Raters’ Perspectives on New Homes Programs: Designs that Drive Participation

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PSD Overview

- Programs
- QA & HERS Provider
- Software
- Training and Services

Founded in 1998
40+ Employees
4 Locations
PSD Overview

Deliver

Programs
- RNC/CNC
- Codes
- Whole Building

Support

Professional Services
- Training
- Energy Engineering
- Rater Providership

Empower

Software
- Program Management
- Field Tools
- Applications
Our perspective

• HERS Provider
• NEHERS
• New Homes Implementer
• Codes Trainer
• Software Developers

“'The good news is we’re getting a lot of feedback. The bad news is we’re getting a lot of feedback.'
Raters = Backbone of New Homes Programs

• Utilities:
  – “What do raters care about?”
  – “How do I get raters to promote my program?”
  – “Is my program giving them what they need?”

• Raters: critical trade allies for New Homes Programs
  – “Why does the utility keep changing the rules?”
  – “Why is there so much paperwork???”

• Today, we draw back the curtain.....
Survey

- 56 NEHERS Raters
- 16,000 ratings per year
In What States does your Company Actively Perform Ratings?

States Participants Perform Ratings In

Other = AR, GA, IL, KS, MN, MO, SD, VT, WI, WV
Most Raters are Small Businesses

Number of Employees

- <= 5
- 6 - 30
- > 100

Number of Ratings/Year

- < 500
- 500 - 1000
- > 1000
What do Raters’ businesses look like?

% of Revenue from Ratings

- 76-100%
- 51-75%
- 26-50%
- 0-25%

What % of your revenue comes from non-rating testing for code compliance?

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and engineering?</td>
<td>7</td>
</tr>
<tr>
<td>HVAC design and sizing?</td>
<td>3</td>
</tr>
<tr>
<td>Construction?</td>
<td>16</td>
</tr>
<tr>
<td>Other?</td>
<td>16</td>
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</tbody>
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What drives your business?
What percentage of your HERS Ratings are submitted for each of the following?

- Zero Energy Ready Homes: 3%
- Passive House: 4%
- Prescriptive Requirements: 4%
- Energy Smart Builder: 5%
- LEED: 9%
- Federal Tax credit (pre-2017): 14%
- LIHTC compliance: 17%
- Code Compliance: 40%
- Utility/state program participation: 64%
So, what are the programs?

How many Programs do you Participate In?

What are the Qualification Criteria?
How important are programs to your business?
Q28 What percentage of your current ratings would you continue to do, in the absence of program incentives?

Answered: 48    Skipped: 8
How is program support valued?
How do programs support your business?

- Marketing collateral
- Program advertising
- Builder outreach
- Training
- Quality assurance
- One-on-one technical support
- Availability of program staff
- Incentives

- Very effective
- Somewhat effective
- Not effective
- N/A
How is Program Support Valued?

Q30: Top three categories of support your programs offer

Answered: 48  Skipped: 8

[Diagram showing the most valued categories of support with program advertising, marketing collateral, builder outreach, training, 1-1 technical support, availability of staff, incentives, and quality assurance represented with bars. The bars indicate the level of importance with green for 1-most important, orange for 2-next most important, and blue for 3-third most important.]
Q31 How do you submit homes to the programs you participate in (check all that apply)?

Answered: 46   Skipped: 10
How Hard is it to Participate?

Q32 Required program submittal documentation:

Answered: 46  Skipped: 10

- HERS Index: 74%
- Rating Model File: 91%
- ENERGY STAR/LEED/Passive House: 65%
- Lighting Form: 37%
- Other Features Form: 39%
- Other: 15%
What are hurdles to participation?
Q33 What factors, if any, present a hurdle to your participation in a program?

Answered: 46  Skipped: 10

- Getting involved: 13%
- Understanding requirements: 20%
- Overly complex requirements: 17%
- Excessive documentation: 41%
- Incentive too low: 59%
- High failure rate: 4%
- Unqualified QA staff: 4%
- Changes in rating software: 39%
- None: 9%
- Other: 22%
Raters’ Voices

What they wish programs understood
Keep it simple

Too much reporting & too many requirements

• *I wish there was less paperwork.* The building model and field checklists seem like enough.
• Many are small companies, we don't have staff to sit around with piles of paper and constant updates.
• Program work is frustrating and bureaucratic.
• Too much reporting and admin by some...Very micro managed...
• Programs should try to **align with national standard** they are based on. I.e. if ENERGY STAR, don't add additional levels of prescriptive items, admin paperwork, and/or additional testing that burdens and discourages builders and raters.
• *Keep it simple, incentivize E-STAR (it's an important brand that we've help build over 10-yrs)* incentivize code compliance using ERI

KISS - KEEP IT SIMPLE. STUPID (AND SHORT)
Keep it simple

Too often programs implement every idea they have that they feel will make the program "better", and by better I mean more bulletproof from outside criticism and easier for them to administer. **Rating companies can only do this work so long as we can make money doing it**, and there are only so many hours in the day. Every minute the programs take away from us with their **excessive busy work requirements takes away from the time we have to spend with our builders** making their homes better....what's best for the program gets translated as what's best for the program manager and that needs to stop.
Know your stuff

• Program technical and field QA staff are good, but often the people that are actually staffing the submission portal and... doesn’t have enough people with the proper qualifications they either need to go get them, or don’t take the contract.

• Just people pushing paper, little or no real world experience.

• Program administrators are not familiar with actual field work and ‘push’ their problems onto raters, making rater participation unattractive.

• Poor point of initial contact with customer by xxx operators.

I DON'T KNOW WHAT YOU'RE TALKING ABOUT!
Stay the Course

- **Too many changes, too quickly** (incentives, requirements, software)
- Changing program rules/regs; excessive reqmts for xxx
- Program requirements/incentives 'thrashing'
- Reduced Rater and builder incentives, **phase out of payouts**
- Programs change too often
- keep incentive structure simple and consistent across program years
Change

• “You need to honor enrollment for projects entered into the system for the incentives they were enrolled for. **Changing mid stream is bad business** for all parties except the utilities that don’t care.”

• **Quality Assurance** using RESNET QA is critical to ensure the playing field is level.
Help builders understand program value

• **Builders don't know the programs exist.**
• *Time consuming obligation to advise all new builders about every applicable requirement for ESTAR and NAHB Green.*
WHERE DO WE GO FROM HERE?
What do participants in your program think?
And how could you find out?
WHAT DO WE WANT?! 
RESPECTFUL DISCOURSE. 
WHEN DO WE WANT IT?! 
NOW WOULD BE AGREABLE TO ME, BUT I AM INTERESTED IN YOUR OPINION.
Program Implementers

Create an avenue for feedback and/or input

• Monthly Call
• Survey
• Quarterly Meeting
• Webinar
• QA Feedback Loop
• One-on-one Contact
Common Trends

Paperwork Stinks
Common Trends

Spreadsheets stink too!
Common Trends

Extras bog down the process.....
Common Trends

Align with National Standards

Above code programs and typical Incentives for single family homes
Common Trends

Money Matters
Common Trends

• Have staff that speak Rater

• Have staff that speak Builder
Common Trends

Help Educate Builders
Common Trends: Software

• Align with national protocols
• Accept multiple tools
• Accept multiple versions
• Advance notice of transitions
• Persistence & effect on incentives
Common Trends

Change is inevitable….but change is hard.