

Business Opportunity in Existing Homes

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Home Performance Consulting/Contracting

An Opportunity for Raters



- Chandler will review why Home Performance is a good opportunity for Raters to impact the existing homes market and how HPwES is encouraging change.
- Lee will discuss how his company has “morphed” from doing ratings to delivering home performance contracting
- Keith will review the consultant approach and how raters are contributing to a successful HPwES program

Why HP Consulting/Contracting?



Homeowners are looking for home performance solutions for a variety of reasons:

- ✓ seek to reduce high utility bills
- ✓ want to increased comfort
- ✓ take advantage of Federal tax credits,

Now is a good time to add other services to the one(s) you provide.

Expand your business and bottom-line at the same time by becoming a comprehensive home performance contractor/consultant.

The Customer Advantage with Home Performance Contracting



"Getting the customers' attention and trust requires that the in-home salesperson perform a more show-and-tell process and take more time to make a sale."

- Larry Taylor, Air-Rite Air Conditioning

Barriers to Existing Homes Market



- It's homeowners – real people inside living in homes with multiple issues – health, comfort, durability and last but not least High Energy Costs
- Lack of solid HVAC diagnostics... you might know how to do a load calc – but was system installed correctly?
- Fear of leaving comfort of builder's nest... surely they won't abandon you
- I'm not a sales person

Market Opportunities for Raters



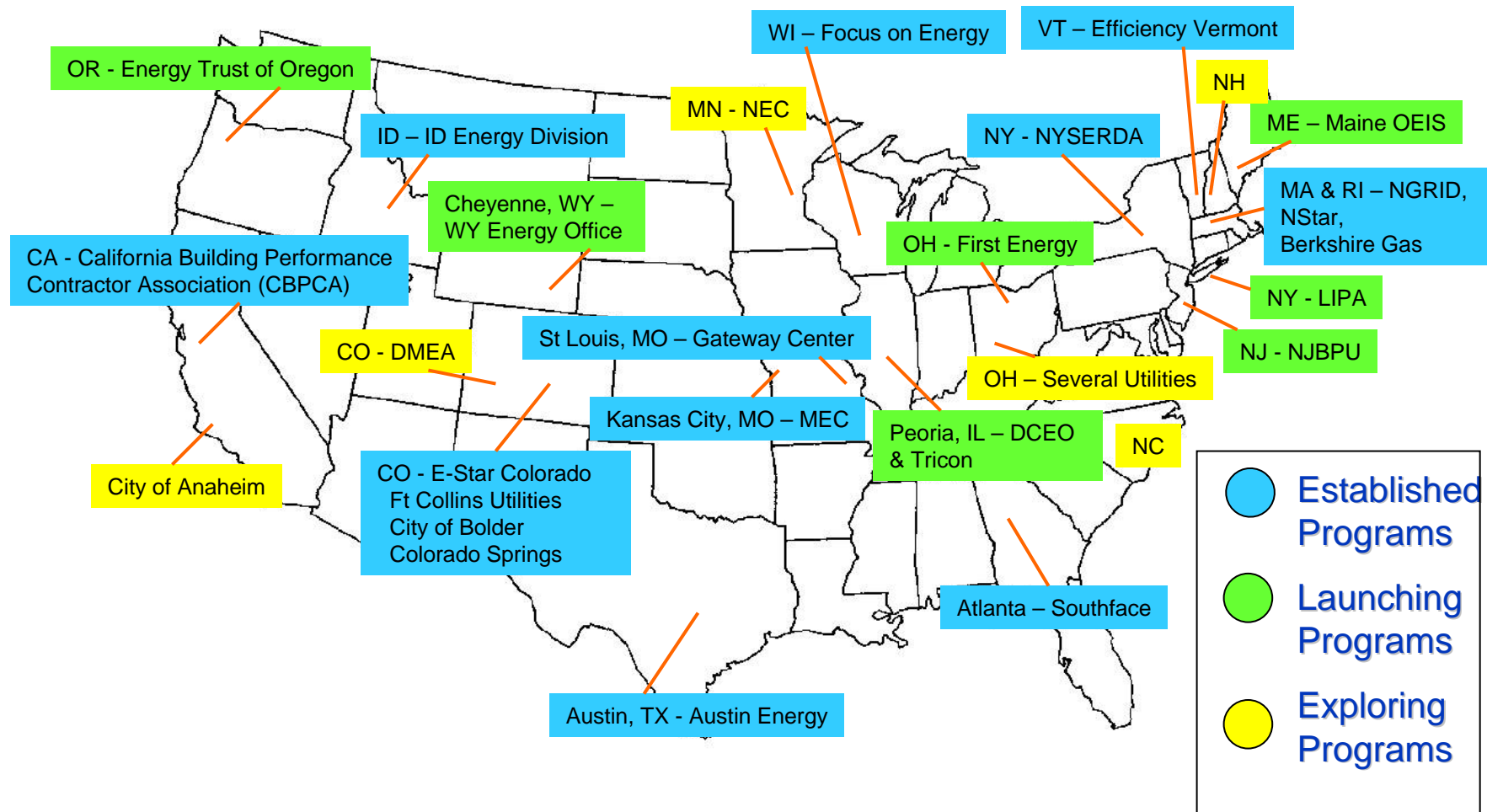
- More existing homes than new construction – that well won't run dry
- Homeowners need your expertise – can't find it in standard trades
- You've got the tools, you understand building science – entry costs low
- Can participate as Consultant, Quality Assurance Provider or as a Contractor

Federal Tax Credits – You Need to Know



- Homeowner Tax Credit – Up to \$500
 - ✓ 10% of cost up to \$200 for Window Replacement
 - ✓ 10% of cost up to \$500 for Insulation
 - ✓ \$300 for High Efficient Central A/C and Heat Pumps
 - ✓ \$150 for High Efficient Heating Equipment
 - ✓ \$300 for Heat Pump Water Heater
- Solar Energy Systems
 - ✓ Solar Water Heating – 30% of cost up to \$2,000
 - ✓ Photovoltaic Systems – 30% of cost up to \$2,000
- Fuel Cells – 30% of cost up to \$1,000 per kW (.5 kW min)

Home Performance with ENERGY STAR Activity



Home Performance with ENERGY STAR



- Goes beyond products
- Not an energy audit program
- Seeks to improve home heating & cooling
 - ✓ Heating and cooling equipment
 - ✓ Duct sealing
 - ✓ Insulation
 - ✓ Air Sealing
 - ✓ Lighting & Appliances
- Wraps it all up in a whole-house approach

Note: No new label for existing homes.

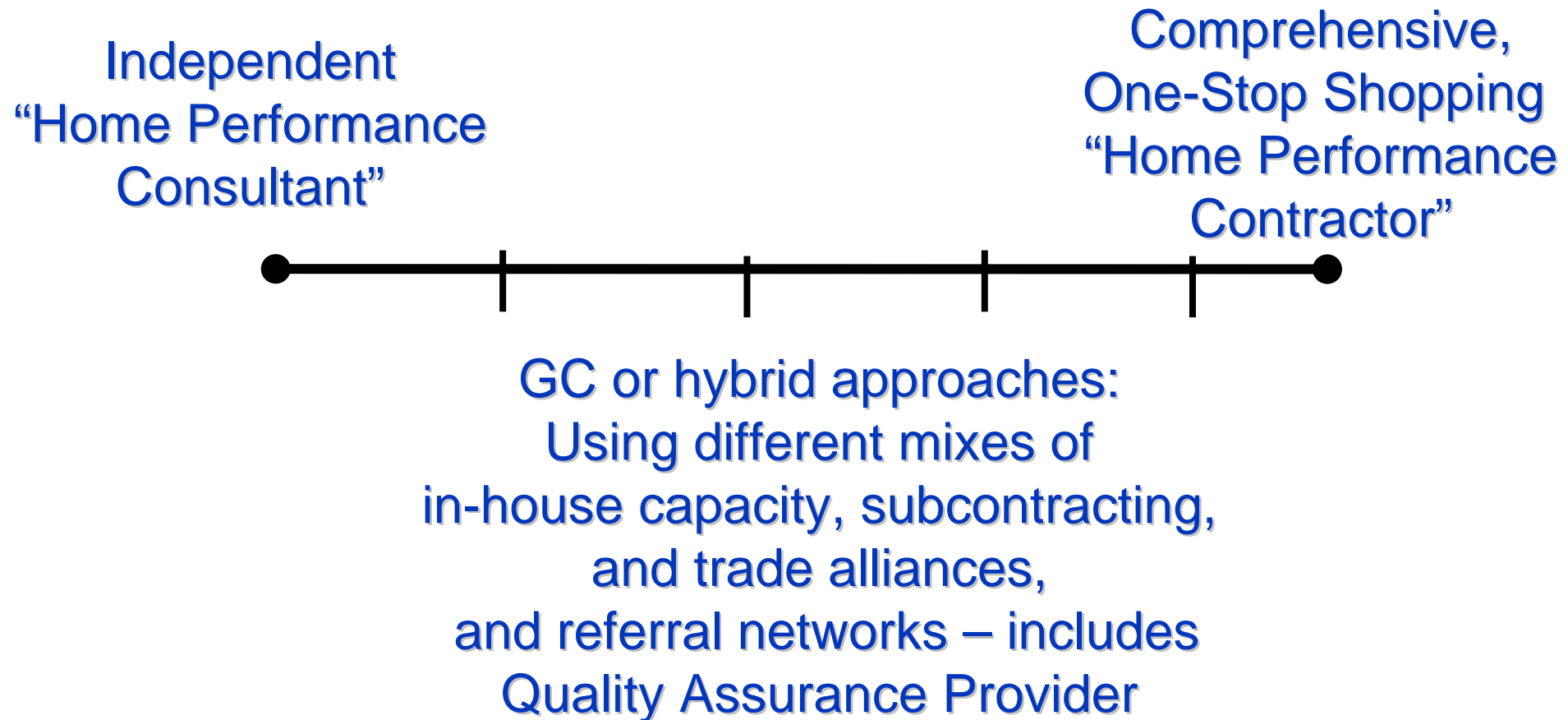


Home Performance with ENERGY STAR Summary



- Bona fide whole-house approach
- Building-science based
 - ✓ Home energy inspection and evaluation with diagnostic testing
 - ✓ **Emphasis on delivering improvements** and “best practice” installation
 - ✓ **Delivers health, comfort, safety, and energy saving**
- Quality Assurance
- Currently requires third-party Partner/Sponsor

Variety of Successful Business Models



The Consultant Model



- Consultant is part of a Team that Delivers Home Performance to Homeowners – Yet Key Communicator in process
- Leads from trade contractors (HVAC, Insulation, Remodeling and Window Contractors)
 - ✓ Assessment costs included in contractors bids to homeowners includes pre and post testing
 - ✓ No consumer marketing needed or consumer contact – Improves professionalism of trade contractors
- Leads directly from homeowners / word-of-mouth
 - ✓ Delivers full scope of work descriptions for all recommended improvements and a list of qualified contractors
- Potential disconnect between audit and getting measures installed and still need qualified contractors to do the work
- No involvement in installation work – lost revenues
- Low overhead – still your own boss

The Contractor Model



- Total Solution for Homeowners
 - ✓ Post-Audit Homeowner Question: "Can you do the work?"
- Provides Evaluation and Improvements
 - ✓ Assessment often used as a marketing tool to establish trust with the homeowner
 - ✓ Testing out is part of the standard job
 - ✓ Greater control of final product
 - ✓ Greater Profit / Margins from larger jobs and comprehensive work scope
 - ✓ Need good business and management skills to succeed
 - ✓ Need to sub-contract for services or provide comprehensive services in-house

Building Blocks To National Home Performance



EPA, DOE and HUD funding grant to help develop national certification and accreditation infrastructure

Building Performance Institute (BPI)

- Established Standards
- Certifications for Contractor Staff
 - Building Analyst, Shell Specialist, and HVAC Specialist
- Accreditation Procedures for Building Performance Companies
 - Commitment to Whole House Approach
- Expanding to Deliver Nationally
 - Growing Network of BPI Affiliates
 - Partnership with RESNET to Create National Quality Assurance

Become a HP Consultant



- Crawl – you are already a home energy consultant, take that new home Building Science to existing homes. Builders hate call backs and warranties – provide diagnostics and guidance as entry
- Walk – align yourself with performance minded HVAC company, they lack diagnostic tools and need help
- Run – integrate services with remodelers who are “green bent”

Become a HP Quality Assurance Provider



- Crawl – go beyond diagnostics and understand installation best practices – Safety Rules! Mentor installation jobs across the trades.
- Walk – Where programs are available, seek QA certification. Become a program champion – sell installation contractors on value of QA and reduced risks and call backs – be their “go to guy”
- Run – Align with BPI accreditation programs as broad QA provider for multiple HP contractors

Become a HP Contractor



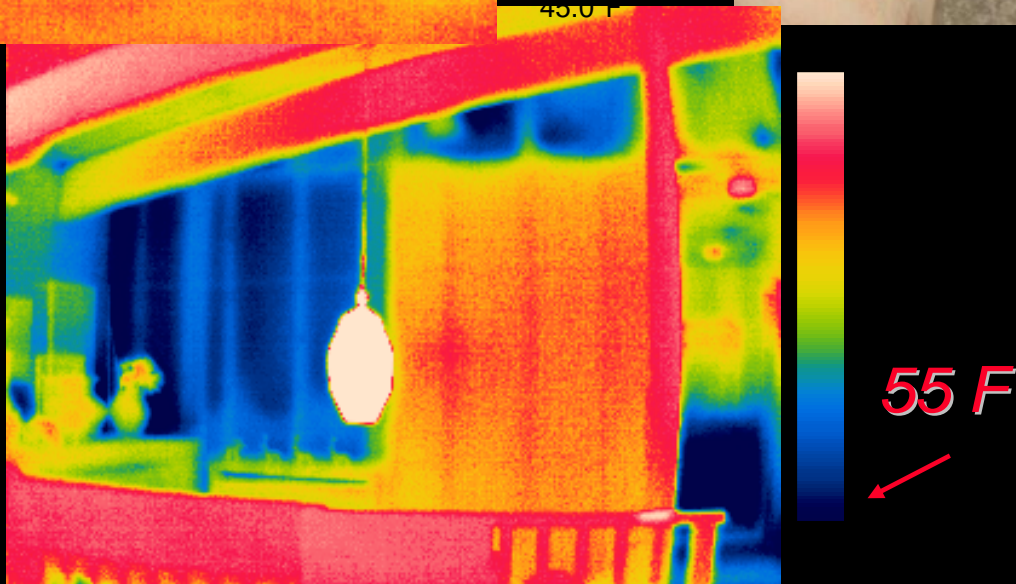
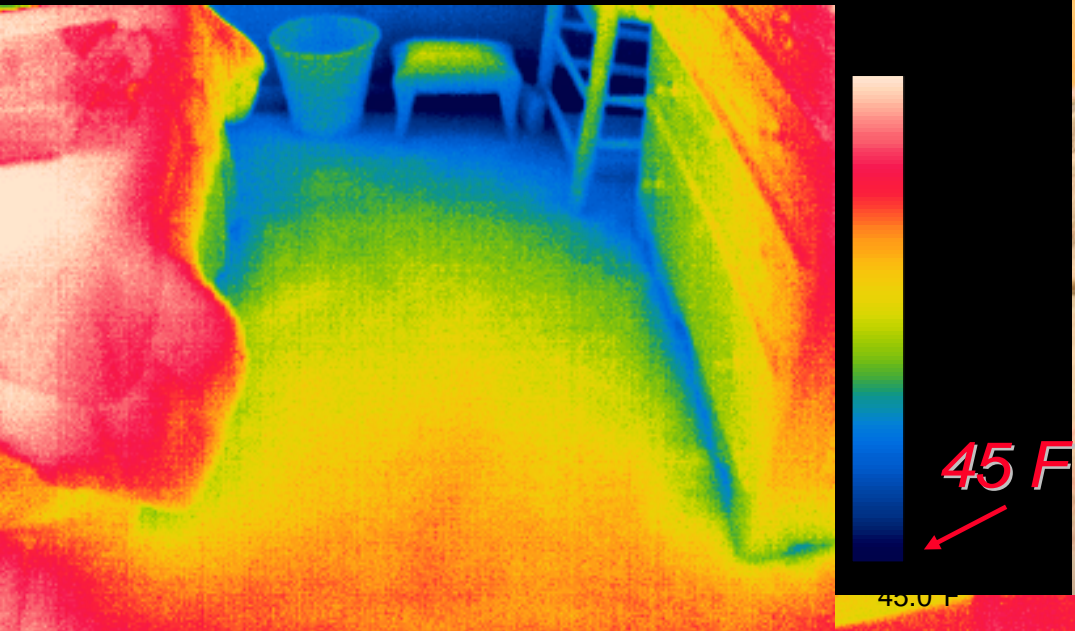
- Crawl - answer the call "Who can do this work you're suggesting?" Begin with big payback, big comfort gains of Air and Duct Sealing.
- Walk – broaden service to include insulation and windows. Sub contract work – learn pricing and selling strategies
- Run – bring in HVAC delivery. Complexity level is high – sub contract may be best option. Learn HVAC diagnostics of sizing, charge & airflow

Example: Homeowner has no success with trade contractors



- Owner had several contractors out to look at the house.
- Didn't feel like any of them had figured out what's going on – they only looked at their specialized part of the problem.
- Didn't want to spend a lot of money and be disappointed.

Home Assessment



Home Assessment



Duct flows, pressures,
leakage



Fixed Knee-wall in Attic Seal Leaks and Insulate



Dense-pack Insulation

Add Insulation to Walls & Cantilevered Floor



Located and Removed Duct Blockage



Restore flow
to the north
half



Re-Designed HVAC distribution



Solution:
Two new
returns



Found Poor Water Heater Draft



Fixed Make-up air and added a CO Monitor



Low Level
CO monitor

Referrals Made Easy



"I killed three birds with one stone – our comfort level dramatically increased, our utility bills dramatically decreased, and our health problems were solved... Even if I didn't save money on my utility bills, I still would have been happy just solving the health problems."

- Matt Nutting, homeowner in Fresno, CA (family suffering from asthma, comfort problems, and high bills)

Take Action: Explore the Opportunity



- Investigate Your Market
 - ✓ Customer Surveys
 - ✓ Housing Types and Hot-button Issues
- Try a Job
 - ✓ Partner with an HVAC Contractor
 - ✓ Perform work on your own home, neighbors, or friends
- Inventory your Skills, Determine your Risk Level
 - ✓ Hone existing homes skills, get HVAC training
 - ✓ Network new services through

Take Action: Attend Sessions at this Conference to Learn More



- Insulation Performance & IR
- The House as a System
- Measuring Heating & Cooling Systems
- Moisture: how to Prevent Problems & Create Solutions
- Successful Home Performance Businesses
- Introduction to Home Performance with ENERGY STAR