Residential Retrofits, Cost-Effectiveness & Home Valuation

NASEO Annual Meeting – Buildings Committee
San Antonio, Texas
September 12, 2011
National Home Performance Council

- Mission to promote whole home energy performance
- Stakeholder engagement and organization
- Research and special projects
- Information/Education Support for Policy Initiatives
Making Residential Retrofits
About Home Performance

"Quality means doing it right when no one is looking."

Henry Ford
Home Performance Stakeholders

- Contractors
- Utilities
- State Energy Officials
- Legislators
- PUCs
- Manufacturers
- Realtors…
Advancing Quality Home Performance Programs

- Keys to Successful Home Performance Programs:
  - Trained Contractors
  - Goldilocks Incentives
  - Appropriate timeframe, QA
  - Financing Opportunities
  - True cost-effectiveness evaluation
NHPC Report Coming Soon!

- Upcoming NHPC Report Highlighting State Energy Programs!

- Spoiler Alert:
  - FL, NH, OR, MA, NY, PA, NJ, WI, KY, AZ, VA
  - October 2011
Advancing Innovative Policies

- Know your surroundings
  - Take steps today for a better tomorrow
  - State/Regional Leadership

- Seek Common Ground
  - Stakeholder agreements
  - Coalition Building

- Take Homes to the Next Level
  - Policy Support: Research, Education
  - Managing expectations….
New Policy Initiatives

“You always pass failure on the way to success.”

Mickey Rooney
Legacy of Home Star

- House Hearings, Passed
- Senate Hearing, Introduced
- President Mentions Again…and Again…
- State Activity Increased
- Training Capacity Increased
- DOE Preparations

…….a failure?
Tax Incentives, Program Initiatives

- Gold and Silver State Provisions
- REEP
- PowerSaver Loan Program
- DOE’s Home Energy Score
- Workforce Guidelines for Home Energy Upgrades
Utility Cost Effectiveness Testing

- You don’t know what you don’t measure.
- If you measure wrong, you know nothing.
Changes Needed to the TRC et al.

- 10 Concerns Need Addressing:
  - Level of Application
  - Time frame
  - Proportion of Measure Cost Considered
  - Discount rate
  - Value other avoided externalities
  - Non-Energy Benefits
  - Effective Useful Life (EUL) of measures
  - Value carbon savings
  - Net to gross
  - Dual utility jurisdictions
Temporary and Permanent Solutions to the TRC

- Standardized best practices for applying the Total Resource Cost (TRC) test
- Use the Program Administrator Cost Test (PACT) also known as Utility Cost Test
- Modify utility incentive structures to encourage not discourage efficiency.
NHPC Report Released!

GETTING TO FAIR COST- EFFECTIVENESS TESTING

Using the PACT, Best Practices for the TRC, and Beyond

Join the effort-Comment Today!

WWW.NHPCI.ORG/TRC
Getting information to flow…

- NHPC chairs BPI working group responsible for developing data collection and transfer standards;

- Standardization of data collection sets and HPXML will make it easier to collect and transfer data from one system to another;
…Faster, Cheaper, Better

- Standards will allow more data to be collected at less cost;
- Improve programmatic capacity to measure and evaluate, QA, analysis of savings;
- Important cost-saving potential for all participants, including contractors, program administrators and utilities;
Crucial Need for Home Valuation

- The Need to Green the MLS
  - Limited and Easy to Understand Data Fields
  - Stakeholder Consensus and Education
  - State leadership

- A Market at Last
  - Appraisers
  - Realtors

- Colorado Example
Unlocking the Full Value of Green Homes

Why Green Multiple Listing Services are a Key to Residential Energy Efficiency

April 2011
Looking to the States

- Leadership is needed!
- The Nursery of Policy Innovations
- The future after ARRA Funds…