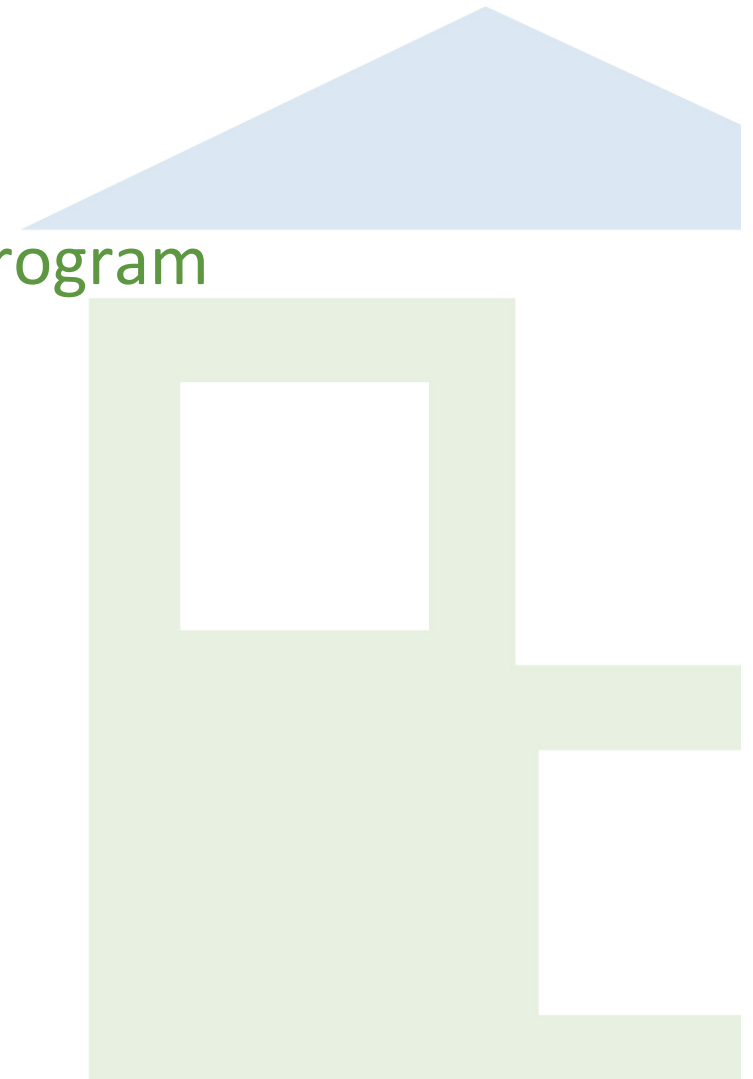


# An Update on the Better Buildings Neighborhood Program

Danielle Sass Byrnett  
Program Manager

November 6, 2012



**Block by block, neighborhood by neighborhood, we will make our communities more energy efficient and help families save money. At the same time, we'll create thousands of jobs and strengthen our economy.”**

*—Dr. Steven Chu, Secretary, U.S. Department of Energy*  
*2010*

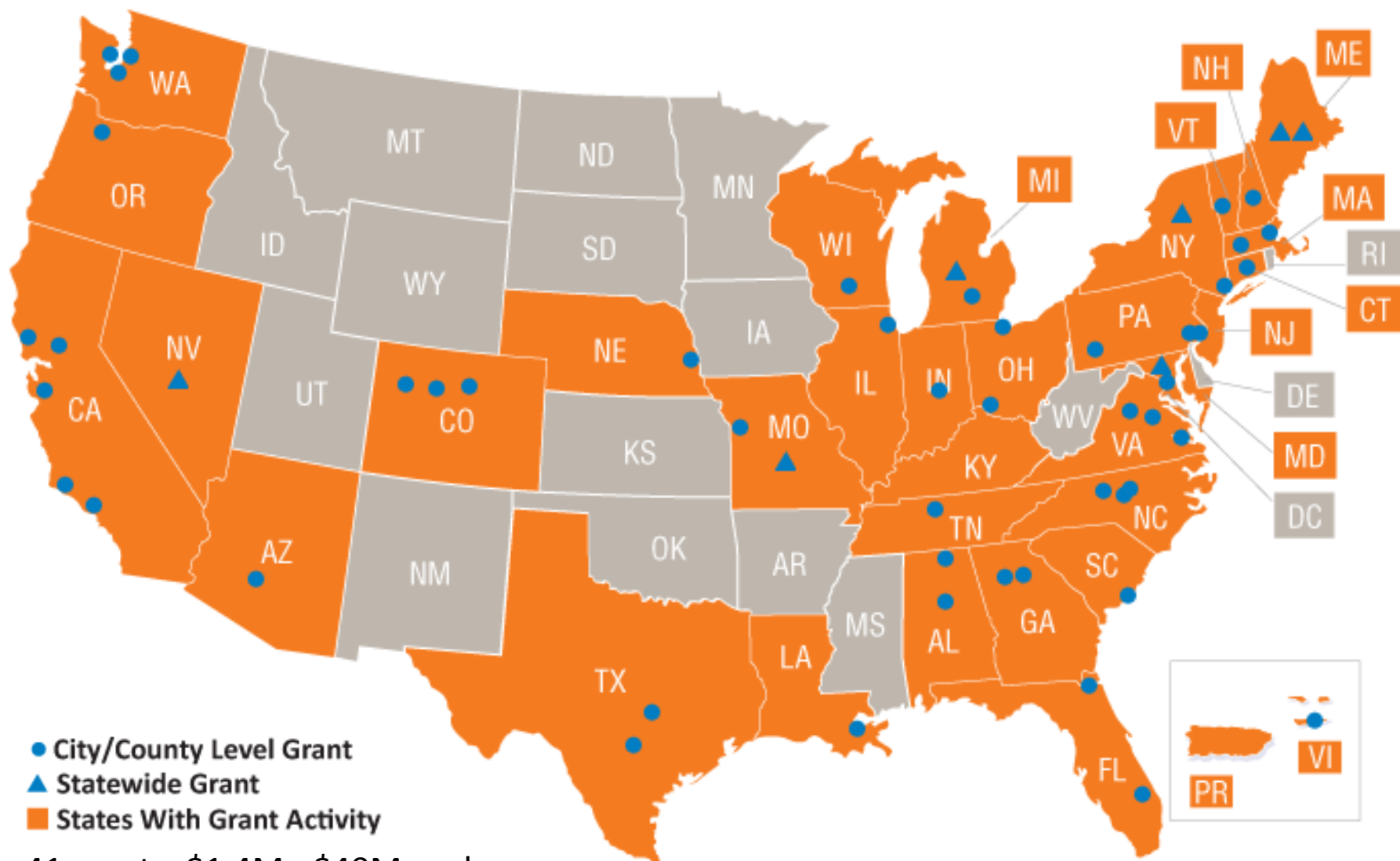
# Better Buildings Neighborhood Grants



- Leverage \$508M in ARRA and FY10 funding to spur nationwide energy efficiency program innovation
- Target urban, suburban, and rural environments
- Capitalize on economies of scale
- Encourage industry partnerships and investment
- Emphasize sustainability beyond the grant
- Learn what is effective and replicable

**The Better Buildings Neighborhood Program is using federal support to promote program innovation and market investment**

# BBNP Grant Recipient Program Locations



41 grants: \$1.4M - \$40M each

Timing: mid-2010 through late 2013

[betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods)

# What We Will Accomplish



## Grant Recipient Goals by Late 2013

- Retrofit >100,000 buildings (residential and commercial)
- Engage 10,000 to 30,000 contractors in work on energy efficiency upgrades
- Save consumers approximately \$65 million annually on energy bills
- Use the \$508 million grants to leverage \$1 to \$3 billion in additional resources

## Goals to Leverage Grants for the Market

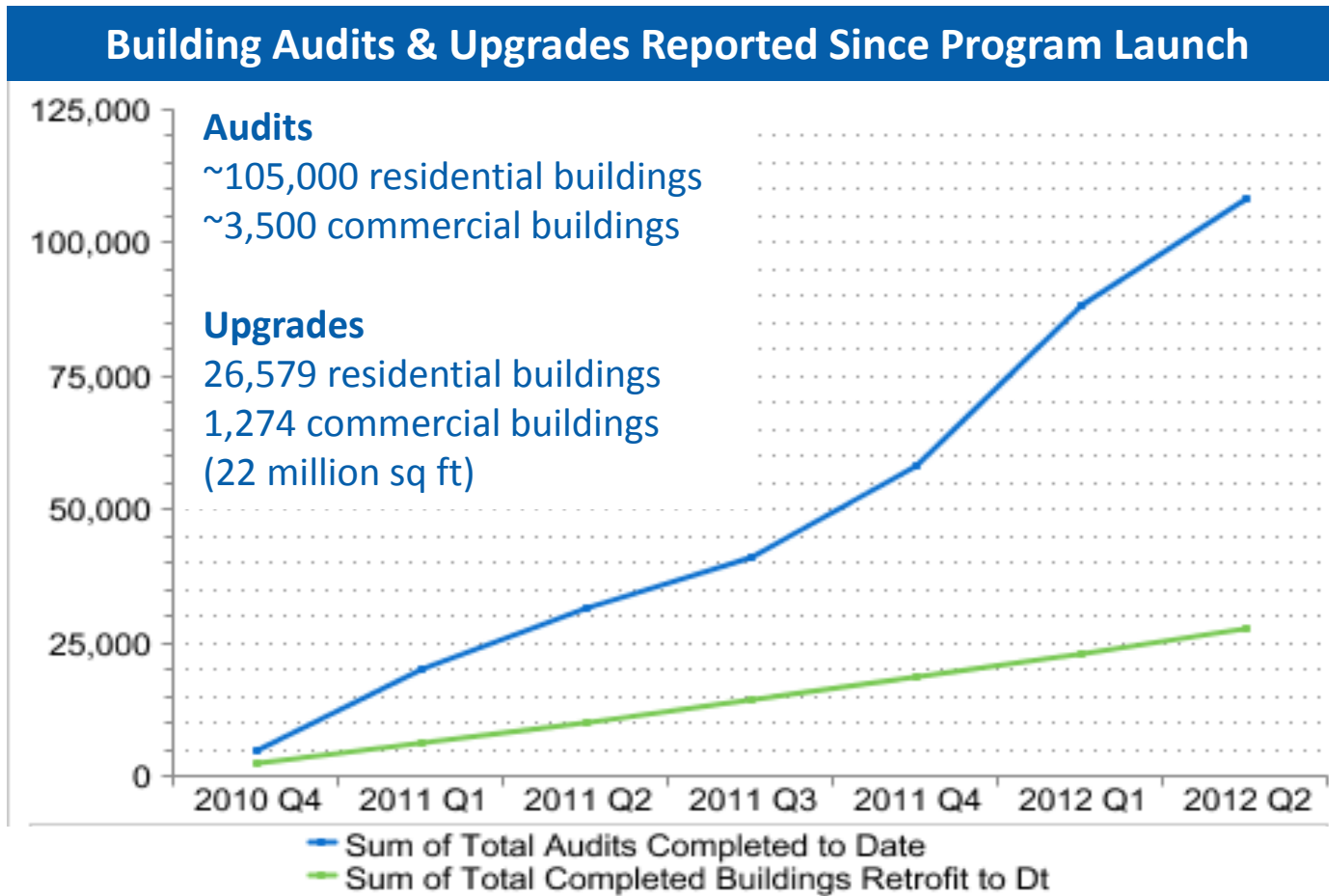
- Achieve 15-30% energy savings from energy efficiency upgrades
- Reduce the cost of building upgrade program delivery by 20% or more
- Develop sustainable energy efficiency improvement programs

## Vision

A self-sustaining market for building energy efficiency retrofits that results in economic, environmental, and energy benefits across the United States

# PROGRESS

# Data through June 30, 2012 (1 of 3)



≈ CO<sub>2</sub> from 10,750 cars

Total Estimated kWh Savings	Total Estimated Source MMBTU Saved	Total Estimated Site MMBTU Saved
<b>79,560,662</b>	<b>1,859,349</b>	<b>1,126,706</b>

# Grantee Summary Data through June 30, 2012 for Selection of 11 Programs (2 of 3)



## “Top 10” (11) Most Productive BBNP Grantee Programs:

Austin, TX	Eagle Co., CO	Michigan	Portland, OR
Boulder Co., CO	Los Angeles Co., CA	New York	Southeast EE Alliance
Cincinnati, OH	Maine	Philadelphia, PA	

	Residential <sup>3</sup>		Residential + Commercial	
	No. of Residential Upgrades	Average Residential Invoiced Cost	Estimated Total Source MMBTU Saved	Estimated Total Energy Cost Savings (\$)
<b>Total<sup>1</sup></b>	<b>&gt;22,500</b>	<b>\$8,281</b>	<b>&gt;1.36 million</b>	<b>&gt;\$17.99 million</b>
NYSERDA with >5,000 upgrades <sup>2</sup>	9,394	~\$7,984	319,954	\$6,781,103
Six grantees with 1,000 – 5,000 upgrades <sup>2</sup>	~1,332 – 2,054	~\$2,195 – \$15,229	Average: 153,811	Average: \$1,584,323
Four grantees with 500 – 1,000 upgrades <sup>2</sup>	~487 – 954	~\$3,822 – \$10,541	Average: 29,690	Average: \$426,657

<sup>1</sup> Sub-total or average of the 11 grantees considered in this table, which have the highest number of upgrades across BBNP.

<sup>2</sup> Sum of residential and commercial upgrades.

<sup>3</sup> Residential data includes residential single-family homes and residential multi-family units.

NOTE: All data is draft as of reports uploaded on September 8, 2012 and is subject to change. It is known that one grantee in the 1,000 – 5,000 range has underreported upgrades by at least 1,850 at this time due to technical issues.



# Data through June 30, 2012 (3 of 3)



## Workers

- >1,200 building contractors performing energy upgrade work
- >2,700 trained (*optional data field*)

## Paying for Upgrades

- ~\$208 million in total energy upgrade sales
- \$7,880 average invoiced cost (residential)
- \$9,800 average loan amount (residential)
- >5,400 total loans provided (*some missing data*)

## Leveraged Funds

\$340,955,615

# Other Highlights

41 Programs  
Launched in  
More than 70  
Localities to  
Test Innovative  
Models

Published 11  
DOE and 20+  
Grantee case  
studies

Learned and  
Shared at 6  
Workshops  
(7<sup>th</sup> at ACI)

Shared lessons  
and challenges in  
42 webinars &  
54 peer exchange  
calls

Some programs  
are seeing 40-  
80% of leads  
come from  
contractors

Created More  
Than 35 Videos

## EMERGING LESSONS

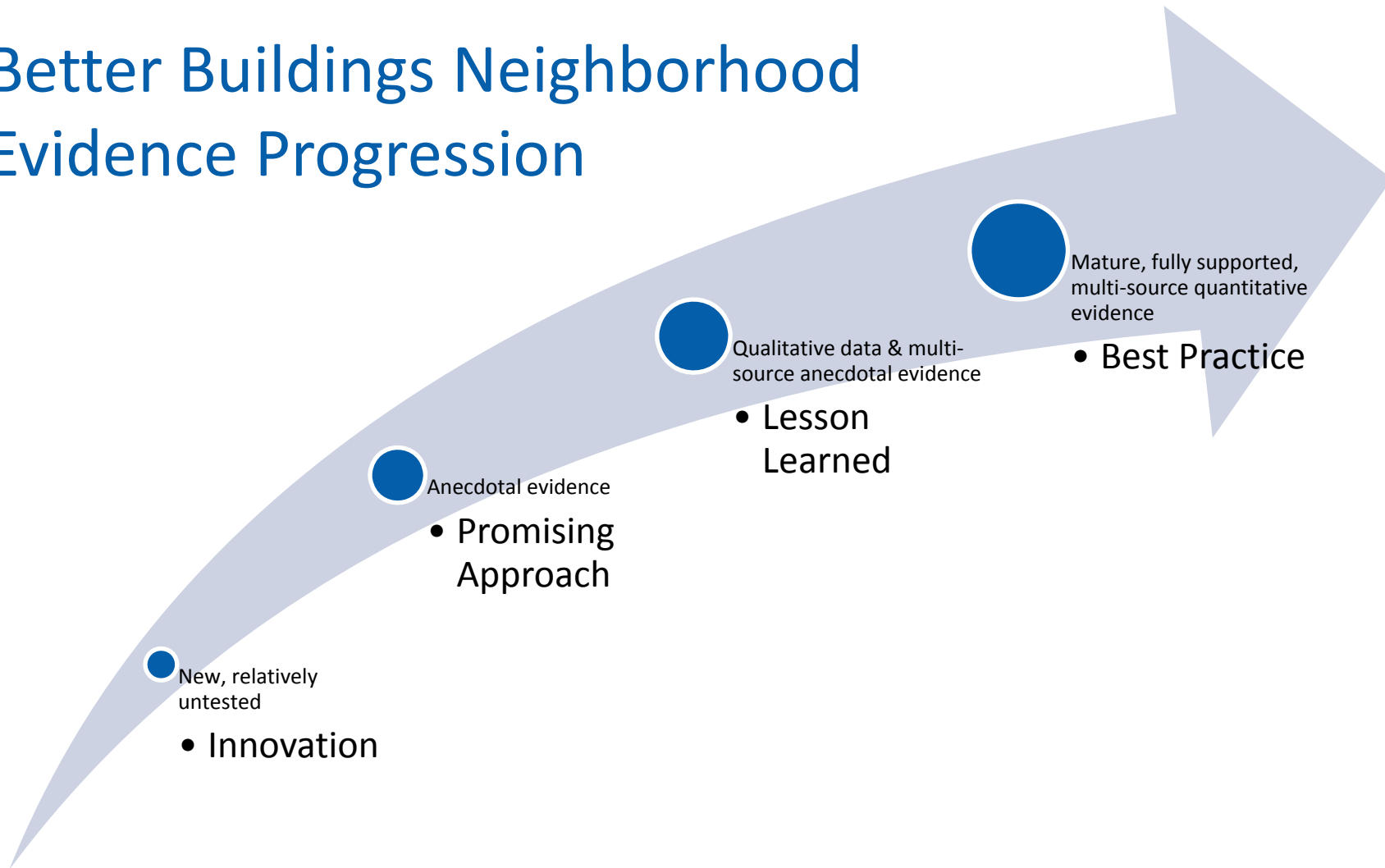
# Testing Innovative Approaches



Driving Demand	Financing	Data and Evaluation	Workforce Development
32 Different Approaches	21 Combinations	15 Evaluations Being Performed	12 Models Being Tested

# What Do We Call “Lessons Learned”?

## Better Buildings Neighborhood Evidence Progression



# Getting to Best Practices: Tracking & Analysis



- What tools/approaches were most effective for creating consumer demand?
  - Marketing / outreach (e.g., messaging, communications tactics, delivery venues, messenger [community organizations, real estate, retailers, etc])?
  - Financial products / incentives?
  - Program delivery models?
- What approaches were most effective for generating energy savings?
  - Contractor qualifications?
  - Audit-driven vs. pre-packaged measures?
  - Types of measures (e.g., HVAC, air sealing, lighting, ducts, water heating, etc.)?
- What approaches were the most effective for driving down costs of delivery?
  - Bulk purchasing?
  - Bundling jobs?
  - Contractor experience?
  - Energy advisors?
  - Other?



# Getting to Best Practices: Data Collection



- **Program Data**
  - Marketing & outreach – marketing plan; messaging; results of outreach mechanisms
  - Financing – credit enhancements, loan type / repayment, capital source, underwriting criteria
  - Costs – total outlays and obligations by subgrantees, disaggregated program costs (overhead, marketing & outreach, labor & installation)
  - Market transformation – number of active contractors performing upgrades
  - Job impacts – total job hours worked under ARRA and leveraged funds
- **Building Audit / Upgrade Data**
  - Completed audits by building sector and by audit type
  - Building location, characteristics
  - Total invoiced cost, rebates, other incentives
  - Installed measures
  - Predicted and actual energy savings (energy consumption / utility bills)
- **Financing Information**
  - Origination data – loan terms and underwriting criteria
  - Performance data – payment history, charge-offs, early / prepayment
  - Loan applications rejected

# BBNP Commitment to Learning & Sharing



**1** **Planning**  
Clarify What We  
Need to Know



**2** What We Know Now

- Website
- Case Studies
- Program Guides & Templates



**3** Data Collection

- Quantitative (reporting)
- Qualitative (account management, peer exchange calls, Google Site forum, workshops)



**4** Analysis & Evaluation

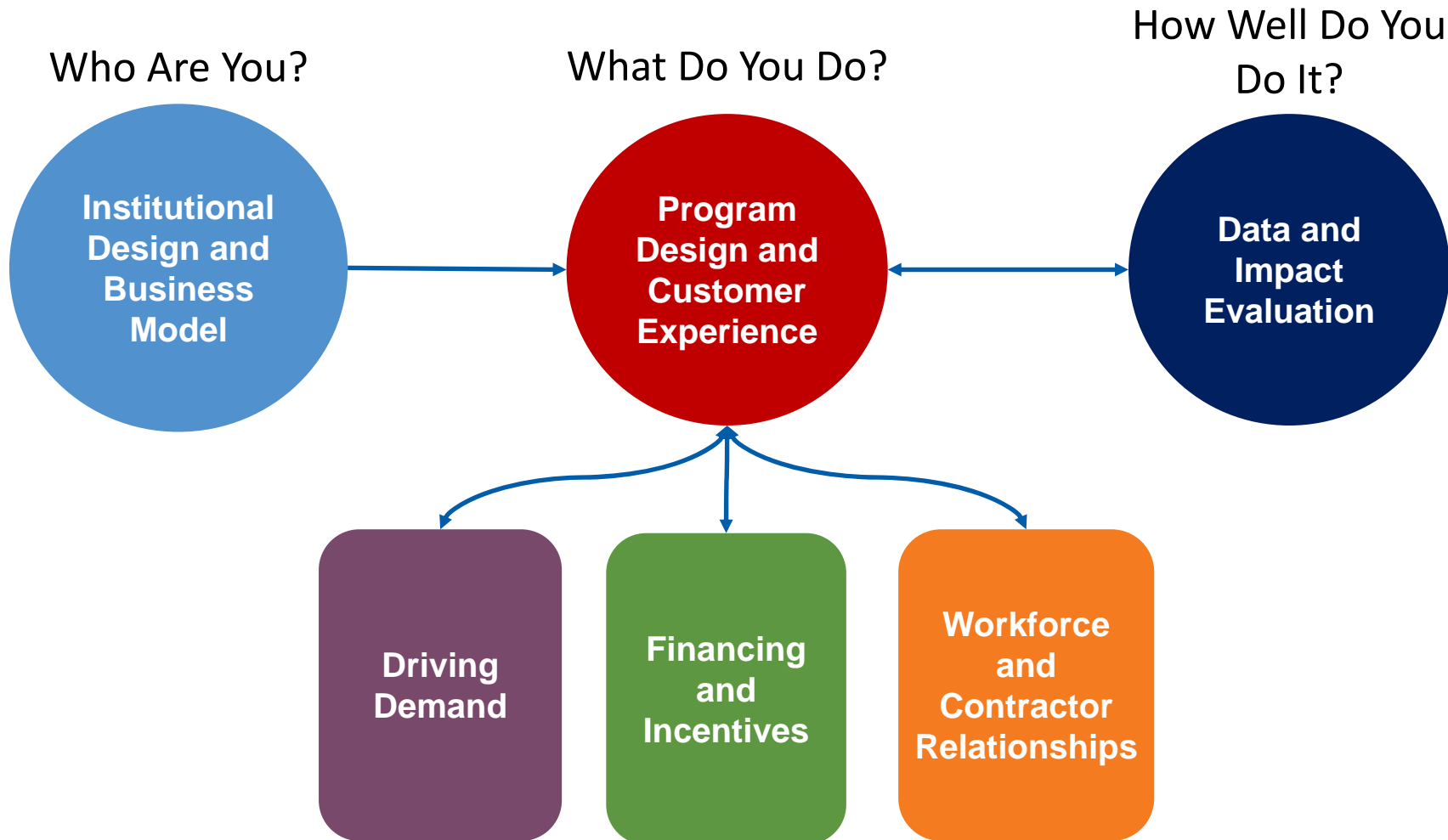
Review & Revise What We Know

- Quantitative
- Qualitative
- Formal Evaluations

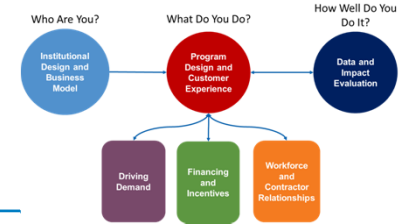




# Major Program Components



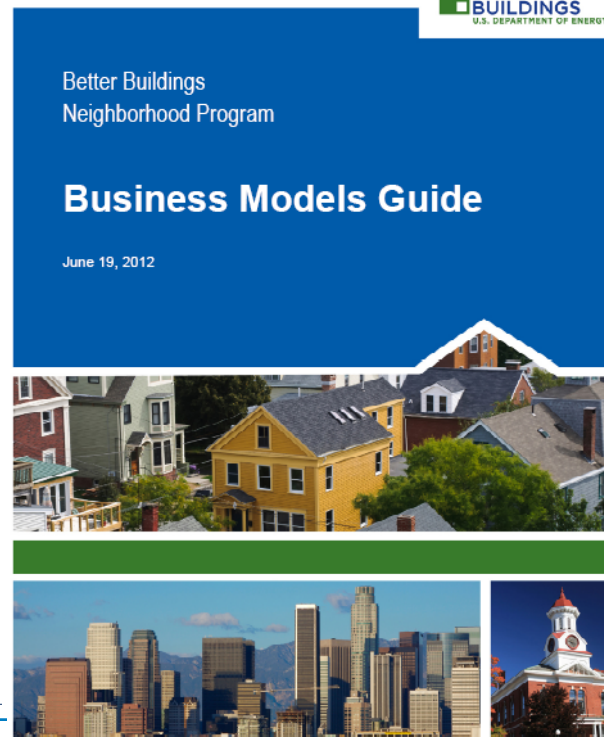
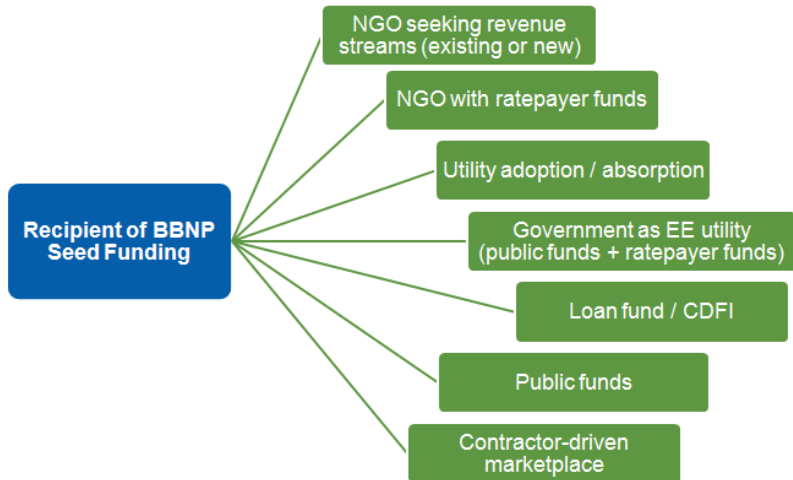
# Lessons: Institutional Design and Business Model



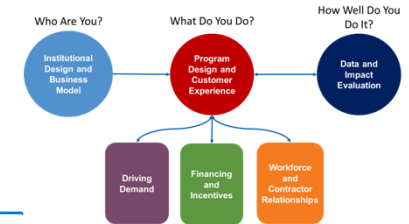
1. Set geographic boundaries large enough for your customer & contractor base
2. Be flexible and embrace change—an entrepreneurial approach is part of the job description
3. Avoid bureaucracy whenever possible
4. Engage all stakeholders and develop true partnerships



## Likely Post-Grant Business Model Types



# Lessons: Program Design and Customer Experience



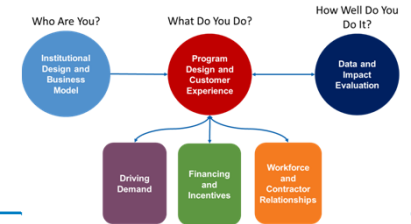
1. Keep the program simple for the customer
2. Make sure you are offering something valuable for your contractors that is worth the time and hassle of being a partner in your program
  - Contractors value leads at \$100-\$300 on average
3. **Develop process flowcharts that show the necessary steps for each partner:**
  - Customer
  - Contractor
  - Financial partner
  - In-house program staff
  - Call center / support center
4. Be willing to invest in success up front, then scale back for sustainability
  - Get attention from customers
  - Kick-start the market for contractors
  - Develop early wins to elicit buy-in from stakeholders

# Lessons: Marketing and Driving Demand



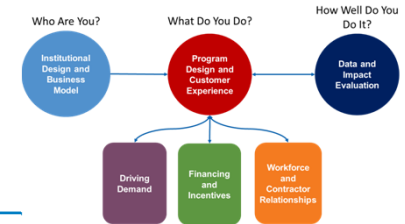
1. Identify discrete target audiences; adapt your tactics & messages to their needs
2. **Offer what people want and value (not necessarily EE)**
3. Make it easy for homeowners to understand how to participate
4. **Contractors are your sales team—empower them & give them something to sell**
5. Leverage “early adopters” and engage trusted messengers to market the program
6. Work with your customers’ existing trusted partners for more effective marketing
7. Word of mouth is powerful, so give people something to talk about
8. **Use competitions, time limited offers, and other deadlines to motivate action**
9. Use language that resonates with your target audience
10. Make benefits visible by showcasing completed projects and actual results
11. Follow through with customers—one touch is not enough
12. Door-to-door marketing works better to advertise events than to “make a sale”
13. Follow up quickly on leads to take advantage of the “opportunity window”
14. Track and evaluate what works (and doesn’t), and adapt your marketing approach

# Lessons: Financing and Incentives



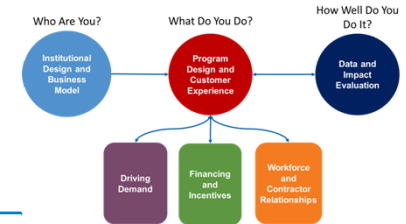
1. Focus financing offers on specific gaps and opportunities in the market
2. **Target financial incentives at desired behaviors and program priorities**
3. **Simplify the process and criteria to help customers qualify for loans quickly**
4. Work directly with potential partners; make a clear & specific business case
5. Leverage financial sector marketing channels and opportunities
6. Involve contractors in design to make them champions of financing options
7. **Speak like your customer—low payments, low interest rates, more lattes**
8. Adapt and refine based on feedback from financial partners and others
9. Relationships among partners are vital to success; interact regularly
10. Design your financing program now in light of long-term goals
11. Provide financing and working capital for contractors, not just customers

# Lessons: Workforce & Contractor Relationships



1. Tap existing resources to identify qualified contractors and recruit & train
2. **Help your contractors drive sales; they can be your most effective sales force**
3. Start with enough trained contractors to launch, then decide on training
4. **Help smaller, local contractors enter the market by lowering the cost of entry**
5. Support in-field learning and mentoring for newly trained (/ all) workers
6. Don't be afraid to differentiate contractors based on certification or skills
7. Create value for contractors through leads & coordination so they give you value
8. If you establish a high road agreement, help contractors comply w/requirements
9. **Listen to your contractors to evaluate and adapt your program**
10. Ensure program integrity through QA and ongoing feedback from homeowners
11. **Have clear rules and systems for rewarding contractors and remedying problems**
12. Help contractors educate customers on effectively using equipment post-upgrade

# Lessons: Using Data to Support Program Administration



1. Identify info needs early and establish a data collection & evaluation plan
2. Approach utilities and other potential data partners early in the program
3. Choose a system to collect & sort information across partners and activities
4. Use systems to streamline the program process for homeowners & contractors
5. **Develop a program “dashboard” of your most important metrics & track them**
6. Recognize that data has considerable value—and requires resources
7. Provide adequate time and resources to ensure quality data
8. **Ask & listen to customers and contractors to evaluate your program**
9. Set realistic expectations about program milestones
10. Ensure data collection supports your ability to perform cost-effectiveness tests

## WHERE WE ARE HEADED



# BBNP Commitment to Learning & Sharing



1

## Planning

Clarify What We Need to Know

Go

2

## What We Know Now

- Website
- Case Studies
- Program Guides & Templates

3

## Data Collection

- Quantitative (reporting)
- Qualitative (account management, peer exchange calls, Google Site forum, workshops)

4

## Analysis & Evaluation

Review & Revise What We Know

- Quantitative
- Qualitative
- Formal Evaluations

## Decision Tool

- Step-by-step guidance
- Options
- Examples
- Tools
- Templates
- Promising approaches, lessons learned, best practices

## “Decision Tool” Purpose and Scope:

- Share comprehensive lessons for residential energy efficiency programs based on learning from rapid expansion and experimentation in the field
- Provide an easily-accessed, robust location for key resources and knowledge
- Help program administrators plan, implement, manage, and evaluate residential energy efficiency programs as effectively as possible

***Aiming for first release at ACI 2013***

# Decision Tool Audiences

## 1<sup>o</sup> Program Administrators and Implementers

– utilities, energy service providers, state energy offices, municipal governments, NGOs

## 2<sup>o</sup> Program and Service-Delivery Partners

– contractors, financial institutions, marketing firms

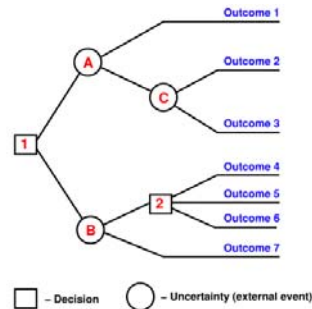
## 3<sup>o</sup> Program Evaluators



## Step-by-step Guidance

- Step #1: [Set Goals and Objectives](#)
- Step #2: [Create an Evaluation Plan](#)
- Step #3: [Conduct Audience Research](#)
- Step #4: [Identify Target Audience and Behavior Change](#)
- Step #5: [Create Effective Messages](#)
- Step #6: [Build Partnerships](#)
- Step #7: [Develop a Marketing Plan](#)
- Step #8: [Implement Your Marketing Plan](#)
- Step #9: [Assess Your Progress](#)

## Options



## Examples

**Charlottesville, VA**

LEAP SUCCESS STORY

**Boulder County, CO**

## Promising Approaches, Lessons, and Best Practices

### Use professional, compelling messaging

- Using behavioral research
- Avoiding “audit” and “retrofit”
- Tapping into social norms
- Attention-grabbing messages

California - Statewide Campaign



## Decision Tool Resources

### Tools and Guides

Better Buildings  
Neighborhood Program

**Business Models Guide**

June 19, 2012

**Driving Demand**  
for Home Energy Improvements.

Motivating residential customers to invest in

## Templates

Optional Implementation Plan Template

PROGRAM DESIGN/GETTING STARTED	Specification	Milestone Started	Milestone Completed
<p><b>Assess the Market/Understand Your Community</b></p> <ul style="list-style-type: none"> <li>• Assess the characteristics of the building stock in your community</li> <li>• Assess current (clean energy) services offered in your community</li> <li>• Research community demographics</li> <li>• Identify prevailing community opinions of energy efficiency</li> </ul> <p><b>Define Program Mission &amp; Vision</b></p> <p><b>Define Program Goals and Objectives</b></p>			

## Case Studies

Service Delivery

**BETTER BUILDINGS**

Spotlight on Austin, Texas:  
Best Offer Ever Produces  
Upgrades in Record Time

**Key Takeaways**

- Use valuable, short-term promotion to jump-start program enrollment
- Build on existing energy efficiency efforts to launch quickly and learn for the next iteration
- Plan for contingencies and create your energy

**Launch With a Short-Term Promotional Offer to Jump-Start Participation**

With its Best Offer for customers, Austin Energy created a promotional offer to launch its energy efficiency program. To quickly build momentum for Better Buildings Neighborhood Program with ENERGY STAR® incentives, customers and contractors had to enter a comprehensive marketing effort to drive both energy efficiency and energy efficiency. Austin Energy and its contractors were able to keep up with requests for energy efficiency upgrades, including energy audits, weatherization, and more.

**The Best Offer Ever**

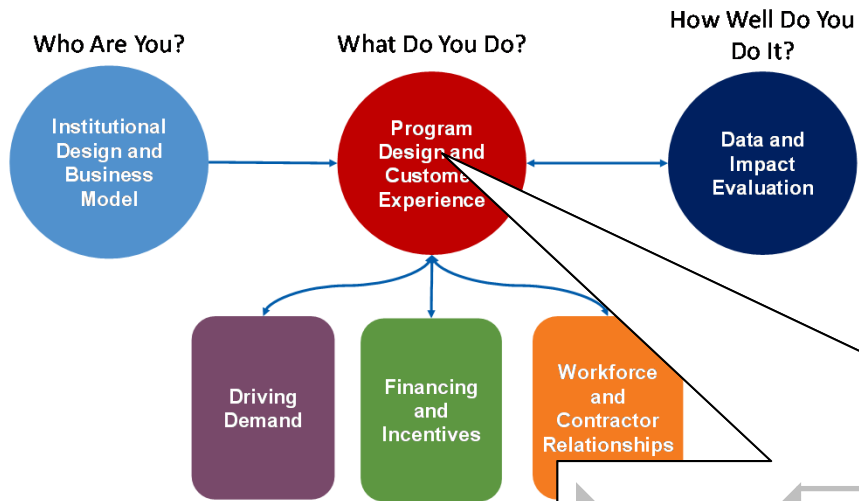
Austin Energy's Best Offer promotion was a success. It had a 50% increase in enrollment compared to the Best Offer for energy efficiency. Customers who enrolled in the program during the Best Offer period received a \$500 rebate on their energy efficiency upgrades. The Best Offer promotion was a success because it was able to increase enrollment in the program and create a record number of energy efficiency upgrades.

**Starting on the landscape**

With some business model guidance from Better Buildings Neighborhood Program, Austin Energy was able to launch its energy efficiency program in a record time. The Best Offer promotion was a success because it was able to increase enrollment in the program and create a record number of energy efficiency upgrades.

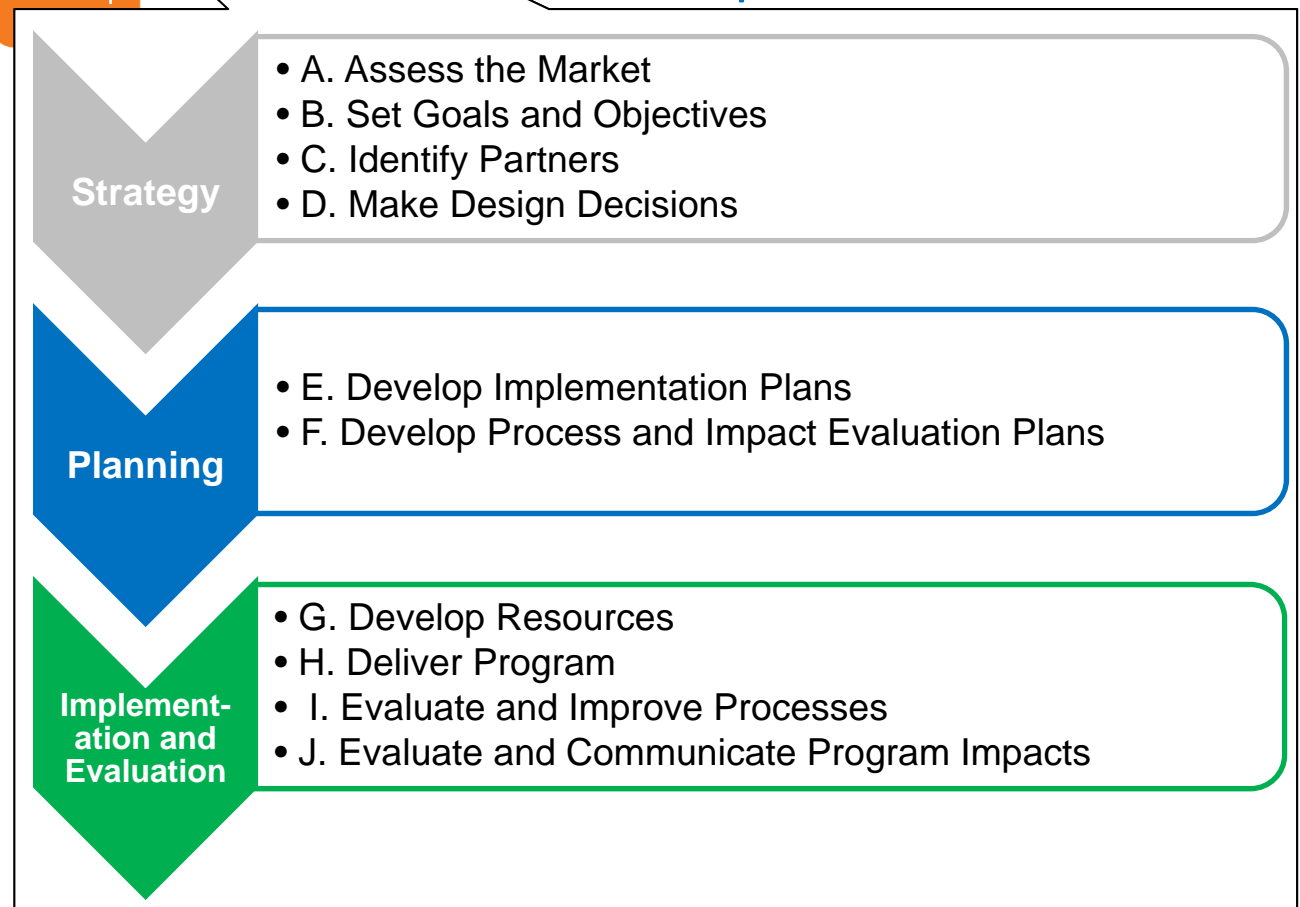
**Small business, big potential**

Small business, big potential. Austin Energy's Best Offer promotion was a success because it was able to increase enrollment in the program and create a record number of energy efficiency upgrades.



## Organized Along Major Decision Framework Components

Each component is broken down into consistent strategy-planning-implementation & evaluation phases



# Path Forward for Populating the Framework & Building the Tool



## July – Dec. 2012:

### User Needs and Design Options

- Solicit user needs for decision tool
- Scope tool features & software options
- Contract tool creator
- Continue gathering resources

## May – Dec. 2013:

### Tool Release

- Publicize widely
- Review, refine, ID gaps
- Continue adding resources



## Jan. – April 2013:

### Tool Development

- Build & populate decision tool

RIGHT NOW

# Learn More



[www.betterbuildings.energy.gov/neighborhoods](http://www.betterbuildings.energy.gov/neighborhoods)

## Resources:

- Case Studies
- Lessons Learned
- Innovations
- Webcasts
- Conferences and Workshops
- Videos
- Tools/Calculators
- “Run A Program”

**Better Buildings Neighborhood Program**

HOME ABOUT BETTER BUILDINGS PARTNERS INNOVATIONS RUN A PROGRAM TOOLS & RESOURCES NEWS

EERE » [Building Technologies Program](#) » Better Buildings Neighborhood Program

Printable Version Share

**Better Buildings**  
NEIGHBORHOOD PROGRAM  
U.S. DEPARTMENT OF ENERGY

The Better Buildings Neighborhood Program is helping over 40 competitively selected state and local governments develop sustainable programs to upgrade the energy efficiency of more than 100,000 buildings. These leading communities are using innovation and investment in energy efficiency to expand the building improvement industry, test program delivery business models, and create jobs.

Quick Links	
Government/Program Professionals	<a href="#">Access Tools and Resources</a> <a href="#">Get Started</a>
Better Buildings Partners	<a href="#">Run a Program</a> <a href="#">Read About Better Buildings</a>
Home/Building Owners	<a href="#">Learn About Energy Upgrades</a> <a href="#">Get New Ideas</a>
Media Professionals	<a href="#">Read About People Who Have Upgraded Their Buildings</a>

**Better Buildings in Your Neighborhood**

**What's new with the Better Buildings Neighborhood Program?**

Promising Approaches	Program partners are testing innovative ways of delivering energy efficiency upgrades:
<p>In-home energy showcases give residents a better understanding of how energy efficiency upgrades could enhance their own home by allowing them to experience an upgraded home firsthand.</p>	<p>Communitywide competition Loans that stay with the property Community workforce agreement University partnership Neighborhood energy scan Equipment loan for businesses Energy advisors Fast financing approval Rating contractor performance Carrotmobs Neighborhood sweeps Energy data dashboards</p>

**Get Inspired!**



# Case Studies

**Driving Demand**

**Better Buildings**  
U.S. DEPARTMENT OF ENERGY

Spotlight on Rutland County, Vermont:  
How Local Ties Lead to Local Wins

## Key Takeaways

- Understand who is trusted most in your community before determining the best voice for your program
- Leverage relationships within your community and across the state to identify resources and spread the word widely
- Adjust tactics quickly in response to stakeholder feedback

## Neighbors Excel in Spreading the Value of Energy Efficiency in Rutland, Vermont

Building on their understanding of homeowners in Rutland County, Vermont, NeighborWorks of Western Vermont (NWWVT) has enlisted well-respected local citizens and organizations to spread the word about home energy efficiency upgrade opportunities, an effort that has driven demand for nearly 200 home upgrades in just six months. With its DOE Better Buildings funding, NWWVT created the "Home Efficiency Assistance Team," or the H.E.A.T. Squad, which works with local organizations across the 26 towns in the county to conduct phone-a-thons, direct outreach, and personalized home visits to develop public interest in energy efficiency. Team members are available through a local hotline to educate homeowners about energy efficiency and to sign them up for an evaluation. After completing the evaluation, staff members offer to send to person for a "kitchen table" discussion to review the evaluation results, contractor recommendations, and financing options. It's a neighbor to neighbor approach that taps into the strengths of both the organization and the communities where they are working.

## Leverage Existing Relationships and Strong Community Ties to Deliver Real Benefits

Capitalizing on its experience operating affordable housing programs in Rutland County for nearly years, NWWVT is bringing existing offers from Vermont's first-party energy efficiency utility, Efficiency Vermont, to its communities. NWWVT program leaders recognized that citizens of Rutland County were not taking advantage of Efficiency Vermont's valuable programs and that the organization's own experience finding trusted messengers in the community could be a significant asset for increasing participation. NWWVT decided to use its existing strong community relationships to bring energy efficiency to hundreds of low to middle income homeowners in the county. As a result, in only six months, NWWVT facilitated 166 energy efficiency upgrades and interest continues to grow.

## Finding the Right Messenger Builds Trust and Buy-In

NWWVT knows that Rutland County residents have strong relationships in their communities and that the most trusted messengers are neighbors, rather than the government or utilities. To put these insights into action, Executive Director Lady Biddle tapped into her own hometown of Shorebury to launch the first phase of the program.



The Better Buildings Neighborhood Program is part of the national Better Buildings Initiative led by the U.S. Department of Energy.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more profitable and to read more from this Spotlight series, visit [betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods).

April 2010 Version 2

1. Source: results as of March 31, 2010

[betterbuildings.org](http://betterbuildings.org)

- Use valuable, short-term promotion to jump-start program interest
- Build on existing energy efficiency efforts to launch quickly and learn for the next iteration
- Plan for contingencies and resolve your errors

"Getting on the landscape fast with some successes built positive momentum. There will be warts, so set reasonable expectations... but it is a great way to let people know you are on the scene."  
—Kari Rabeago, Vice President, Austin Energy

The Better Buildings Neighborhood Program is part of the national Better Buildings Initiative led by the U.S. Department of Energy.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more profitable and to read more from this Spotlight series, visit [betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods).

April 2010 Version 2

## Rutland County, Vermont: How Local Ties Lead to Local Wins

## Service Delivery

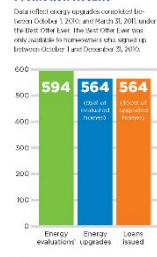
### Spotlight on Austin, Texas: Best Offer Ever Produces Upgrades in Record Time

## Launch With a Short-Term Promotional Offer to Jump-Start Participation

With its Best Offer Ever promotion, Austin Energy completed comprehensive energy upgrades in a record 564 homes in only six months—more than 10 times the utility's typical participation rate. To quickly develop momentum for Better Buildings Austin Energy's Clean Energy Accelerator program with homeowners, Austin Energy leveraged its existing Home Performance with ENERGY STAR® infrastructure, experience, and contractor base but added a comprehensive rebate financing offer for a three launch period. Rebate scaled, and due to thoughtful planning, Austin Energy and its contractors were able to keep up with requests for energy evaluations, inspections, improvements, and loan origination, while learning valuable lessons along the way.

The Best Offer Ever Austin Energy's high-value promotion—the Best Offer Ever—presented customers who signed up for an energy upgrade between October 1 and December 31, 2010, with a significant financial incentive, resulting in 564 Home Performance with ENERGY STAR upgrades in six months. In the past, participants in Austin Energy's Home Performance with ENERGY STAR program received a free energy evaluation, but had to choose between a rebate or low interest rate financing through a local credit union to complete the recommended upgrades. By tying to during the promotion, participants could receive both the rebate and financing for a combined value of approximately \$2,350 per household. Even with the stable incentive, Austin Energy leveraged \$4.39 million in loans using \$700,000 of its Better Buildings seed funding to pay for the incentives and marketing to launch the promotion.

Figure 1. Best Offer Ever Promotion Results



1. Home Performance with ENERGY STAR is a registered trademark of the U.S. Environmental Protection Agency.  
2. Austin Energy's typical participation rate for Home Performance with ENERGY STAR upgrades is approximately 5%.

[betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods)

**Financing and Incentives**

**Better Buildings**  
U.S. DEPARTMENT OF ENERGY

Spotlight on Michigan: Experiment to Find the Right Mix of Incentives

## Key Takeaways

- Weight incentives to reward deep energy improvements over general program participation in order to maximize energy savings per home
- Recognize that neighborhood characteristics are important determinants of customer participation, sometimes more so than incentive levels
- Ensure that the program is flexible enough to adapt its features based on feedback and results during implementation



The Better Buildings Neighborhood Program is a U.S. Energy Department program that is improving lives and communities across the country through energy efficiency.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more successful and to read more from this Spotlight series, visit [betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods).

Revised July 2012

With support from the U.S. Energy Department's Better Buildings Neighborhood Program, a diverse coalition of partners under the banner of BetterBuildings for Michigan designed 27 neighborhood "sweeps" across the state. These targeted outreach campaigns applied varying incentives and outreach strategies to designated neighborhoods with a goal to understand which incentives and strategies work best in the target communities.

In the earliest sweeps, program staff focused on maximizing the number of participants receiving a diagnostic energy assessment and some energy efficiency measures, called the program's "base package." Program staff quickly realized that to achieve deeper energy savings with a target of at least 15% per home, they would need to ensure that both the messaging and incentive encourage participants to invest in additional measures. Using this information, BetterBuildings for Michigan changed its approach in subsequent sweeps and offered rebates to promote larger scopes of work for each home. As of June 2012, the program had completed nearly half of the 27 sweeps and continues to experiment with program design to understand the best strategies for each community. All 27 sweeps will be completed by summer 2013, at which time there will be more lessons to learn from the program's experiences.

## Create Multidimensional Incentives to Address Customers' Varying Needs

In all of the Michigan sweeps, the participants:

- Base Package: The first step: energy assessment, direct incentives. The cost of the base package.
- Incentives for Additional Measures: Participants are encouraged to undertake energy efficiency measures, including insulation, weatherstripping, and more. These incentives are most effective when they are tied to the size and structure variety.
- Financing: All sweeps offer "Saves," which provides start-up financing for up to 10% of the total project cost.

Table 1 shows the combination of sweeps. For the base package, the contractors, and measures include:

1. Base package: energy assessment, direct incentives, and weatherstripping. 2. Michigan Sweep also available here: <http://www.betterbuildings.org>

## Workforce

**Better Buildings**  
U.S. DEPARTMENT OF ENERGY

Spotlight on Portland, Oregon: Making the Program Work for Contractors

## Key Takeaways

- Solicit ongoing feedback from contractors and participants and use information to guide program improvements
- Encourage formal contractor networks that are able to represent contractors' needs
- Design contractor incentives that align with program goals
- Reward high-performing contractors and support new professionals with skills training and mentoring



The Better Buildings Neighborhood Program is a U.S. Energy Department program that is improving lives and communities across the country through energy efficiency.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more successful and to read more from this Spotlight series, visit [betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods).

June 2012

As a program charged with saving energy and supporting economic growth, Clean Energy Works Oregon (CEWO) balances contractors' work priorities with the program's need to enforce quality standards, track results, and ensure good customer service. From the outset, CEWO leadership knew that actively engaging contractors would be critical to the program's success, but figuring out how to do so has been a learning process.

As of May 2012, CEWO had 50 home performance contracting firms in its network, had completed 1,600 upgrades since the pilot launched in summer 2009, and received extremely positive feedback on their contractors' performance in customer surveys. Additionally, 40% of projects completed under the program are the result of contractor marketing.

CEWO has achieved this success with ongoing feedback from contractors and participants, as well as data analysis that led CEWO leadership to use incentives to better align contractor goals with program goals. By working with a unified group of contractors, CEWO staff have been able to identify problems quickly and find solutions acceptable to both the contractors and the program. And after observing contractors' varying levels of technical experience and business savvy, CEWO created numerous business development cases as well as mentoring opportunities for new contractors.

## Ensure Contractors Take the High Road

CEWO started as a pilot in Portland, Oregon, in summer 2009 with a mission to eliminate the cost barriers that hinder consumers from undertaking deep energy upgrades, save energy, and transform the energy efficiency market. The program wanted to accomplish this mission in a way that equitably employed a diverse set of contractors, including minority-owned, women-owned, and emerging small business contractors. To both ensure high-quality work and spread the economic opportunity to workers from disadvantaged communities, CEWO selected top performing home performance firms that follow best practice quality assurance protocols and meet High Road Standards.<sup>1</sup> The program also tracks results across a range of metrics.

These requirements encouraged local contracting firms to change and improve their business practices, which was a challenge for some of them.

1. High Road Standards require the program's participating contractors to pay their employees Fair Supporting Wages (at least 10% of Oregon state minimum wage), provide health care to their staff from designated contractors' health programs, and employ at least one woman, African American, Hispanic, or Native American. Contractors that exceed these standards and capabilities earn a reputation for program experience.

[betterbuildings.energy.gov/neighborhoods](http://betterbuildings.energy.gov/neighborhoods)

## Michigan: Experiment to Find the Right Mix of Incentives

## Portland, Oregon: Making the Program Work for Contractors

# More Lessons Learned & Examples

[www.betterbuildings.energy.gov/neighborhoods/workshops\\_july\\_2012.html](http://www.betterbuildings.energy.gov/neighborhoods/workshops_july_2012.html)



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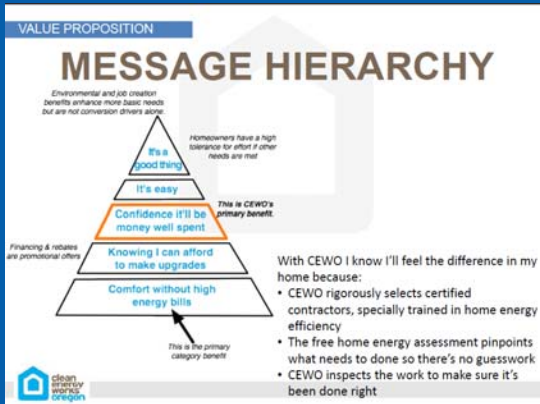
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## Residential Energy Efficiency Solutions: From Innovation to Market Transformation Conference, July 2012

From July 9-11, 2012, the U.S. Department of Energy brought together administrators and implementers of residential energy efficiency programs to share program implementation solutions, strategies, and techniques. Conference participants included state and local governments, utilities, non-governmental organizations, Better Buildings Neighborhood Program partners, Home Performance with ENERGY STAR® Sponsors, Home Energy Score Partners, and other stakeholders.

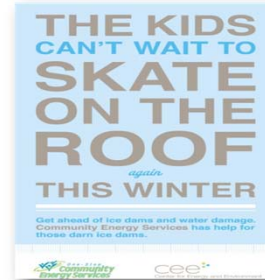
### Will Villota, Clean Energy Works Oregon



### Refining Lessons Learned: Danielle Sass Byrnett, U.S. DOE

#### 2) Offer what people want and value (not necessarily energy efficiency)—and offer it when they want it

- Take advantage of seasonal opportunities to give homeowners what they need, when they need it



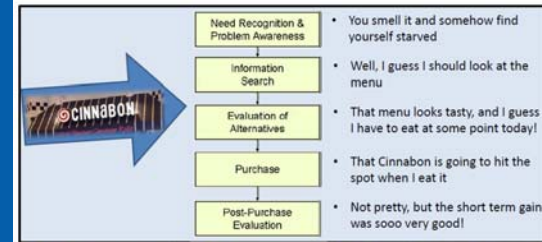
- Your program is **delivering** energy efficiency, but your customers are **buying** comfort, durability, value, cost savings, health, community pride, a sense of belonging, or a solution to a problem

See BBNP case study: [Rutland County, VT – How Local Ties Lead to Local Wins](#), April 2011

### Jonathan Doochin, U.S. Green Data

#### What You're Thinking... Yum! How Our Mind Processes Incentives

The psychology of what's going on in your head...



US Green Data

#### Contractors are your friends (really!)

- They are the #1 source of referrals
- If you don't work with them, they may also be your #1 source of headaches
- If they are trained and certified, with strong building science background, they will help you achieve your goals
- A contractor pool is beneficial to you and to the contractor community- even if they complain!

Elizabeth Babcock, City/County of Denver



#### 3. Using Data- improving complete rates

**Learning:** significant drop-off if more than ~3 days before contractor calls to schedule.

#### Actions:

Contractors: must contact within 3 business days

Neighbor to Neighbor:

- Same day and in-field data entry
- Receipts with contractor name
- Automated reminder email upon entry of lead.
- Weekly call nights focusing on customers lost by contractors.
- Outreach staff obsessively watches high quality leads



Roger Smith, CT Neighbor to Neighbor

# Make Your Mark

April 30-May 3, 2013

DENVER, CO

at the

2013 ACI National Home  
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[www.affordablecomfort.org/national2013](http://www.affordablecomfort.org/national2013)



Thank you

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**Danielle Sass Byrnett**

U.S. Department of Energy

Better Buildings Neighborhood Program

[betterbuildings@ee.doe.gov](mailto:betterbuildings@ee.doe.gov)



Sign-Up for the Better Buildings Neighborhood View:

[www.betterbuildings.energy.gov/neighborhoods/contacts.html](http://www.betterbuildings.energy.gov/neighborhoods/contacts.html)

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