

Recommendations for Contractors Seeking to Engage in Historic Federal and State Incentive Opportunities

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Contractors serve as primary educators in many residential efficiency programs and therefore possess a deep, practical understanding of how to ensure programs are successful. The energy efficiency incentive market of 2024 offers historic support for home upgrades and provides a wide range of ways for contractors to engage. These incentives are designed to improve the homes of millions of families across the country while growing contractor businesses, expertise, diversity and reputations. Accessing and engaging the tools and strategies to support households and help states achieve maximum program success can be a challenge to contracting businesses unfamiliar with incentive requirements. In response to this, the Department of Energy (DOE) has rolled out [a Home Energy Incentives module](#) that contractors can use to help leverage multiple sources of incentive funding for energy efficiency projects.

The recommendations in this document aim to help contracting companies prepare to market themselves and take advantage of current and forthcoming incentive opportunities. Contractors, in this paper, refer to businesses who work in America's homes and buildings to update and maintain their energy systems. This includes HVAC, insulation, electricians, plumbers, auditors, and those who work with them to provide the physical and educational labor to help Americans understand their energy use and provide the work being done in their homes. Contractors are the ones that homeowners contact when needing help or seeking advice, and it is those contractors who are the point of reference on what a project will ultimately look like. Many firms have decades of experience with energy efficiency and weatherization work and programs – we hope these recommendations are beneficial to these experienced leaders as well as new firms just entering the industry.

Throughout 2024, AnnDyl Policy Group and the Building Performance Association (BPA) have engaged contractors and state decisionmakers across the country to develop recommendations for contractors wishing to engage in this unprecedented market. In addition to this document offering guidance to contractors, BPA's paper on [Contractor Perspectives for States Designing New Federal Home Upgrade Incentive Programs](#) offers ideas from contractors to support states that are developing future residential retrofit programs to be delivered by contractors. Those recommendations are drawn from DOE's existing materials on residential programs, as well as extensive, voluntary engagement with home performance contractors across the country via webinars, roundtables, individual conversations, and more.

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1) Seek out training and maintain certifications.

Contractors should look for industry-wide certifications that will improve and standardize installation methods across the firm, and put in place a plan to ensure a variety of training exists on each team. Encourage staff to discuss the certification and provide feedback about the training that is most useful in the field. Prioritize the training that helps them be most efficient, accurate, and compliant with program requirements.

Certain certifications and training are required to participate in incentive programs; though the detailed requirements vary by state, ensuring that teams are up-to-date and have renewal plans for existing certifications can provide a head start on participation. **Include as many staff as possible on training courses that explain program eligibility and compliance.**¹ It is important that employees in the field understand what information must be collected so administrative employees can submit robust and compliant funding applications. When a contractor cannot explain a rebate or incentive, or doesn't know the requirements, it creates a lengthy back and forth with the program that is detrimental to program outcomes, customer satisfaction, and business growth. Regular check-ins with departments and teams allow time for education and space to troubleshoot questions that are coming up in the field.² By taking the time up-front to understand the program requirements and keep teams up to date, it cuts down time spent seeking answers and waiting for customers to make decisions.

The most successful energy efficiency programs offer specific training to contractors and providing this training is considered a best practice by DOE,³ since it allows more contractors to participate and the program to ramp up more quickly.⁴ If the relevant state program does not currently offer such training, contractors should reach out for guidance and advocate for these supports because DOE research has demonstrated that they improve program outcomes.⁵ Highlighting the size and demand of the interested contractor base is a key data point for states when they are making program design and training decisions. Among other options, DOE provides the Energy Skilled recognition to help contractors identify meaningful and robust training programs.⁶ Additionally, consider connecting with state energy efficiency and national

¹ Case Study: Improving Arizona Home Performance. DOE Better Buildings Program.

<https://betterbuildingssolutioncenter.energy.gov/sites/default/files/attachments/Improving%20Arizona%20Home%20Performance%20-%20Case%20Study.pdf> p. 6.

² Conversation with working contractor, September 3, 2024.

³ October 2016. Proven Practices: Leveraging Partners to Provide Training and Develop a Skilled Workforce, DOE Better Buildings Program. <https://rpssc.energy.gov/proven-practices/proven-practices-leveraging-partners-provide-training-and-develop-skilled>

⁴ June 2015. Drivers of Success in the Better Buildings Neighborhood Program.

<https://www.energy.gov/eere/analysis/articles/drivers-success-better-buildings-neighborhood-program-statistical-process>. P. 16.

⁵ Ibid., P. ES-3, p. 23.

⁶ Energy Skilled Recognition. Department of Energy. <https://bsesc.energy.gov/recognition/energy-skilled>

building advocacy organizations or other trade groups to gather information and resources⁷ – it can make each job easier and save customers money. Many of these new programs also include substantial data collection and reporting requirements to verify energy bill reductions and energy savings.⁸

2) Consider establishing beneficial partnerships with complementary contracting firms and with community institutions.

A program-supported project in one home can involve numerous areas of expertise, from plumbing to electrical to HVAC. Forming mutually-beneficial partnerships with other contracting firms and community institutions will expand reach and support customers more comprehensively while keeping focus on each firm’s areas of expertise. Such partnerships can help contracting firms unlock new jobs while simplifying the experience for the homeowner. For example, a panel upgrade in preparation for a heat pump is a much easier prospect if a homeowner only needs to contact one firm.⁹ An overly-narrow scope limits the potential scale of money and energy savings, and offering a broad slate of services maximizes success for the customer.¹⁰

Partnerships with other firms can provide a range of services to customers, from meeting emergency demand during extreme weather to streamlining an unexpectedly complicated project or complying with program rules such as a required energy audit.¹¹ New heat pump owners may be unfamiliar with how to run the systems and may reach out to their installer with questions, concerns, or challenges during heat waves or cold periods.¹² If a homeowner needs other upgrades before putting in a heat pump, being able to quickly connect the homeowner with other support keeps a firm in the job and helps smooth the experience for the homeowner. Additionally, homeowners often rely on preexisting relationships with firms and

⁷ See Recommendation #7 for other benefits of connecting with industry groups.

⁸ See Recommendation #8: Train teams on the importance of data and its end uses, and become familiar with program reporting tools.

⁹ June 2015. Drivers of Success in the Better Buildings Neighborhood Program.

<https://www.energy.gov/eere/analysis/articles/drivers-success-better-buildings-neighborhood-program-statistical-process>. P. 23.

¹⁰ Conversation with working contractor, August 29, 2024.

¹¹ May 2024. Comments at Maryland Roundtable.

¹² Conversation with working contractor, September 3, 2024.

referrals from their own networks when selecting a contractor, so establishing these partnerships can help to expand reach without incurring additional costs.^{13, 14}

Similarly, **make sure administrative teams are prepared before programs become available.** Firms may struggle to meet the administrative burden associated with supporting numerous rebate and grant applications. Contractors should build out administrative staff as soon a program timeline becomes public, and before funding is publicly accessible.^{15, 16} If partnering with another firm, consider sharing administrative capabilities to avoid having to staff-up twice. Many firms express concern about understanding of eligibility and requirements for incentives – especially if they change or roll out over time. Ensure that administrative staff know where to seek program information so they can support the staff working in the field, get them the information and spread it to other technicians. Allow the technicians to do the work, and the administrative staff seek answers to their questions.^{17, 18}

3) Pursue innovative marketing strategies centered on new funding, as well as newly eligible upgrades.

Marketing new funding: Building early awareness of funding (once available) is key to helping customers prepare for the disruption and cost that a major project can bring – and opportunities like the IRA’s expanded 25C tax credit are available now.¹⁹ Marketing connected to new incentives not only helps ensure that customers are aware of contracting firms when their need arises but also that they are sufficiently confident in their understanding of new technologies and incentive opportunities. Consider reaching out to homeowners who have expressed interest in higher efficiency upgrades in the past with information about new funding opportunities.

Partnerships and outreach strategy: When homeowners need a contractor, they often rely on their networks to provide recommendations. Contractors can **leverage trusted community voices in marketing.** Contractors may consider writing letters-to-the-editor in local media, neighborhood or community newsletters, or seeking airtime on local radio to help the public

¹³ June 2015. Drivers of Success in the Better Buildings Neighborhood Program. <https://www.energy.gov/eere/analysis/articles/drivers-success-better-buildings-neighborhood-program-statistical-process>. P. 23.

¹⁴ See Recommendation #9: Prepare for barrier mitigation.

¹⁵ April 2024. Comments at the NHPC Roundtable.

¹⁶ Conversation with working contractor, October 9, 2024.

¹⁷ March 2024. Comments at the Kentucky Roundtable.

¹⁸ See Recommendation #1: Seek out training and maintain certifications.

¹⁹ May 2024. Comments at Maryland Roundtable.

understand the benefits of the upgrades, as well as the funding available to defray the cost to themselves.

Partnerships can also be with trusted community organizations like churches, community centers, and local leaders. Contractors can work with these institutions to raise awareness about the funding and potential benefits, and find customers in specific demographic pools. Such partners can also help distribute information and provide ongoing support, including advertising services in newsletters.²⁰ Working within existing networks that communities already trust will encourage those communities to reach out if they need help.

4) Prepare homeowners for post-project QA processes and any additional post-install requirements for these incentive programs.

Post-project quality assurance may be required in many of the current efficiency incentive programs. While specific QA processes are not always predictable for each project, contractors can avoid displeased customers by explaining test-in/test-out processes and alerting them ahead of time that state representatives may need to inspect the project in their home.²¹ This early preparation can decrease the burden on contractor companies and state program staff by addressing potential customer confusion upfront, thereby limiting callbacks and ensuring contractors don't receive misapplied blame for a longer or more hands on process.²² Contractors can also leverage the Pacific Northwest National Laboratory's Quality Install tool to provide the homeowner a report of the work that was done.²³

Contractors and states should, where possible, coordinate in advance to schedule QA inspections to occur on the final day of the job. This alignment streamlines the QA process, simplifies the resolution of any minor issues, and limits subsequent visits to homes.²⁴ This is also an important accessibility element for low- and moderate-income households, which often have less bandwidth to miss work or adjust childcare in order to be home for an inspection or follow-up visit. As these families are the target of much new federal funding, dedicated planning to support them will help smooth jobs and ensure satisfied customers.

²⁰ See Recommendation #6: Emphasize the operation procedures and ongoing maintenance needs for new systems.

²¹ January 2024. Comments during the Arizona Roundtable.

²² Case Study: Improving Arizona Home Performance. DOE Better Buildings Program. <https://betterbuildingssolutioncenter.energy.gov/sites/default/files/attachments/Improving%20Arizona%20Home%20Performance%20-%20Case%20Study.pdf>. P. 2, 5.

²³ Quality Install Tool. Pacific Northwest National Laboratory. <https://www.pnnl.gov/projects/quality-install-tool>

²⁴ November 2011. Call Slides and Discussion Summary, Better Buildings Workforce Peer Exchange: Quality Assurance Strategies. DOE Better Buildings Program. https://www.energy.gov/sites/prod/files/2015/04/f21/111711_Workforce_Summary.pdf p. 10.

5) Provide feedback to state program leadership and implementers and encourage assistance with lead generation.

Most programs must report on progress and make improvements over the life of the program. DOE notes that ongoing improvement of programs at all levels – from internal process improvements to larger scale adjustments – is an essential part of running an impactful residential efficiency program.²⁵ Such engagement can help unlock additional funding by clarifying or adjusting program requirements to facilitate stacking or braiding. In Massachusetts, one contractor found great success by engaging program decisionmakers and collaborating with other industry entities to categorize the customer copay under Mass SAVE as “materials” for 25C purposes, ensuring customers saved over ten thousand dollars.²⁶ Even in situations where the state or program implementer may not explicitly seek feedback from participants once a program is publicly available, it’s important to continue advocating to address issues that cause friction in the marketplace. Self-advocacy is also advocacy for customers and their energy bills, and the health, safety, and comfort of their homes.

There has been an increase in ‘procedural justice’ in the development process for energy efficiency programs as states have been seeking more input from those on the ground, working in the programs that are being created. **It is important for contractors to raise their voice wherever possible.**²⁷ This engagement lays the foundation for a mutually beneficial partnership with the state energy offices, utilities, and regulatory commissions that all play a role. Engagement also provides important buy-in and understanding to the final program rules and implementation.

Ongoing feedback demonstrably improves state and local programs, though some programs do not engage contractors early enough or consistently enough in the design process.²⁸ To improve the actionability of contractors’ feedback to the state, and/or where no unifying trade organization exists, contractors can consider organizing themselves into guilds, associations, or other groups to facilitate easy engagement and dialogue. This also helps ensure contractors are directly represented in the process of changing or updating programs because there is an entity

²⁵ February 2016. Residential Program Guide, Handbook on Program Design and Customer Experience – Assess and Improve Process. Department of Energy. <https://rpsec.energy.gov/handbooks/program-design-customer-experience-assess-improve-processes>.

²⁶ Conversation with working contractor, August 29, 2024.

²⁷ September 17, 2024. “Interview with a Contractor,” presented by Joe Nunley, Angela Rubino Hines, Matt Tenny, and Christopher Tulloch at the 2024 Energy Efficiency Alliance Conference, Policy in Action, held in King of Prussia, Pennsylvania.

²⁸ May 2018. Handbook on Contractor Engagement & Workforce Development – Assess the Market. Department of Energy. <https://rpsec.energy.gov/handbooks/contractor-engagement-workforce-development-assess-market#edit-group-tips-for-success>

dedicated to ensuring their presence.²⁹ A hyperlocal guild or association, or the local chapter of a national organization, also offers specialized expertise in the area's building stock, weather patterns, common home maintenance challenges, and funding sources for home upgrades.

Contractors can miss important news from the program, and it is important to **actively monitor for outreach from the state**. Each firm has their own communication preferences, but state agencies often default to email and virtual engagement when seeking input.³⁰ Important strategies to stay abreast of new opportunities for engagement include subscribing to state energy office newsletters and bulletins, leveraging membership in trade and industry associations, and conducting email outreach to state officials. Many states offer newsletters and listservs to disseminate information to all interested parties.

Finally, encourage states to support qualified contractors through references (such as having a state approved list) and lead generation. Customers who receive a recommendation from a state website may appreciate the third-party validation that the contractor is knowledgeable. States may also be able to provide leads to contractors if the customers need to sign up or income-qualify prior to receiving an incentive. These pre-qualified customers are an ideal place for customer expansion.

6) Emphasize the operation procedures and ongoing maintenance needs for new systems.

Many households installing new equipment, regardless of the fuel source or equipment type, may not expect new operations and maintenance requirements. Heat pumps are a key example of this, as they operate more efficiently *without* frequent setbacks, require more frequent filter changes, and need annual service by a licensed technician who can verify the proper functioning of all systems³¹ – all practices that may differ from normal operation of a gas home furnace or central air system.³² Customers may also rely more on their installer to answer questions and troubleshoot any issues, particularly during extreme weather events or at the turn of seasons.³³ Many firms currently send service reminders and have service contracts with

²⁹ June 2012. Spotlight on Portland, Oregon: Making the Program Work for Contractors. DOE Better Buildings Neighborhood Program. <https://www.energy.gov/eere/better-buildings-neighborhood-program/articles/better-buildings-workforce-spotlight-portland>

³⁰ Conversation with working contractors, October 9, 2024.

³¹ In cases where the heat pump serves as an air conditioner, this will include handling dangerous chemicals like refrigerants where a trained and certified technician is needed.

³² Operating and Maintaining Your Heat Pump. Department of Energy. <https://www.energy.gov/energysaver/operating-and-maintaining-your-heat-pump>

³³ Conversation with working contractor, September 3, 2024.

their customers. However, it is important to be specific in outreach to customers and remind them that their specific equipment *requires* this maintenance to run successfully.

Contractors should **consider developing and/or leveraging existing materials** (handouts, QR codes, maintenance guides, etc.) to leave with customers who have purchased certain systems, such as heat pumps and heat pump water heaters. These materials can help the customer understand how to maximize comfort and cost benefits from their new equipment, potentially maximizing customer satisfaction.³⁴ This also aids in energy savings realization rates for state and federal programs, ensures greenhouse gas savings, and protects customers from energy bill increases stemming from improper use.

DOE offers a range of resources that can be used within a firm or shared with customers. The [Home Insulation Explainer](#) breaks down the importance of various insulation and air sealing measures, and is useful to a range of audiences.³⁵ The [Energy Skilled program](#) supports contractors by identifying leading training providers and courses, facilitating workforce development in in-demand careers. Programs and opportunities that are recognized as Energy Skilled must result in a certificate, certification, or licensure of some kind.³⁶ In addition to the Energy Skilled program, DOE offers resources to support the installation of [high-performance water heaters](#)³⁷ and [high-performance HVAC](#).³⁸

Finally, though measures like induction cookware and heat pump clothes dryers may not be installed by a contractor, being prepared to give guidance when asked is a powerful way to support customer success.³⁹

7) Leverage state and federal materials regarding homeowner and measure eligibility, and funding availability. Trade associations and industry groups can provide strength in numbers!

State and federal resources, complemented by contractor expertise: Rely on state and federal sources of information about measure and customer eligibility for each program. This standardizes the core information about who can benefit and how. Contractors can

³⁴ How it Works — Heat Pump Water Heaters (HPWHs). EPA ENERGY STAR.

https://www.energystar.gov/products/heat_pump_water_heaters/how-it-works

³⁵ October 29, 2024. Energy Efficient Home Improvement Credit Insulation and Air Sealing Essentials. Department of Energy. <https://www.energy.gov/eere/buildings/articles/energy-efficient-home-improvement-credit-insulation-and-air-sealing>.

³⁶ Energy Skilled Recognition. Department of Energy. <https://bsesc.energy.gov/recognition/energy-skilled>

³⁷ Heat Pump Water Heater Installation Tool. Department of Energy. https://basc.pnnl.gov/hpwh_installation_tool

³⁸ Cold Climate Heat Pump Decision Tool. Department of Energy. https://basc.pnnl.gov/cchp_decision_tool

³⁹ Conversation with working contractor, September 3, 2024.

complement these existing resources by sharing their own expertise about additional funding sources, beneficial upgrades, and home-specific considerations. Additionally, customer education is critical and contractors can prepare themselves for questions by distributing materials designed to help people operate unfamiliar equipment, such as [this resource on how to operate a heat pump from DOE](#).^{40, 41} DOE has also developed a [Home Energy Incentives Training Module](#) to help contractors align funding from multiple sources at different levels.⁴² Using these existing resources from DOE, state offices, and trade groups can empower firms to expand at a sustainable and beneficial pace, maximizing positive outcomes from each job.⁴³

The power of trade associations and industry groups: State-specific and multi-state contractor groups have a powerful role in supporting the workforce in each state. Trade and industry associations are familiar with local policy and incentive landscapes and can readily answer questions, connect contractors to resources, or help engage state decisionmakers.

Many organizations are also preparing dedicated support for IRA and IIJA funding: for example, the North American Insulation Manufacturers Association (NAIMA) and Energy Circle are offering free materials (including blog posts, infographics, direct mail templates, and truck decals, among other resources) to support contractors marketing the 25C tax credit. These resources have been leveraged by contractors to market their support for tax credits and distinguish themselves from competition.^{44, 45} DOE also developed a Tax Credit Product Lookup Tool to help evaluate eligibility of measures for the 25C tax credit.⁴⁶ As the new incentives role out, there will be more of these free resources available to contractors.

8) Train all staff on the importance of data and its end uses, and become familiar with program reporting tools.

Data collection and management: Contracting firms should train their teams on how to properly gather, maintain, and submit data through program channels. Most energy efficiency programs include verification of savings after a project is completed and, in some cases, the

⁴⁰ See Recommendation #6: Emphasize the operation procedures and ongoing maintenance needs for new systems.

⁴¹ Operating and Maintaining Your Heat Pump. Department of Energy.

<https://www.energy.gov/energysaver/operating-and-maintaining-your-heat-pump>

⁴² Home Energy Incentives. Department of Energy. <https://bsesc.energy.gov/training-modules/home-energy-incentives>

⁴³ Conversation with working contractor, September 3, 2024.

⁴⁴ North American Insulation Manufacturers Association (NAIMA) and Energy Circle. 25C Means Business. <https://www.25cmeansbusiness.org/>.

⁴⁵ Conversation with working contractor, August 29, 2024.

⁴⁶ Tax Credit Product Lookup Tool. Department of Energy. <https://www.regulations.doe.gov/product-lookup>

conclusions based on these datasets can determine the amount of incentive money both the contractor and/or the homeowner will receive.

It is important that staff working in the field understand what information must be collected so administrative employees can submit robust and compliant funding applications. Particularly if projects require stacking and braiding of incentives, it is essential to ensure that each member of the team is collecting all the requisite data for multiple programs over the course of the project. **Bringing a comprehensive understanding of the program options into the job is critical, so contractors can plan ahead to align different incentives or funding sources that result in a more comprehensive and successful job for the customer.** If possible, consider hiring dedicated intake staff to help facilitate this stacking of funds.⁴⁷ Include administrative staff in any engagements with program decisionmakers so they can provide insights into how current reporting requirements work in practice and how they can be improved.⁴⁸ Paperwork and administration requirements vary for existing programs, so firms should collaborate internally to identify where staff can streamline practices and integrate new ones.⁴⁹

Proper data collection and reporting is essential to earning recognition of success in program delivery. DOE recommends that program administrators have clear plans to recognize high-achieving contractors using a variety of metrics from the contractor with most energy saved to the firm with the greatest job growth. Recognition can help fuel more jobs and partnerships while raising a firm's profile with state program leaders.⁵⁰

Reporting tools: The widely anticipated Home Energy Rebate programs have performance-based rebate pathways – modeled savings and measured savings. The modeled savings approach will require contractors to use energy modeling software calibrated using the BPI-2400 standard to participate in the programs (this standard is required in the law).⁵¹ In the measured approach, the aggregator/implementer will determine the software to measure energy savings. While each state will determine which software they will permit, regardless of whether they choose the modeled or the measured approach, and it will be essential for firms to get familiar with the accepted tools quickly in order to offer the rebates to customers.⁵² Contractors can offer their expert opinions wherever possible about what collection is feasible

⁴⁷ Conversation with working contractor, October 9, 2024.

⁴⁸ See Recommendation #5: Provide feedback to state program leadership.

⁴⁹ Conversation with working contractors, October 9, 2024.

⁵⁰ January 2018. Residential Program Guide, Handbook on Contractor Engagement & Workforce Development – Communicate Impacts. Department of Energy. <https://rpdc.energy.gov/handbooks/contractor-engagement-workforce-development-communicate-impacts#edit-group-tips-for-success>

⁵¹ Building Performance Institute. BPI-2400-S-2015 v.2: Standard Practice for Standardized Qualification of Whole-House Energy Savings Predictions by Calibration to Energy Use History. https://www.bpi.org/_cms/docs/20240523_BPI-2400-S-2015_Delta_Standard_v2.pdf

⁵² See Recommendation #1: Seek out training and maintain certifications.

and what data points actually carry meaningful information about a home. This feedback from contractors is most critical during the design of the programs.

9) Prepare for barrier mitigation to help homeowners address their whole-home needs and maximize energy and cost savings.

Make sure all staff are prepared with funding sources and strategies to address barrier removal and mitigation. Discovering mold or asbestos, or entering a home that is not well designed or insulated effectively for a heat pump, could stop or stall a job and leave a family in an unsafe, unhealthy, inefficient, and expensive home. Knowing what other resources are available to tap keeps the firm in the job, earns trust with the customer, and ultimately, ensures a higher-quality, more comprehensive project.⁵³

Contractors have unique knowledge of how homes work as systems and can identify necessary or beneficial improvements that may bring in additional funding – for example, some states have opted to allow federal Solar for All funds to be used for “enabling upgrades” that can improve the efficiency of a home receiving solar.⁵⁴ However, contractors need to be aware that these resources may require Davis-Bacon wage reporting to apply and should plan for that requirement when leveraging funding.⁵⁵

In addition to new and longstanding federal resources, each state has their own slate of funding opportunities to address pre-weatherization, weatherization, and other healthy home needs. Many states, such as Maryland, offer statewide incentives for energy efficiency, alongside existing federal dollars. The Weatherization Assistance Program (WAP) is a key source of federal funding and current WAP contractors may be a strong partner for firms that do not work on WAP. Partnerships are a prime way to prepare to address barriers without having to build out new staff or invest heavily in upfront training.^{56, 57}

⁵³ Conversation with working contractors, October 9, 2024.

⁵⁴ August 31, 2023. Solar for All Notice of Funding Opportunity (NOFO). Environmental Protection Agency. <https://www.grants.gov/search-results-detail/348957>.

⁵⁵ Davis-Bacon and Related Acts. Department of Labor. <https://www.dol.gov/agencies/whd/government-contracts/construction>

⁵⁶ September 17, 2024. “Interview with a Contractor,” presented by Joe Nunley, Angela Rubino Hines, Matt Tenny, and Christopher Tulloch at the 2024 Energy Efficiency Alliance Conference, Policy in Action, held in King of Prussia, Pennsylvania.

⁵⁷ See Recommendation #2: Consider establishing beneficial partnerships.

10) Develop replicable project scopes that can be applied to similar homes and leverage similar financing options.

Contractor firms can **prepare for sustained public interest in home performance, healthy homes, efficiency, and electrification by developing replicable project scopes that can be applied to similar buildings throughout a service territory.** This is particularly promising in areas with subdivisions or townhome developments, and other types of single and multifamily housing complexes where the homes are similar to each other. Replicable scopes can simplify the administrative side of the project and help support field teams. These scopes can be tailored to meet different home conditions, or customer income levels or budgets.⁵⁸

Similar capital stacks may also be applicable to similar homes and communities. Longstanding programs that are available now, such as tax credits, utility programs, and the Weatherization Assistance Program, have existing eligibility guidance. Building familiarity with these offerings can facilitate easier combinations of funding when new incentives meet the market. A similar scope with a similar capital stack has the potential to smooth project proposals and may also speed up projects, while ensuring that lower income customers are able to capitalize on these offerings.⁵⁹ For more detail on building a capital stack for single family home retrofits, reference [the Residential Capital Stack paper](#).

An easily deployable and replicable project and accompanying funding supports repeat business, is cost-effective for the contractor, and leverages the trust of the neighborhood.

One contractor working in New England was able to align the federal 25C tax credit with a state energy efficiency incentive, and apply that capital stack to a subdivision of townhomes that were near identical in size, age, and builder detail. Once the energy and cost savings became clear for one job, the contractor presented the incentive opportunity at a Homeowners Association meeting, and that first job turned into nearly all 70 units in the development because it went smoothly, saved a lot of money, and neighbors could see each other benefiting. The 25C tax credit is a particularly promising funding opportunity for market rate contractors whose customers have a tax liability and can take advantage of the tax credit.^{60, 61}

⁵⁸ “Interview with a Contractor,” presented at the 2024 Energy Efficiency Alliance Conference, Policy in Action.

⁵⁹ Conversation with working contractors, October 9, 2024.

⁶⁰ Conversation with working contractor, August 29, 2024.

⁶¹ The 25C tax credit is not refundable, thus a homeowner must have a tax liability to claim the credit.

Conclusion

While today's funding environment for energy efficiency is historically rich and comprehensive, many challenges and decisions remain. Residential contractors are able to plan and/or advocate for program design as they are currently in development or entering the market, including the Home Energy Rebate programs that draw closer to public availability every day. Contractors have the opportunity to review these recommendations, think creatively about how to leverage new opportunities, and customize these recommendations to meet specific company expertise, customer base, and market.

Finally, we encourage all contractors to continue engaging, whether individually or through industry groups and trade associations. The residential building stock in the United States is in need of energy efficiency upgrades to meet the growing needs of the climate and the need for affordable housing. The IRA and the IIJA are a step in the right direction, but more support will be needed to rebuild America's building stock. As we recognize that energy-efficient and climate-friendly technology is an important step to addressing our nation's environmental and housing goals, contractors must be at the table as part of the solution-makers and homeowner-educators. Contractors are key to changing the way Americans use energy in their home.

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