



Home Performance Contractor Model

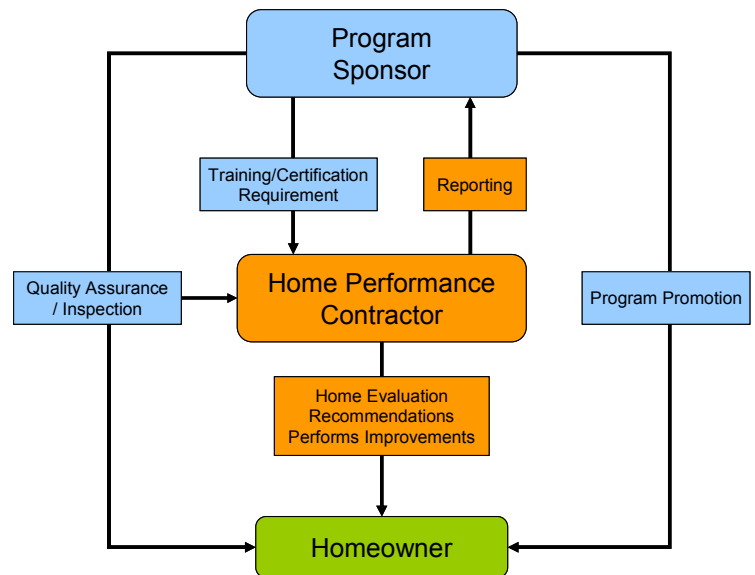
Understanding the different approaches and business models for delivering home performance improvements is one of the first steps that a program sponsor must take to design a Home Performance with ENERGY STAR program. Although there are a variety of ways a program could be structured, not every model will be effective within a target market. Program sponsors must think critically about what characteristics are likely to lead one model to succeed over another. Important factors to consider include the number of contractors and businesses experienced in building science and the “whole house” approach and if there is already an established infrastructure of certified Home Energy Rating professionals.

There are two fundamental business models being implemented under Home Performance with ENERGY STAR programs – the “home performance consultant” and “home performance contractor” models. These two models are different in many ways especially with regards to who completes the work. However, these models are not mutually exclusive and hybrid models should be.

Home Performance Contractor

Under the “home performance contractor” model, a qualified contractor conducts a comprehensive assessment to identify opportunities to improve the energy efficiency and comfort of the home. After completing the home assessment, the contractor discusses the results with the homeowner and provides a scope of work detailing recommended cost-effective improvements.

If the homeowner agrees to the scope of work, the contractor works alone or with other sub-contractors, to complete the specified home improvements. After the work is completed, the contractor conducts a second assessment to ensure that the improvements were installed according to best practice standards and the home’s performance has actually been improved.



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Strengths and weaknesses

A unique attribute of this model is the role the contractor plays to manage the whole project and streamline the home improvement process for the homeowner. Home performance problems identified during the home assessment can be readily corrected by the contractor.

Managing the entire project means the contractor often achieves greater financial rewards for bigger projects or selling specific products. This can be beneficial, but also carries a risk that recommendations may be biased toward a specific product (e.g. HVAC equipment, insulation, windows) instead of what is best for the homeowner. To make the contractor model successful, the program design must encourage whole-house assessments and comprehensive improvements.

Program sponsors need to establish participation criteria and a process to monitor quality. Participation criteria should include technician training and certification to ensure that participating contractors are skilled in building science, diagnostics testing, and protocols for making recommendations and installing home performance improvements. The program sponsor must conduct inspections of at least 15% of each contractor's projects to monitor quality or partner with an organization with established certification and accreditation standards, and a quality assurance process, such as the Building Performance Institute.

Hybrid models that combine aspects of the home performance contractor and home performance consultant models can be considered. Although one model may be selected as the basis of your program design, consider allowing business model diversity to encourage innovation.