

NASEO Buildings Committee Session Meeting Minutes
NASEO 2012 Annual Meeting
September 10, 2012, 3:00pm CT
Minneapolis, MN

Attendees

Jim Arwood, NASEO	Veronique Marier, DDOE
Doreen Caruth, Integrative Growth	Scott Miller, Knauf Insulation
Barbara Cesaro, RI Office of Energy Resources	Tony Morgan, FL Department of Energy
Karen Clifton, ADECA (phone)	Amanda Mott, WI State Energy Office
Phil Collingwood, ConEd Solutions	David Osborn, State of WI
Dave Conover, PNNL (phone)	Katie Papadimitrio, Schneider Electric
Leslie Cook, EPA	George Phelps, Knauf Insulation
Deana Dennis, NEMA	Eric Rehm, MN Division of Energy Resources
Cisco DeVries, Renewable Funding	Sheila Riggs, WSU Energy Program
Sandy Fazeli, NASEO	Peter Rusin, CO Energy Office (phone)
Ryan Freed, KS Energy Office	Kara Saul-Rinaldi, NHPC (phone)
Anna Garcia, U.S. DOE OWIP	Amy Schmidt, The Dow Chemical Company
Sharon Gill, U.S. DOE	Scott Schroeder, Honeywell
Don Gilligan, NAESCO	Sudhir Singh, Lighting House USA
Marion Gold, RI Office of Energy Resources	Sean Skaling, AK Energy Authority
Michelle Gransee-Bowman, MN Dept. of Commerce	Steve Spurgeon, Chevron
Grant Halloran, Cadmus Group	Gail Stafford, FL Office of Energy
Brian Henderson, NASEO	Sue Stephens, NV State Office of Energy
ID Office of Energy Resources (phone)	Janet Streff, MN Dept. of Commerce
Danielle Jensen, NE Energy Office (phone)	Susan Thorne, NH Office of Energy and Planning
John Jones, BPI	Marshall Vogts, OK Department of Commerce
Steve Kismohr, MEEA	Chris Wagner, NASEO
Peter Larsen, LBNL	Brenda Wilbers, MO Division of Energy
Ward Lenz, NC Department of Commerce	Mark Wills, ASHRAE
Megan Levy, WI State Energy Office	

Welcome and Introductions

Ward Lenz, Chair of the NASEO Buildings Committee, opened the session by welcoming participants and providing an overview of the meeting agenda. The topics of conversation were to cover new program developments, research, and offerings in residential, institutional and commercial building programs across the United States.

Market Perspectives on Residential Energy Efficiency

Cisco DeVries gave a presentation on market research recently conducted by his firm, Renewable Funding. His team conducted surveys and focus groups with energy consumers in California to determine the factors that drive homeowners to purchase energy efficiency. He discussed the connotations of specific language often used by energy efficiency advocates and program administrators, and offered three examples of how important terminology is in interacting with homeowners. First, the term “audit”, for most laypeople, has a negative connotation because it is automatically associated with tax audits. For this reason, the term “home energy evaluation” carries less negative connotations than “home energy audits.” Second, in California, the term “retrofit” is often used to prepare homes for earthquakes or other natural disasters, and received a negative response from survey and focus group participants; “upgrade,” by contrast, scored significantly better. Finally, the word “financing” sparked more negative reactions than positive ones, while the phrase “pay-as-you-go” received much more positive feedback.

Cisco delved further into the role financing plays in the residential energy efficiency market. According to Renewable Funding's analysis, financing is a necessary but not sufficient factor in the decision-making that homeowners undergo when investing in energy efficiency. In this regard, energy efficiency marketing should draw on other themes besides financing, such as comfort and convenience. Integrating the energy efficiency investment into the sale of the product should be a key goal for product manufacturers and distributors.

Home Performance Projects (Presentation)

Kara Saul Rinaldi presented on two project proposals that her organization, the National Home Performance Council (NHPC), is looking to undertake in partnership with the states. The first project would produce research that would help increase retrofits by targeting homeowner lifecycle decision moments (HLDMs)—for instance, replacement of HVAC equipment or major renovations—during which homeowners tend to make major energy efficiency upgrade decisions. NHPC would engage with states to review how their incentive programs have (or have not) taken advantage of HLDMs.

The second project would work to improve conversion rates between home energy audits and retrofits. Currently, programs have an average conversion rate of between 30% and 40%. The project would identify programs with consistently high conversion rates and explore the best practices that have allowed them to perform above-average.

Kara also mentioned NHPC white papers that have been recently released: “Measure it Right” and “Best Practices in Energy Efficiency Program Screening.” Both can be accessed at <http://www.nhcpi.org/publications>.

Energy Response Corps (Presentation)

Scott Miller gave a presentation on a new initiative from manufacturer Knauf Insulation, the Energy Response Corps (ERC). Traditionally, energy efficiency programs have tried to motivate consumers by focusing on saving the environment, making homes more comfortable, and saving money. However, market research has demonstrated that this messaging approach does not provide a compelling enough argument for energy consumers to go out of their way to invest in energy efficiency. Many consumers consider environmental problems to be distant; circumvent home comfort problems (for instance, by plugging in a fan or wearing warmer clothes); and feel out of control of their utility bills.

ERC's approach draws on the theory that people tend to strongly prefer avoiding losses to acquiring gains; in this sense, the concept of “saving” isn't as motivating an idea as loss aversion. In the context of a home, The ERC sees homeowner loss as the loss of energy through structuring leaks and inadequate insulation, and dubs the problem “heat bleed.” The ERC is a coalition of energy efficiency professionals uses energy audits and easy-to-use homeowner resources and tools to find heat bleed in homes, and directs homeowners to take corrective action.

To achieve this, ERC uses a five-step strategy: (1) make energy loss a visible problem; (2) monetize the loss; (3) create a movement that drives homeowners to a solution; (4) provide a program that triggers energy audits and delivers relief to the problem; and (5) engage with homeowners to promote energy loss monitoring and recommend actions to lead to less loss.

LBNL/NAESCO ESCO Database (Presentation)

Donald Gilligan discussed a joint initiative that his organization, the National Association of Energy Service Companies (NAESCO), is taking with Lawrence Berkeley National Lab (LBNL) to track the U.S. ESCO industry, market trends and activity, and project performance. Over the past ten years, LBNL and

NAESCO have worked to build a database that now contains 4,100 projects in 49 states representing about \$10 billion in total investment. Every 2-3 years, NAESCO performs a survey to determine the size and growth of the ESCO industry, and every 3-4 years, the partners undertake a detailed analysis of the ESCO database to assess project-level performance, activity, and long term trends. The database is getting a new internet platform, called the ESCO Project Analysis and Reporting Systems (E-PARS)

NAESCO and LBNL are now surveying stakeholders in the ESCO industry to estimate the remaining market for comprehensive energy efficiency in government buildings, primarily at the state and local level. For more information about this survey, contact Don Gilligan at dgilligan@naesco.org.

Attacking Utility Baseilne Usage in Public and Commercial Buildings ([Presentation](#))

Scott Schroeder discussed the work that Energy Services Group by Honeywell has been doing to provide integrated building management and control systems and energy management solutions to state, local, and school facilities throughout the country. He described projects that are gaining traction in this sector. These range from small projects, such as insulation and window-caulking, to medium-sized projects, such as lighting upgrades and thermostat installations. He noted that there is a tendency for these smaller projects to take up time and money that should be devoted to large projects, such as plumbing improvements, building envelope improvements, and retro-commissioning, and even larger-scale undertakings like micro-grid, renewable portfolio enhancements, and smart grid initiatives. The key to a balanced and low-consumption energy portfolio is to take on projects at different levels and to use proceeds and savings revenues from projects with shorter payback periods in order to invest in larger-scale, longer-term projects.

U.S. Department of Energy Better Buildings Program Update

AnnaMaria Garcia of the U.S. Department of Energy's Office of Weatherization and Intergovernmental Programs provided an update on the Better Buildings Challenge (BBC). The BBC encourages program partners to take advantage of cost-effective opportunities for energy efficiency in the residential, commercial, and industrial sectors and was set up to drive replicable, applicable business solutions in this arena.

As part of the challenge, partners pledge to share and document their data and implementation models; spread the word about the challenge amongst the partners; and help DOE highlight their success stories and impacts. Currently, DOE is looking to build out the BBC Solution Center, which highlights replicable solutions from leaders in the marketplace; provides strategies and tools that other organizations can adopt; and identifies common market barriers. She offered examples of private sector, state, and academic partners that have been developing replicable implementation models that can help entities in a variety of sectors achieve ambitious energy reduction goals. These examples include 3M's energy efficiency fund, Delaware Sustainable Energy Utility's Energy Efficiency construction bonds, and the University of California, Irvine's Smart Labs program. BBC state partners include Delaware, Iowa, Maryland, Massachusetts, North Carolina, and North Dakota.

Overview of Foundations' Roundtable Meetings on Building Priorities ([Presentation](#))

Janet Streff, NASEO Board member and Energy Resources Division Manager of the Minnesota Department of Commerce, and Brian Henderson, NASEO Southeast Regional Coordinator, gave an overview and recap of a series of roundtable meetings held in the summer of 2012. A consortium of foundations held these meetings, including the Energy Foundation, Doris Duke, Rockefeller, MacArthur, Living Cities, Sea Change, and several regional foundations. They convened with the purpose of identifying priorities in five building sectors: commercial office, residential, retail, multifamily, and healthcare. Their goal was to identify the most promising approaches to stimulate the retrofit market in these sectors, areas for further research, and cross-s sector synergies.

Generally, Janet and Brian indicated, the foundations are looking to collaborate to see where they can best support the energy efficiency upgrade market for the buildings sector. They will be releasing the results of these roundtable meetings in October, and by then they may have outlined a strategy for targeted investing and leverage.

Session Close