



April 12, 2010

On March 25, 2010, RFP #10-106, *Request for Proposal for Energy Audit Services* was issued by CSG, Lead Vendor, to qualified home performance contractors that provide home energy assessment (HEA) services with BPI and RESNET credentials. The services provided as a result of the RFP will support the contracts between CSG and its utility clients NSTAR and National Grid for the 2010 calendar year.

Efficiency First would like to commend National Grid, NStar, and CSG for their leadership in this program. In recent days, we have been speaking with CSG, also an Efficiency First member, directly regarding the need to foster private companies' growth and free market principals and thank them for their support.

Efficiency First and CSG strongly believe in creating a level playing field in the market; where consumer incentives are utilized by all contractors/auditors wishing to participate in the program. Additionally, we believe the high standards set by CSG regarding contractor participation are essential to the program's success.

While in agreement on many issues with CSG, many of our local contractors have expressed concerns in two specific areas relating to RFP's issued by Conservation Service Group (CSG). The concerns specifically relate to the intake process for HEA services and to incentives related to pricing.

Efficiency First is a nonprofit national trade association representing Home Performance Contractors in all 50 states, including dozens of business owners in Massachusetts. Efficiency First believes the market needs to be open to competition for qualified businesses which have nationally recognized credentials.

The specific concerns are:

**Intake Process:** As it is written, CSG will provide all intake and scheduling services for Independent HEA contractors. Qualified Vendors need to be able to provide scheduling and intake services for the eligible utility customers they bring into the program.

The Independent HEA providers can best contribute to the program's success and be positively integrated into the existing network of vendors if they maintain a higher level of autonomy in providing intake and scheduling services for the eligible Mass Save customers they bring to the program. With the ability to schedule their own HEA site visits, Vendors will market the program effectively and will develop relationships with utility customers that will lead to greater closing rates for installed energy efficiency measures.

Pricing: An independent contractor should receive the same incentives and compensation for their assessment services as the Lead Vendors to allow fair market competition.

The Independent HEA providers believe the appropriate way forward is for CSG to qualify independent HEAs to participate in the program based on their technical capabilities, professional credentials, financial stability, and whatever other criteria might reasonably apply. CSG should define a fair price for the HEA services based on the compensation negotiated with the PAs and offer qualified HEAs the opportunity to participate in the program at that price.


The current approach also asks independent HEAs to assume undue commercial risk: CSG retains complete discretion to distribute audits amongst providers using unspecified criteria, putting at risk HEA providers who also offer installation services, and giving the HEAs no basis on which to estimate likely utilization of their personnel.

As the goals for the improved Massachusetts Mass Save RCS program are to go "deeper and broader", delivering unprecedented energy savings to Massachusetts residents, it is recommended to support, where practical, the Independent HEA Providers requested relationship between contracted Vendors and program eligible utility customers.

The home performance industry has the potential to thrive in Massachusetts serving the 2010-2012 Utility RCS programs. It is recommended that contracted HEA Vendors be given the option of providing the following services to eligible utility customers:

- Market specific HEA services to the customer.
- Provide HEA intake services to the customer.
- Offer HEA services at the same compensation rate as Lead Vendors.
- Determine what scope of HEA is needed for optimizing customer implementation rates of recommended measures.
- Schedule the customer's HEA site visit.
- Installation of retrofit and weatherization measures seamlessly with HEA services if qualified.

Thank you for your interest in supporting the development of market based energy efficiency services in Massachusetts.



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Efficiency First is a national nonprofit trade association that unites the Home Performance workforce, building product manufacturers and related businesses and organizations in the escalating fight against global warming and rising energy costs. Efficiency First represents its members in public policy discussions at the state and national levels, to promote the benefits of efficiency retrofitting and to help our industry grow to meet unprecedented demand for quality residential energy improvements.