
**Energy Upgrade
California:
Home Performance
Industry Survey –
Initial Results
August 2011**

Efficiency First
California

Survey Conducted by Efficiency
First California



Pool of respondents:

- 47 respondents (out of 115 total) from 44 companies that identified themselves as participating in the EUC program
- All practicing basic AND advanced paths
- Both new and experienced participants of EUC program
- Responses relating to program non-participation drawn from full pool of respondents

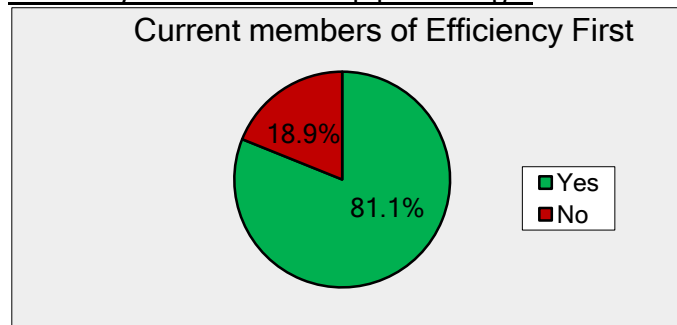
Company types:

Company description: (Checked all that applied)	#	%
General/HVAC/Insulation/Remodeling/Windows/Solar/Other Contractor	35	74.5%
Home Performance Contractor	38	80.9%
Home Energy Rater (3rd Party, not a contractor)	4	8.5%
Sub-Contractor on Home Performance jobs (Insulation/HVAC/Windows/Other)	7	14.9%
Considering entering the Home Performance industry	2	4.3%
Other	5	10.6%

Certification types:

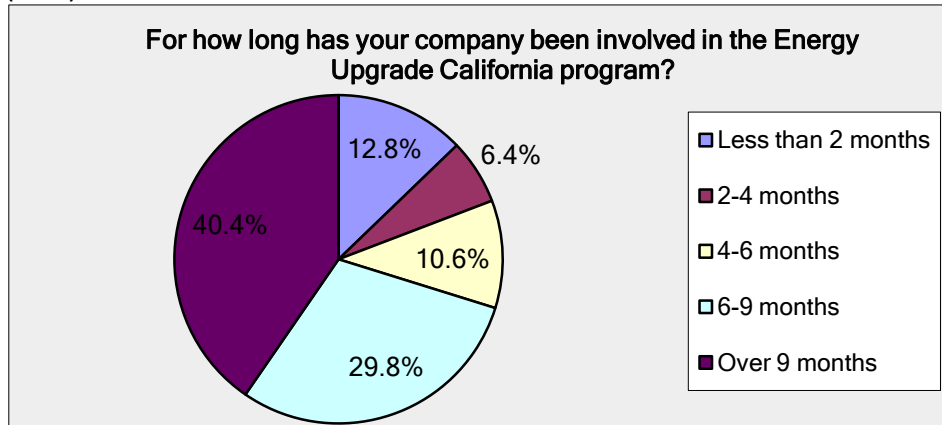
Types of Certifications	Count	%
HERS Rater w/CHEERS	4	8.5%
HERS Rater w/CalCERTS	14	29.8%
HERS Rater w/CBPCA	4	8.5%
HERS II Rater	8	17.0%
BPI Building Analyst	44	93.6%
Other BPI Certifications	34	72.3%
BPI Company Accreditation	17	36.2%

Efficiency First Membership percentage: N=37



Length of time in the program:

(Q#4) N=47



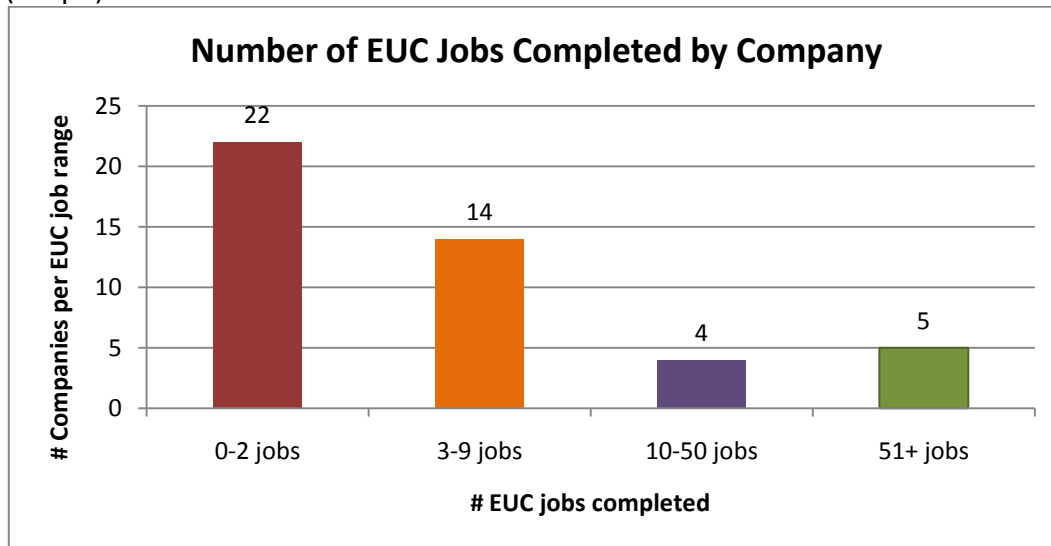
(Charted): N=47

Length of time in EUC program	# Respondents	% Respondents
Less than 2 months	6	12.8%
2-4 months	3	6.4%
4-6 months	5	10.6%
6-9 months	14	29.8%
Over 9 months	19	40.4%

Ranges of # EUC jobs completed: N=45

# EUC jobs completed	# Respondents	% Respondents
0-2	22	47.7%
3-9	14	30.4%
10-50	4	11.1%
51+	5	10.8%

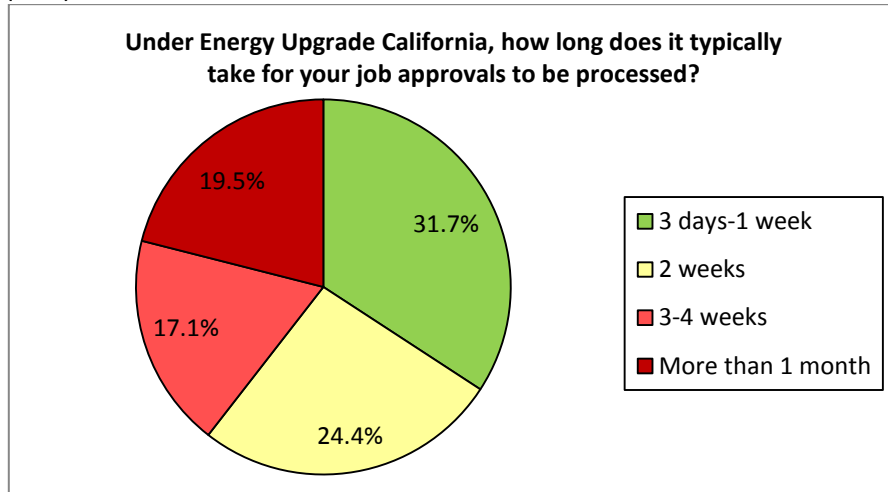
(Graph):



****Total # of EUC jobs completed: 749**

Wait time for approvals:

(Q#9) N=41



- **68.3%** of all job approvals are taking **2 or more weeks to be processed.**
- **36.6%** of all job approvals are taking **3 or more weeks to be processed.**

Some testimony:

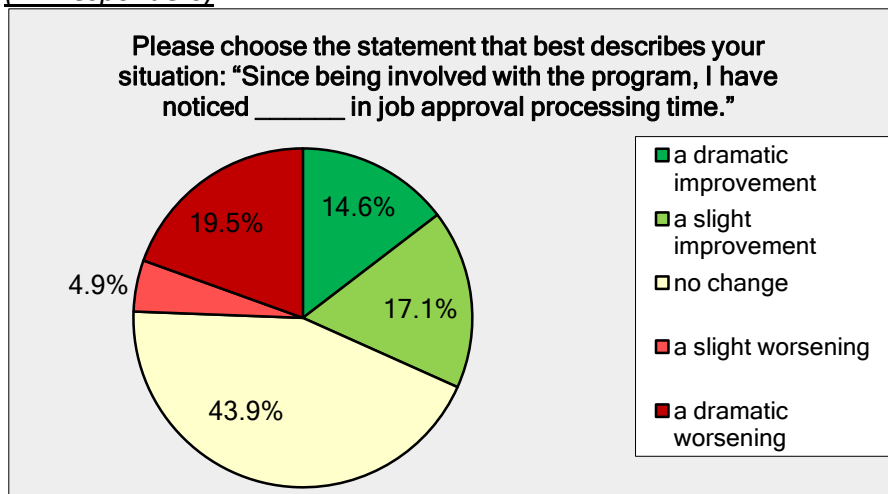
"Our [customers'] time is valuable, they don't want to wait for months on end for a rebate. The administrative costs associated with putting one job through the program [are] high. It is more cost effective for us to discount the whole job and avoid the program."

"[EUC is] too difficult and cost [us] too much money in time just for minimal saving for [customers]."

How approval times have changed:

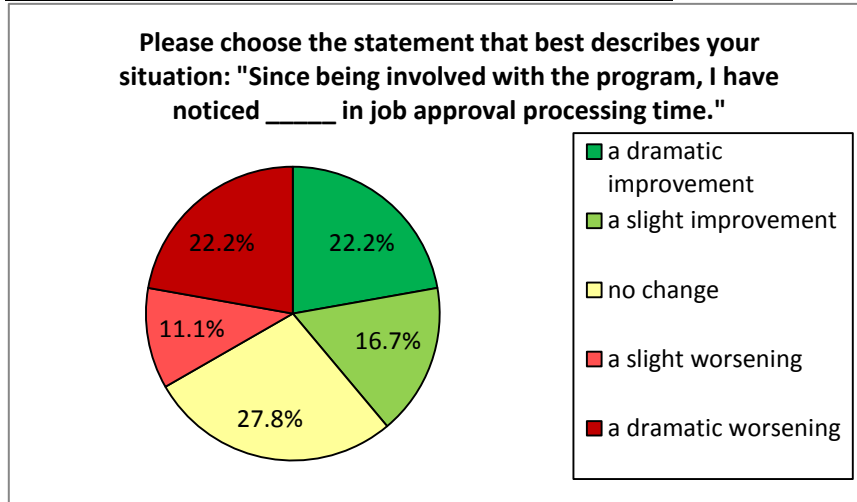
(Q#10)

(All Responders) N=41



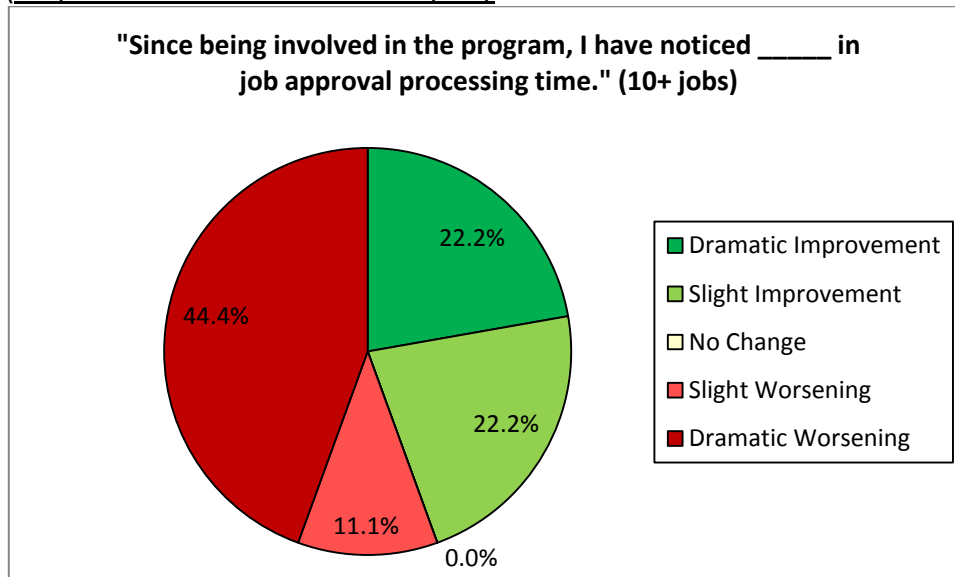
- **36.7%** reported that approval processing time has either **slightly or dramatically improved.**
- **24.4%** reported that approval processing time has either **dramatically worsened or slightly worsened.**

(Responders involved in program at least 9 months) N=18



- **38.9%** reported that approval processing time has either **slightly or dramatically improved**.
- **33.3%** reported that approval processing time has either **dramatically worsened or slightly worsened**.

(Responders who have done 10+ jobs) N=9



(Charted results: 10+ EUC jobs)

Approval time change	# Respondents (N=10)	% Respondents
Dramatic Improvement	2	22.2%
Slight Improvement	2	22.2%
No change	0	0.0%
Slight worsening	1	11.1%
Dramatic worsening	4	44.4%

What contributed to turnaround times:

(Q#11) N=41

53.70%	Paper intensive nature of forms submission
46.30%	Excessive administrative requirements
34.10%	EnergyPro deficiencies
26.80%	Lack of contractor training on energy modeling
22.00%	Poor responsiveness from program administrators
14.60%	Technical disagreements between QA team and contractors/raters
12.20%	QA/QC visits are not scheduled quickly enough
12.20%	I have not experienced unreasonable turnaround times

- **87.8%** = unhappy with turnaround times in some degree.
- **Only 12.2%** = not experiencing unreasonable turnaround times.

Whether contractors are receiving sufficient support from utility company, program administrator, etc. when troubles/questions arise about program:

(Q#16) N=41

61.0% = YES

39.0% = NO

(Testimony from Q#20) N=41

- Almost 4 out of every 10 respondents would benefit from improved support processes
- SDG&E has the lowest support ranking (illustrated below in “By Utilities” section)

Whole-house jobs NOT submitted to EUC by participating contractors:

(Q#17) N=41

- 56.1% Respondents have NOT submitted all whole-house jobs for EUC rebate
- 43.9% Respondents HAVE submitted all whole-house jobs for EUC rebate

Some testimony:

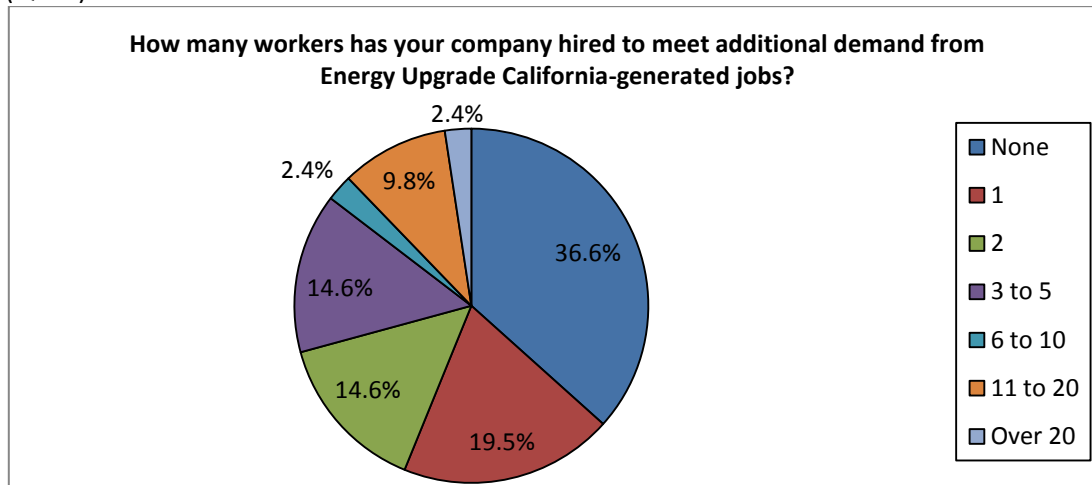
“[The] program makes the overhead far too difficult to make it worthwhile in some cases.”

“[The] administrative overhead approached canceling the benefit of motivating the potential client... An in-office mentor from BIG could be helpful in reducing the tough learning curve for the processes.”

“[It is] too difficult and cost [us] too much money in time just for minimal saving for Customer. [It is] easier just to not use it in a lot of cases.”

How many additional workers hired to meet EUC demand?

(Q#18) N=41



- Only **14.6%** have hired **over 5 workers**
- **14.6%** have hired **3-5 workers**
- **70.7%** have hired **fewer than 3 workers**
- **36.6%** have hired **NO new employees**

Delays/challenges with EUC participation that have cut down on workforce:

(Q#19) N=41

- **43.9%** have **laid off / stopped hiring/ implemented a part-time workforce**
- **56.1%** have **not cut down/stopped hiring work force due to EUC**

Some Testimonies:

"We are hesitant to hire more as the end is not far away and there is no long term plan. We don't want to hire more people just to lay them off next March."

"The administrative end of the business is so heavy that we have to spend more time on the rebate submission process than we would like. This takes away from our ability to be in the field doing upgrades. This has prevented us from hiring new people."

"Not enough work. I had to lay off my #1 employee who is great."

"We thought the EUC would be more effective in driving demand"

"[I] had intentions of opening [other] offices [...] but since the EUC program has not taken off like we all thought I have shelved that idea for now."

Energy Pro

(Q#14) N= 41

- **65.9%** indicated they are **not satisfied with the EnergyPro program**
- **34.1%** indicated they are **satisfied with the EnergyPro program**

Commentary shows multiple program flaws. Most frequently mentioned:

- Absence of measures being modeled, including pool pumps, whole house fan, lighting, more updated selections of furnaces and condensers, and more.
- Program incorrectly values different types of insulation, air sealing, etc.
- Lack of support, and difficulty using the program

Some testimony:

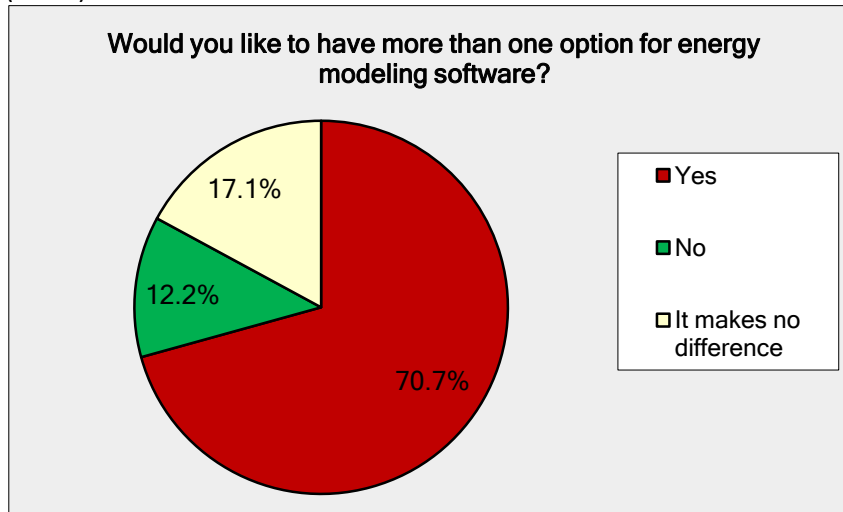
“EnergyPro is based on calculations that conflict DIRECTLY with our BPI training (i.e. EnergyPro WAY overvalues windows and entirely ignores lighting).”

“Energy Pro does not accurately reflect some of our basic measures, e.g. air sealing, attic insulation, crawl treatments”

“We would like the ability to input the home owners’ real utility bills to give us better estimations.”

Desire for another option of modeling software:

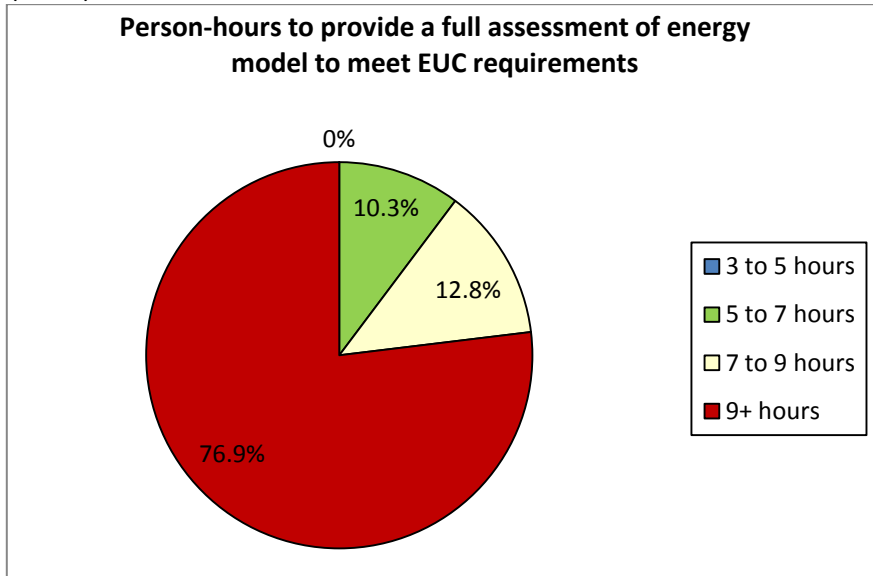
(Q#15) N=41



- **70.7%** stated they want **more than one option for energy modeling software**
- **12.2%** stated they **don't want another type of software**
- **17.1%** have **no preference**

Test-in – How long it takes to complete a test-in:

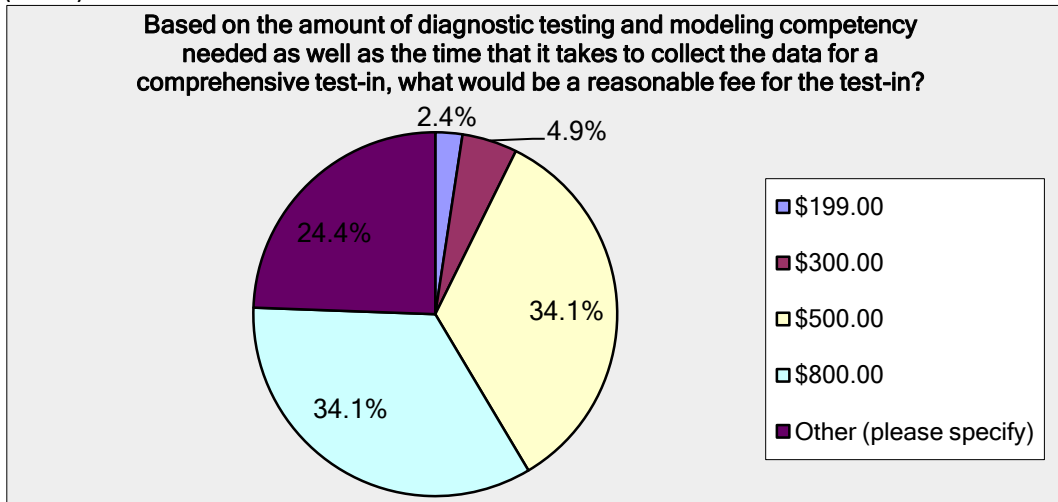
(Q#21) N=41



- 76.9% stated more than 9 hours
- 12.8% stated 7-9 hours
- 10.3% stated 5-7 hours
- 0% stated less than 5 hours

What a test-in is worth to contractors:

(Q#22) N=41



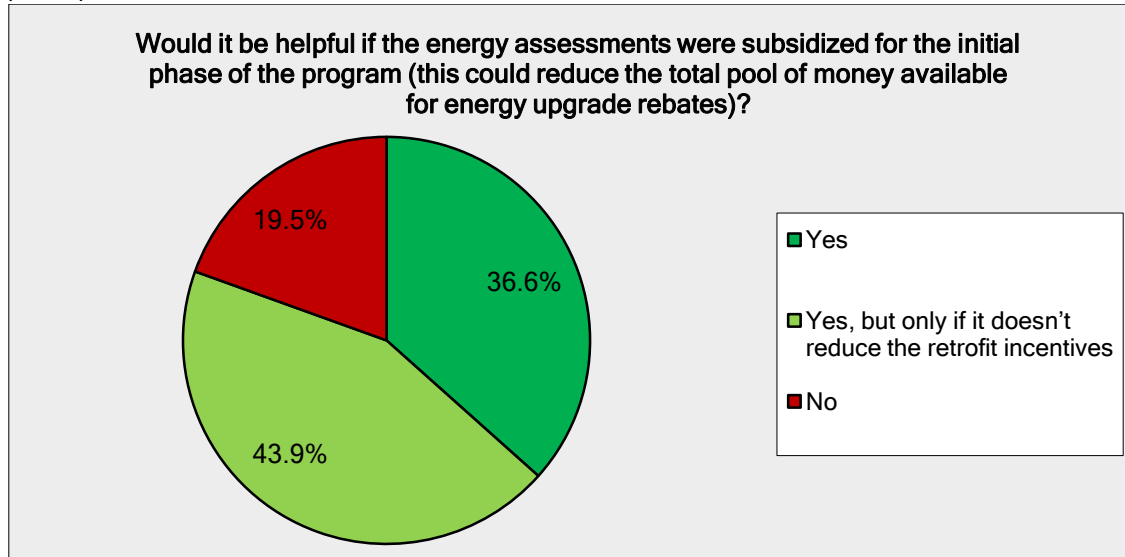
- 7.3% stated \$300 or less
- 34.1% stated \$500
- 34.1% stated \$800
- Other amounts: \$1000, \$1000, \$750, \$650, \$595, \$375+

Testimony:

“No one is going to pay what it costs to do the test in.”

Subsidizing energy assessments for initial program phase

(Q#27) N=41



- 80.5% WANT an energy assessment subsidy (in some form)
- 19.5% DON'T WANT an energy assessment subsidy

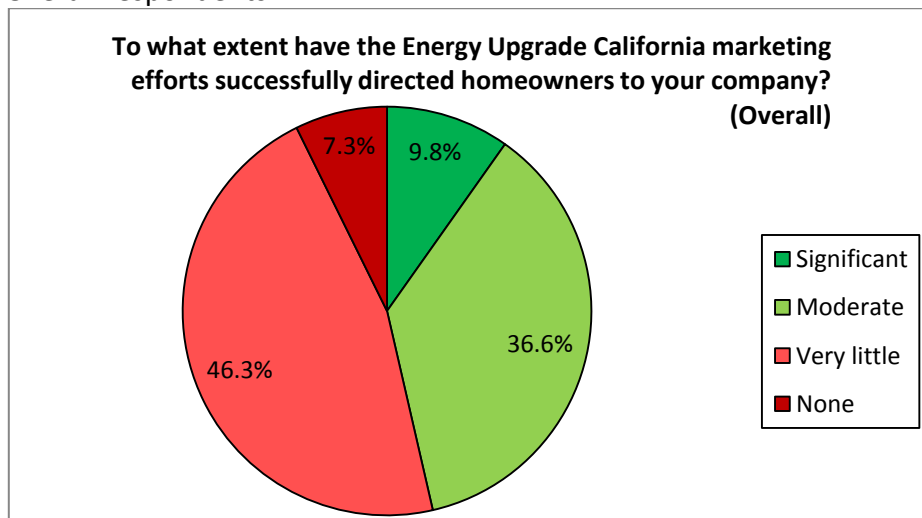
Marketing

Have Energy Upgrade California marketing efforts have educated homeowners on the value and urgency of having a home energy assessment or energy upgrades performed on their home, and thus have produced leads for companies? (Q#23) N=41

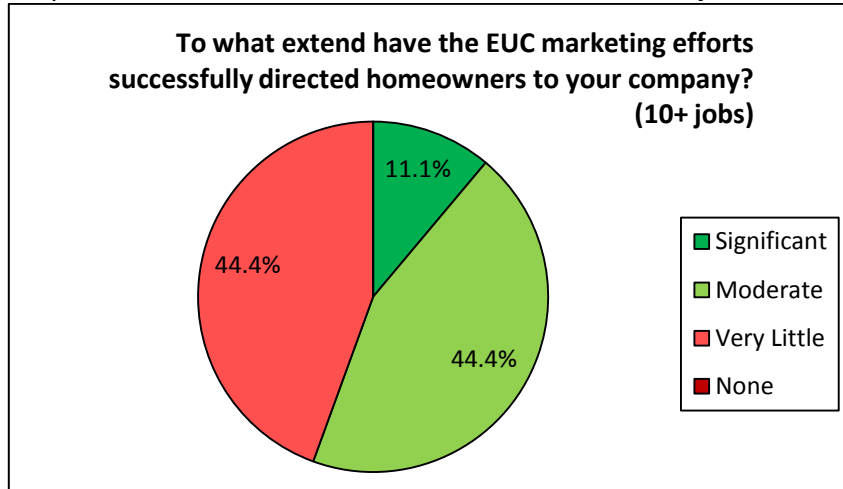
- 41.5% stated YES
- 58.5% stated NO

To what extent have the Energy Upgrade California marketing efforts successfully directed homeowners to your company? (Q#26)

Overall respondents: N=41



Respondents involved in EUC over 6 months, with 10 jobs or more: N=9



(Charted results: Over 6 months, 10+ EUC jobs)

Usefulness of EUC Marketing	# Respondents	% Respondents
Significant	1	11.1%
Moderate	4	44.4%
Very Little	4	44.4%
None	0	0.0%

Testimony about EUC marketing:

“This is a new rapidly growing industry. There is a needy market. I do think the EUC marketing is helping to educate the public on Home Performance.”

“We have received a lot of leads, but mostly low quality in that homeowners are just exploring options and don't understand the value/urgency of upgrade work.”

“Marketing efforts seem to be improving, however more importance should be placed on high quality duct systems with properly sized Furnace and A/C.”

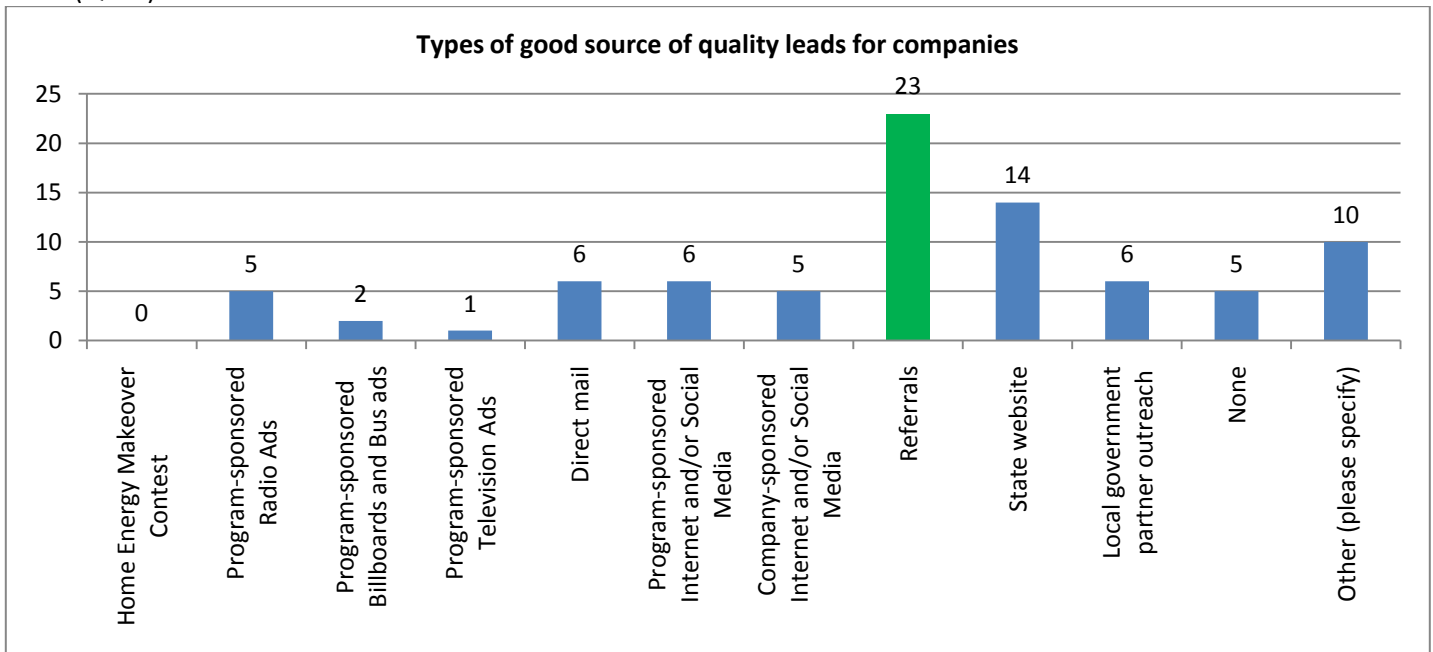
“The \$2000 bonus has been the best driving force for closing business. Unfortunately with the economy the way it is people are not as retrofit ready as they thought they would be.”

“No one I speak to has ever heard of Energy Upgrade California.”

“Marketing efforts are slow to roll out, not creating much interest at this point.”

Sources of quality leads/ Effective marketing schemes

(Q#24) N=41



Other sources given:

- "Meet the homeowner" and EUC kickoff events
- One on one educational conversation
- Partnering with solar companies

Testimony:

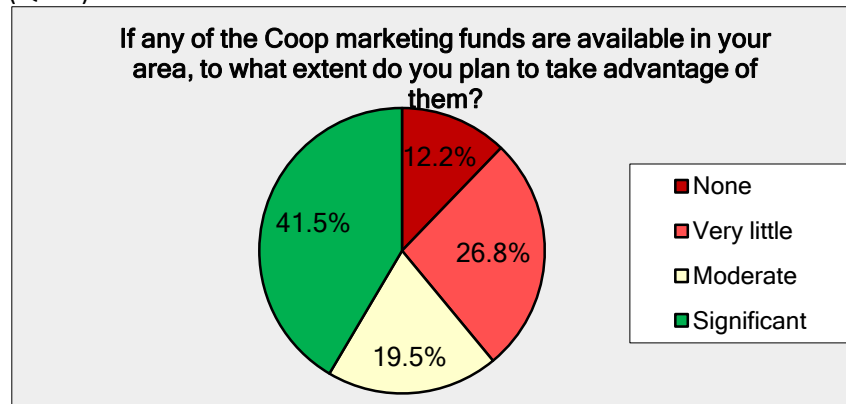
"We have gotten no value from EUC marketing, less than 10 leads from SMUD."

"EUC not driving much work our way. Couple of "tire kickers" at this point. Definitely less than anticipated."

"This is a new rapidly growing industry. There is a needy market. I do think the EUC marketing is helping to educate the public on Home Performance."

Will take advantage of future Coop marketing:

(Q#25) N=41



- 61% stated **moderately to significantly** plan on taking advantage of future marketing
- 39% stated **very little to no** interest in taking advantage of future marketing

Familiarity with HERS II: Participating Contractors

Are you familiar with HERS II?

(Q#28) N=37

- 56.8% = Yes
- 43.2% = No

Should HERS II be included in EUC?

(Q#29) N=37

- 51.4% indicated No
- 18.9% indicated Yes
- 29.7% indicated

***Those who answered YES: Familiarity with HERS II**

Should HERS II be included in EUC? (Q#29) N=21

- **61.9% = NO**
- 19.0% = YES
- 19.0% = Unsure, but would like to learn more

62% of participating contractors familiar with EUC do NOT think HERS II should be included in the program.

Familiarity with HERS II: Total pool of respondents

Are you familiar with HERS II?

(Q#28) N=75

- 50.7% = Yes
- 49.3% = No

Should HERS II be included in EUC?

(Q#29) N=75

- 29.3% = Yes
- 41.3% = No
- 29.3 = Unsure, but would like to learn more

***Those who answered YES: Familiar with HERS II**

Should HERS II be included in EUC?

(Q#29) N=38

- 31.6% = Yes
- **52.6% = No**
- 15.8% = Unsure, but would like to know more

Testimony:

“Making all participating contractors HERS II raters is a hard pill to swallow. After spending thousands of dollars on equipment and BPI training, now you want us to spend thousands of dollars more on HERS II certification? From a contractor’s point of view, when does the outflow of time, money, and resources stop?”

“The HERS II incentives are going to REALLY harm the program. Requiring HERS II on top of BPI is ridiculous in that contractors have already spent a ton of money becoming BPI accredited. In addition, homeowners will start desiring the HERS II and then there will be another disappointing thing we need to explain. Our sales process is hard enough. Also, the EnergyPro model vs. BPI reality in predicted savings is a HUGE issue.”

Findings by utility program – Notable Patterns

Overall wait times for approvals (Q#9) N=varying

(%/# of respondents)	PG&E (N=26)	SCE SoCal Gas (N=13)	SMUD (N=8)	SDG&E (N=6)
Less than 3 days	0%/0	0%/0	0%/0	0%/0
3 days - 1 week	35%/9	31%/4	38%/3	20%/1
2 weeks	27%/7	23%/3	38%/3	0%/0
3-4 weeks	23%/6	23%/3	13%/1	40%/2
More than 1 month	15%/4	23%/3	13%/1	40%/2

*Wait times in SDG&E much worse than anywhere else, but are still problematic in other utilities

How approval times have changed (Q#10) N=varying

(%/# of respondents)	PG&E (N=27)	SCE SoCal Gas (N=15)	SMUD (N=9)	SDG&E (N=6)
a dramatic improvement	4%/1	33%/5	11%/1	17%/1
a slight improvement	22%/6	13%/2	11%/1	17%/1
no change	44%/12	47%/7	44%/4	33%/2
a slight worsening	7%/2	0%/0	11%/1	0%/0
a dramatic worsening	22%/6	7%/1	22%/2	33%/2

*SCE SoCal Gas has seen greatest improved wait times, while in other areas they are either fairly constant or getting worse

Experience with QA/QC (Q#13) N=varying

(%/# of respondents)	PG&E (N=27)	SCE SoCal Gas (N=15)	SMUD (N=9)	SDG&E (N=6)
Generally Positive	22%/6	20%/3	22%/2	0%/0
Satisfactory	67%/18	60%/9	67%/6	50%/3
Generally negative	11%/3	20%/3	11%/1	50%/3

**QA/QC processes in SDG&E much worse than everywhere else.

Have you received sufficient support from the utility company, program administrator, etc. when addressing questions or concerns about the program's process? (Q#16) N=varying

(%/# of respondents)	PG&E (N=27)	SCE SoCal Gas (N=15)	SMUD (N=9)	SDG&E (N=6)
Yes	63%/17	66.7%/10	66.7%/6	33.3%/2
No	37%/10	33.3%/5	33.3%/3	66.7%/4

Biggest problems facing the contractor community today:

Most important struggles for contractors	Response #
Homeowner education / The homeowner knowing the value of an energy audit and upgrades	11
Time it takes to receive rebates or incentives / added administrative tasks	4
Certificates required / Different standards between BPI and utility company, or between utilities	3
QA/QC troubles	3
Lack of guidance and communication / program administrator problems	4
Learning about rebates	2
Need for loan assistance program / assisted financing	2
Need for qualified workers	2
Bad economy	2

Sampling of additional comments:

“There is no financing for homes "underwater" for retrofits.”

“Much of what we do is unseen and therefore, not as tangible, as say granite counters or new cabinets. That said, selling and installing tangible products is easier than intangibles.”

“A lack of regard for what it takes to run a business and require payment for our work. The people administering these programs get a paycheck no matter what and don't seem to have a sense of urgency or understanding of the need for consistency for the contractors actually getting these jobs.”

“[Problems include] recurve software approval by CEC. More consumer education about HP issues so I don't have to. The IJRT form is stupidly redundant - all the info is in the Recurve report yet they require one picks it all out in put it in their little boxes. This is a job for a computer program. I say "input the data only once" for this program and eliminate wasted expensive labor...”

“This is an emerging market that will eventually become de rigueur for home remodels. But it is an opportunity for the contracting community to raise the bar with an eye on better building performance in remodeling and specific home performance upgrades. I believe the most compelling value add for the home owner is an "Energy Efficient Home Sticker" that the real estate community, banks and mortgage companies will recognize.”

“Uncertainty based on lack of clear government policy and state agency's desire and insistence to create an existing home rating system that has been proven unsuccessful and causes financial hardship for contractors and confusion for homeowners. Demand on contractors to duplicate trainings for certifications, forced to use only one energy modeling software and excessive and unnecessary amount of paperwork and bureaucracy.”

Reasons why contractors are not participating in EUC program

(Q#31)

Reason given	Response count:
In the process	4
Long processing time/ too time consuming of paperwork	4
Too complicated of administrative steps	3
Uninterested in becoming EUC certified	3
Needs more information/education	2
Hiring new and specifically trained workers is a burden	2
Certification Issues	2
The program is difficult for small businesses	1

Some additional comments about EUC:

“Overall the programs available are fantastic for everyone. We would like to see more longevity in some of the program timelines. Once we make a very large investment and commitment to implement training, staffing and get the Contactor side flowing and profitable, it seems there are major changes to protocol that eliminate all of our past efforts.”

“They need to streamline the application/approval requirements. Instead they keep adding more things to do that we don't get paid for. e.g. NGAT CO testing - takes longer to test the house, adds to our workload. HERS II requirement, etc. If they keep making it harder, less and less contractors will participate. They need to simplify the whole process so more people participate. In many cases it is easier and more cost effective for contractors to not participate, particularly when they keep changing the rules.”

“If this program does not become more contractor friendly, we will continue as Home Performance Contractors but will not participate in the EUC program.”

“Market the Energy Upgrade CA program ad-nauseam for 3 solid months. Provide a path to temporary financial to help me equipment four two-man crews and so I can grow my business and hire more personnel.”

“We have to just keep keeping on. There's a long learning curve to be successful in this industry.”

“I think that the SCE/SCG program started off a bit rocky, but has gotten a lot better in the last few months. There is an open line of communication between contractors and program staff. The program implementers go out of their way to help us contractors succeed. They definitely are the unsung heroes of this program!”