

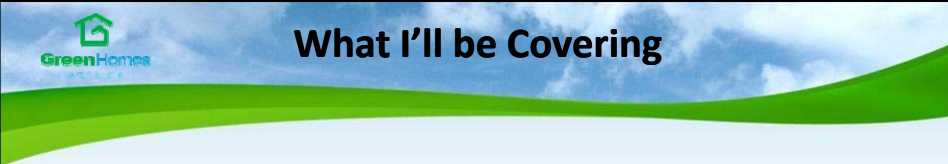


Market Transformation
Feedback from the Field



Brett Knox
President, GreenHomes America

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What I'll be Covering

1. What's a business model that works in home performance?
2. What is stopping contractors from scaling up?
3. How do we get homeowners educated?
4. What types of incentives work?
5. How do we increase the number of energy upgrades?

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 **About GreenHomes America**

- Founded in 2005 and a division of ABM/The Linc Group
- Single-source, home performance contractor
- Company-owned and franchise locations throughout California, Maine, New Jersey, New York, Utah & Virginia
- All locations started as HVAC contractors
- Continue nationwide expansion



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 **Our Business Model**

Why is HVAC at the core of our strategy?

Then we deliver comprehensive solutions

- Energy Assessments
- Reduce Air Infiltration
- Attic & Wall Insulation
- Indoor Air Quality
- HVAC replacement
- Duct Sealing
- Replacement Windows
- Solar PV & Thermal




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 **But Brett, the Market has changed...**


- Home Star is unlikely
- Washington is embattled
- Energy legislation is a long shot
- The economy is still struggling
- Consumers are reluctant to spend

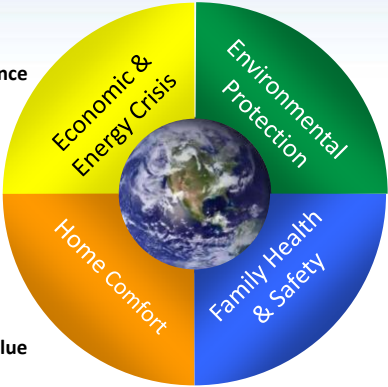
Are You Worried? NO WAY!

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 **70M Homeowners still have Problems!**

- Skyrocketing energy prices
- High utility bills
- Cries for energy independence






- Concerns about global warming
- Concerns with power plant emissions
- Being "Green" is in vogue

- Hot/cold rooms
- Drafts everywhere
- Outside noises
- Increased home value

- Poor indoor air quality
- Carbon monoxide poisoning
- Natural gas leaks


They just don't know who to call or that solutions exist!


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 **Market Education is Needed**

- People trust their utilities and local government regarding energy solutions – help educate the market!
- CBO's and non-profits – their enthusiasm is contagious and people trust them as well
- To help you out, why do people call us today?
 - ▶ It's typically not for home performance solutions
 - ▶ It's to solve a problem – replace a furnace, new windows, mold issues, hot/cold rooms and high utility bills
- For example...

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 **Look what we find when we're called to replace a furnace**



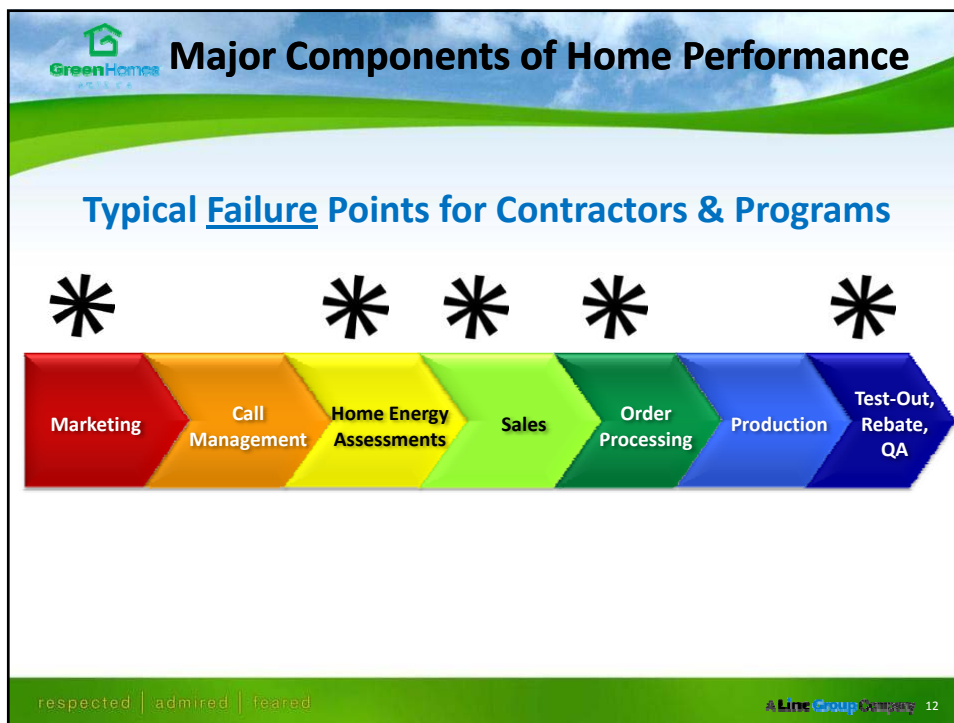
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 **A Plumbing Chase is the Culprit**



 **Leaky Ducts were a Problem Too**





 **Marketing - starts with the end in mind**

What is the Program's Objective?

1. Complete Home Energy Assessments?
2. Complete Home Energy Upgrades?

Hint: Energy Assessments waste energy not save it

Marketing

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 **Marketing – Incentives Drive Outcome**


Match Incentives to your Objective

- Tiered Incentives tied to Energy Savings
 - ▶ CA: 15% = \$1,500 to 40%+ = \$4,000
 - ▶ NJ: 10% = \$1,000 to 25%+ = \$4,000
 - ▶ NY: 10% of total job cost up to \$3,000
- Creative ways to get contractors in the home
 - ▶ National Grid EHSIP - \$50 for audit and 2 hours of air sealing




Marketing **We don't need huge incentives – they simply build awareness and jumpstart the market**

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 **Marketing – Building Value**


FREE Energy Assessments Don't Drive Upgrades

- Homeowners don't have "skin in the game" so they are not as engaged in the process
 - Unless tied to completing Energy Upgrades
- We want homeowners who have problems to solve not folks just looking for something free



Marketing

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 **Marketing - Market Accelerator**

Marketing Co-op

- Match a portion of the funds that contractors spend directly marketing the program
- Helps contractors afford to reach customers in their area
- Programs often unknowingly market to areas without contractors
- Very successful in NY, NJ and CA is about to launch

Marketing

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GreenHomes **Energy Assessments – Requiring 3rd Parties**

- Builds relationships, trust and credibility
- Homeowners buy from people they TRUST
- Best opportunity to obtain referrals

Home Energy Assessment (Test-in) Job Approval Process Sell the Energy Upgrades Install Energy Upgrades Perform Test-out

- Programs need to support all business models
- This model is tough to scale – too many hands in the pie, increases costs, and causes sales delays
- Auditors typically aren't salespeople and don't do worksopes

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GreenHomes **Sales - To Sell, You Need Financing**

- Many customers can't or won't pay cash for big jobs
- Must be a simple, quick, and hassle free process
- Rates below 5% and durations of 10+ years:
 - Attract attention and build credibility
 - Can allow homeowner to break-even after upgrades
- Multiple options are required
 - Unsecured* – fastest way to finance – on-bill is the BEST!
 - Secured* – for hard-to-qualify homeowners but its SLOW
 - Same as Cash* – for the financially savvy

Marketing Call Management Home Energy Assessments Sales

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GreenHomes *Processing – Job Approval Process*

Stops sales in their tracks




- Days and weeks for approval kill sales
- Streamline and simplify the process
- Provide approval in 48 hours or less
- Supply examples & scenario-based training
- Create a fast track program for qualified contractors




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GreenHomes *Quality Assurance – Vital for long-term success*

- Use Consistent standards
 - ▶ BPI Certification/Accreditation
 - ▶ DOE's Workforce Guideline
- Use 3rd party QA for job verification
- Make sure you “partner” with contractors
- Remove contractors that won't adhere to standards

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We can Transform the Market!

- Build awareness and **educate** the market
- Allocate funds to **marketing** co-op, if available
- Implement **Incentives** that drive upgrades
- **Streamline** the admin process for contractors
- Provide easy **Financing** options
- Ensure **Quality** is always job #1



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Leverage Efficiency First Chapters


- Home Performance trade association
- 24 State & Local chapters
- Engage them early
- Steering committees & stakeholder groups
- Recommendations for program development
- Help bridge gap to single measure contractors



www.energycfirst.org/chapters

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Thanks!

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