



Memorandum: PUC Comments on Certification

March 29, 2010

One of the roles of the U.S. Department of Energy (DOE), the Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD) is to set and uphold national standards and certifications. These standards can be set both through agency rule-making and through legislation. Two bills that are currently pending in Congress – the Home Star Energy Retrofit Act of 2010 and the Retrofit for Energy and Environmental Performance (REEP) Program Act – contain language that would establish specific industry standards with regard to energy efficiency retrofits. These proposed national programs, as well as the existing Home Performance with ENERGY STAR program jointly managed by the DOE and the EPA, reference widely accepted standards developed by the Building Performance Institute (BPI), a nonprofit entity. BPI certifications and standards continue to be extended with the upcoming release of the new Home Energy Audit standard as well as Air Leakage Control Certifications and Dense Pack Insulation Certifications for installers and crew chiefs.

The proposed ruling by the Pennsylvania Utility Commission (PUC) disavows these national standards in favor of less rigid state standards. Over the past three years, Pennsylvania has established itself as a national role model in the Home Performance industry, and BPI certification has been the focus of the PA Home Energy program and the Keystone HELP program for the past three years. By creating weaker new state standards, the PUC threatens to reverse the gains made in building Pennsylvania's private-sector Home Performance workforce. If Pennsylvania home and business owners wish to participate in national energy retrofit programs, they must meet the national BPI standards that have been recognized by the DOE.

IMPACT ON UTILITIES: Forcing utility programs to use a certification that is different from the national certifications used by PA Home Energy and Keystone HELP for the past three years places an unnecessary burden to the programs that threatens their success. It has become clear that utility support for the imposition of the weatherization certification on their Act 129 programs was based on the mistaken belief that the certification requirement would only apply to low-income programs. Instead, all contractors for their programs would have to undergo retraining through a limited number of training facilities.

IMPACT ON CONTRACTORS: The worker retraining required under the new program must be done at considerable cost to participating contractors. Furthermore, worker productivity will be reduced during training time. These added burdens placed on Pennsylvania contracting businesses will significantly reduce job creation in the state. Private-sector contractors view the rule change as an attempt to give

economic advantage to low-income weatherization programs, some of which compete with private contractors by offering services to higher-income customers. This may not be the intent of the proposed rule, but it will have this effect and is thus subject to this interpretation.

IMPACT ON HOMEOWNERS: Under the proposed ruling, Pennsylvania homeowners will not be able to benefit from the federal incentives stipulated the proposed HOME STAR program.

IMPACT ON TRAINING CENTERS: The success rate for graduates from Pennsylvania's six existing training centers is not adequate. The training center at Williamsport, for example, has stated that 79% of graduates tested who have BPI certification are failing the WTC test-out. Because BPI and WTC certifications are not equivalent, this comparison is not meaningful. The backlog in training simply cannot be solved by adding another facility – the private sector must be allowed to establish local training programs in response to need and demand while maintaining national third-party credentialing, such as BPI. A number of public and private organizations in Pennsylvania have already adopted BPI training, and the proposed ruling would put the considerable investments these organizations have made in preparing for a national certification at risk.

None of this precludes low-income weatherization from having its own certification, but as these state based certifications focused on low-income weatherization move into the larger more national private sector they will be a problem. A better approach would be to coordinate with national certifications in Pennsylvania and bring the weatherization program up to national standards that will allow worker mobility, not just within the low-income program or within Pennsylvania, but nationally. It is highly unlikely that the Department of Energy will adopt the Pennsylvania weatherization standards above every other state-based standard in the country. It is possible for Pennsylvania to adopt national standards.

ABOUT EFFICIENCY FIRST

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. The association represents more than 50 businesses in Pennsylvania that employ more than 400 workers. Nationally, Efficiency First represents nearly 800 contractors and more 20,000 Home Performance workers.