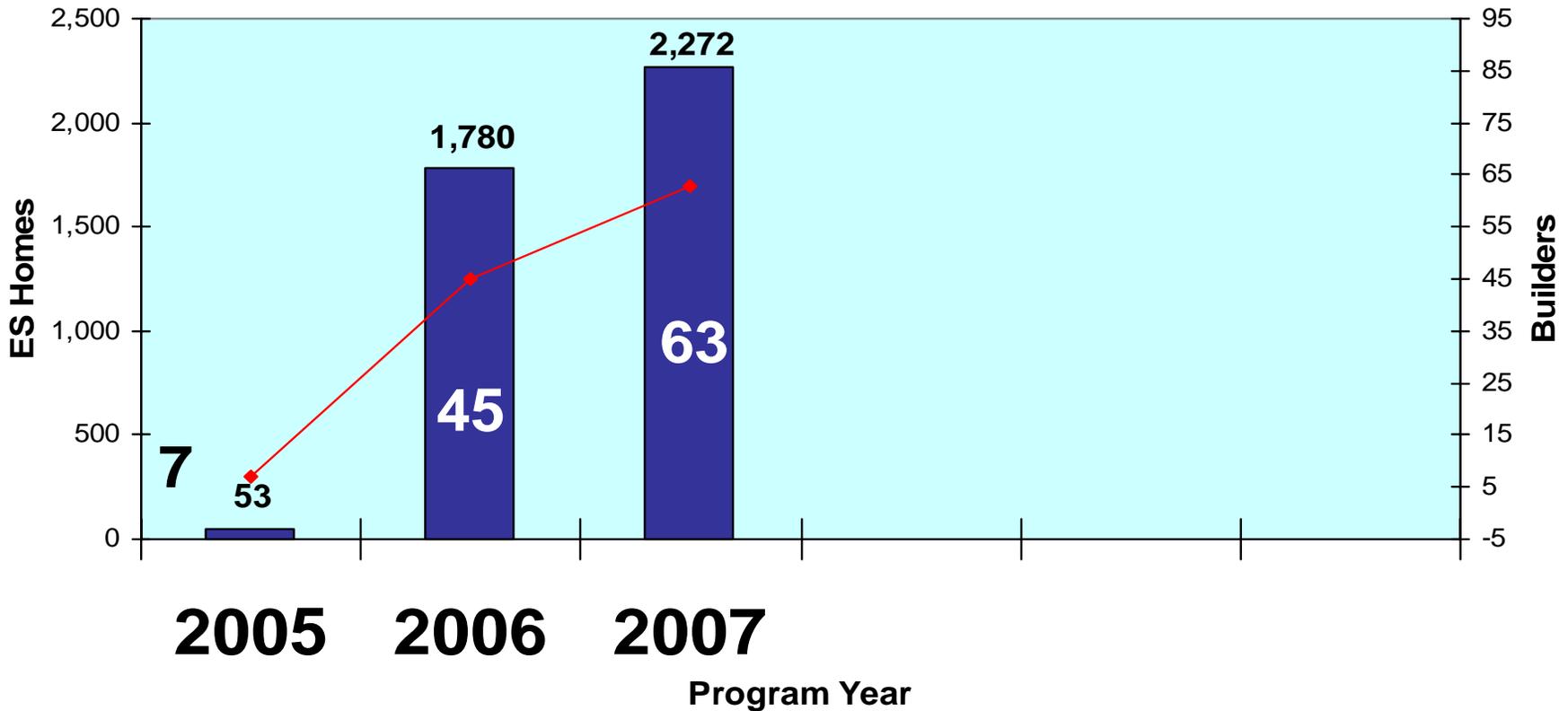
- 1100 requests: 640 awarded
- Received recognition at 2008 ENERGY STAR Lighting Partner Meeting in Phoenix

# Utah: Rocky Mountain Power

- Largest IOU/service territory in Utah (1.8 million people)
  - Salt Lake City
  - Provo/Orem
  - Ogden/Layton
- Economy
  - Overall, well diversified & growing
  - Fairly immune to national economic downturn
- Political
  - Governor Huntsman very supportive of EE efforts

# Program Data: 2005-2007

Homebuilder Participation and ENERGY STAR Homes Submitted  
in the Wasatch Front



# 2007: Growing Pains

- QA/QC
  - 2006 process was strictly visual
  - 2007, based on Texas experience, enhanced process with BD/DB field testing
  - Fully tested 20+ homes
  - TBC additionally performed
  - Quickly identified problems
- Corrective Action
  - Suspended Rater until problems addressed
  - Met with rater, discussed issues, solutions
  - Rater embraced new processes, back on track.
- 2008 program
  - Continue full testing. Tomorrow @ 8:00, Daybreak Community
  - Explore enhanced duct requirements (Total Leakage requirement)

# So what does all of this mean: Designing Program Incentives

- **MUST promote goals/motivational alignment!**
  - Strengthen weakest link (raters)
  - Tie QAQC process to incentive/program participation (both builder/rater)
  - All marketing must be perceived as “value” to work as incentive
  - “You get what you measure”
  
- **Layer/Tier levels → Reward higher performing builders**
  - One level (new programs)
  - Fixed levels (growing programs)
  - Sliding scale (mature programs)
  
- **Add ALP incentives**
  - Seamless add on

# So what does all of this mean: Recruiting Builders in Soft Market

- MUST be continual & creative process (not static)!
  - Utilities increased goals vs., Shrinking KW/KWh (improving codes)
  - Utilities increased goals vs. Free rider ship (local green building mandates)
  - Continual data mining (overlooked builders)
  
- Leverage “Green” marketing/events
  - Other ENERGY STAR events/messaging
  - Synergistic Events (i.e. Power Forward)
  - *Horton Hears a Who*
  
- Leverage Corporate messaging
  - KB Home (12/19/2007 press release)
  
- Become active w/ local HBA’s
  - Speaking/sponsorship opportunities
  - Become EE expert/resource for group

# Questions?

