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Qualified Remodeler's  
**GROWTH COACH**  
The home improvement web seminar series



Beyond the  
Energy Tax  
Credits...  
Preparing Your Company for  
the Upcoming Home Star  
Program!



Welcome!  
Today's Session  
Will Begin Shortly!

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Looking to **GROW**  
Your Business in 2010?



We've got the people to do it!

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EXTERIOR Contractor

MarketSharp  
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**Growth Coach Webinar Series**



Dear Remodeling Professionals,

We are excited to bring you the most important news of the year – the new Home Star program. This program is designed to help you grow your business by providing you with the most up-to-date information on the latest in remodeling. We are excited to provide you with the most up-to-date information on the latest in remodeling. We are excited to provide you with the most up-to-date information on the latest in remodeling.

This is a huge marketing opportunity that you will want to take advantage of immediately.

Your company is personally invited to join us for a FREE Information Packed Webinar on Growing Your Business Specifically for Remodelers on Wednesday, January 27th.

- Industry Educational Service
- Last Wednesday of Each Month (through June)
- Feel Free To Tell Your Friends
- Bookmark the following... [www.growthcoachwebinars.com](http://www.growthcoachwebinars.com)

Sponsored By... 

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QUALIFIED  
**Remodeler**

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**EXTERIOR**  
Contractor

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*On Today's Call...*



Tim Musch

Michelle Nowlan

Larry Zarker

Patrick O'Toole

Bill Asdal

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Today's Agenda:

- Intro – Good News
- The Proposed Home Star Program
- The Remodeler's Perspective
- Q & A
- Resources
- Next Session



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*The Current Opportunity...*

THE  
**\$6,000,000,000**  
OPPORTUNITY

“HOW TO MARKET AND SELL  
THE ENERGY TAX CREDITS!”

*That's 6 Billion!*

*The New Opportunity..*



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Direct From Washington, DC...



*Larry Zarker*  
CEO  
Building Performance Institute  
lzarker@BPI.org



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Create Green Jobs  
Deliver Energy Efficiency



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Built upon the solid policy foundation of delivering real jobs through the private sector to accomplish public imperatives,

Home Star is the most important piece of legislation for residential energy efficiency **ever**.



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**Remember: NOT YET A LAW**

- This is not yet a law
- This program is still being debated
- Nothing is final until it has passed both houses and is signed by the President
- We are at the table representing EF
- Be prepared to help soon



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## Goals

- Rapid job creation
- Stand up a new American industry
- Promote national energy security
- Enhance home energy affordability
- Achieve climate goals



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## Background

- Efficiency First and Presidential Economic Recovery Advisory Board (PERAB)
- Introduced by John Doerr at PERAB meeting Nov. 2<sup>nd</sup> with President Obama: “Cash for Caulkers”
- Dec. 4<sup>th</sup>, the PERAB unanimously voted to endorse HOME STAR as a recommendation to the president.
- Dec. 15<sup>th</sup> President Obama Declares: “insulation is sexy”



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## Building On:

### Retrofit for Energy and Environmental Performance (REEP)

- Currently in House ACES 2009
- Currently in the draft Kerry Boxer Legislation
- Currently in Senate Energy Bill
- Large stakeholder group including industry, labor, and environmental groups

### Recovery Through Retrofit

- Complements existing Whitehouse efforts
- Combining HOME STAR incentives with the financing and industry standards recommended in this report will deliver results

### ARRA Investments

- Utilize training infrastructure developed with ARRA funds
- Create jobs for WAP workers as ARRA funds ramp down



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## HOME STAR is a Bridge

Home Star logo

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## HOME STAR Basics

- **Silver Star** Prescriptive Incentives for individual measures
  - Fast to market and simple to deploy
- **Gold Star** track uses predicted performance to deliver incentives (20% savings and greater)
  - Requires BPI Accreditation
  - Gold Star starts where Silver Star leaves off.
- Rebate delivered at time of sale to consumers through their contractor
- Financing Subsidies for State-Qualified EE loan programs
- Quality assurance system for both Silver and Gold Star tracks

Home Star logo

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## Silver & Gold

### SILVER STAR - (Checklist)

ASSESSMENT	FUNDAMENTALS	MAJOR SYSTEMS	RENEWABLES	QUALITY ASSURANCE
Energy Work Scope	Air Sealing Duct Sealing Insulation Duct Replace Appliances	Furnaces A/C Water Heater	Solar PV Solar Thermal Geothermal	3 <sup>rd</sup> party verification on x% of jobs, <x% w cert. workforce

### GOLD STAR - (Performance Audited)

ASSESSMENT	FUNDAMENTALS	MAJOR SYSTEMS	RENEWABLES	QUALITY ASSURANCE
Energy Work Scope	Air Sealing Duct Sealing Insulation Duct Replace Appliances	Furnaces A/C Water Heater	Solar PV Solar Thermal Geothermal	3 <sup>rd</sup> party verification on minimum x% of jobs, <x% w cert. workforce

Home Star logo

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**Proposed Incentives**

SILVER STAR - Eligible Measures											
<p><b>\$1,000 Per Measure</b></p> <p><b>Up to 50%</b></p> <p><b>Cap TBD</b></p>	<p><small>Rebate delivered to customer at time of purchase, but paid to installer post completion of job and quality assurance:</small></p> <table style="width: 100%; border: none;"> <tr> <td style="border: none;"><input type="checkbox"/> Whole House Air Sealing</td> <td style="border: none;"><input type="checkbox"/> Duct Seal / Replace</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Attic Insulation w Sealing</td> <td style="border: none;"><input type="checkbox"/> Wall Insulation</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Domestic Hot Water</td> <td style="border: none;"><input type="checkbox"/> Floor Insulation</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Heating Equipment</td> <td style="border: none;"><input type="checkbox"/> Cooling Equipment</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Windows and Doors</td> <td style="border: none;"></td> </tr> </table>	<input type="checkbox"/> Whole House Air Sealing	<input type="checkbox"/> Duct Seal / Replace	<input type="checkbox"/> Attic Insulation w Sealing	<input type="checkbox"/> Wall Insulation	<input type="checkbox"/> Domestic Hot Water	<input type="checkbox"/> Floor Insulation	<input type="checkbox"/> Heating Equipment	<input type="checkbox"/> Cooling Equipment	<input type="checkbox"/> Windows and Doors	
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1. **Energy Assessment**
  - Minimum 20% savings work scope
  - BPI Accredited
2. **Retrofit**
  - **Fundamentals**
    - Weatherization
    - Insulation
  - **Major systems**
    - Heating / Cooling
    - Water Heating
3. **Quality Assurance**
  - x% / <x%












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## What is BPI Accreditation?

A professional credential awarded by BPI to contracting companies who commit to offering comprehensive “whole house” home performance solutions for their customers.




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## BPI Accredited Contractor Model

- Educate Your Customers on Whole-House
- Offer Comprehensive Solutions
- Get Key Staff Trained and Certified
- Follow BPI Standards in Your Work
- *Do No Harm* by “testing out”
- Use an Independent, Third-Party Quality Assurance Program



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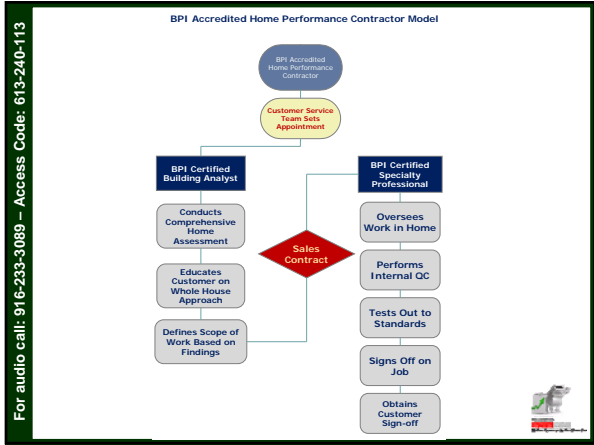
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## Legislative Process

- Efficiency First leads the way on REEP and HOME STAR
- Senate to pass & bring Jobs Bill + amendments to House including the HOME STAR legislation as lead.
- House will review / tweak (we hope that's all)
- Final passage of bill by House
- Presidential signature
- Program roll-out
- Incentives reach the market! (Q2 or Q3 2010)



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### Efficiency First ACTIONS & PLANS

- HOME STAR Coalition formed including industry, labor, and environmental groups
- HOME STAR Consensus Policy Document signed by 38 major companies, organizations.
- Legislative language being drafted in US Senate for inclusion in the House Jobs Bill
- Expect major coordinated push within weeks to include...
  - Additional Signatories to HS Consensus Doc
  - Comprehensive PR effort in support of the bill



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### Grassroots

- Demonstrate Real Jobs on Main Street!
- Get local businesses and nonprofits to sign on in support
- Let Congress hear from you
  - DC Trip
  - Letters; phone calls
- Join Efficiency First
- Contact [info@efficiencyfirst.org](mailto:info@efficiencyfirst.org)



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### FAQ

- When does this start?
- How will residence receive the incentive?
  - How long will it take for contractor to get paid?
  - Who will pay me?
  - How will funds be dispersed?
  - What will the application process be for the incentives?
  - What delays can I anticipate in getting paid?
- How does the QA system work and effect rebate processing?



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### FAQ II

- Who will manage the program?
- Based on news reports I have home owners saying let me wait and see what the Federal government does. Do you have that? How would you recommend I handle that?
- How will the financing work?
- What are the political challenges?



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### FAQ III

- If we have HOME STAR why do we need REEP & other state/local programs?
- Will third party auditors (audit only business model) be able to participate and REEP the benefits of HOME STAR?
- What role will states have in the process?
- Can we combine local/state incentive programs?
- **How can I support this effort?**



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### In Summary

**Fast Job Creation**

- 60% of retrofit costs go to labor

**Build on Existing Policy Effort**

- Bridge to legislation in Senate and House Energy bills

**Led by Consumer Demand**

- Matching federal dollars with 2.5x homeowner dollars

**Performance Driven**

- Best solution wins

**Industry and Workforce Development**

- Creating a new American industry



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Now For A Remodeler’s Perspective...



908-879-4427  
www.asdalbuilders.com



*Bill Asdal*  
Asdal Builders, LLC  
Chester, NJ  
Bill@AsdalCompanies.com



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Home Improvement:  
**The decades of change**

- 70’s Installation enhancement
  - Power ladders, lifts, air guns, screw guns
- 80’s Materials enhancement
  - Siding, roofing, windows, mechanical systems
- 90’s Information technology
  - Cell phones, computers, software
- 00’s Business acumen
  - Sales, marketing, estimating, financial management
- **10’s Building PERFORMANCE**
  - Systems thinking, efficiency, testing, operating costs



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Objectives:

**Attendees will:**

- **Understand** the component parts of a start-up initiative
- Be able to **identify** the skills required
- Be able to **evaluate** the impact of their experience and needed skills to launch
- Will have **access** to resources to plan this business opportunity



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## My FACTS (biases?)

- Consumers are fixated on “first cost”
- Better remodeled homes can use less energy
- Use of less energy (\$) is of interest to consumers (see first bullet)
- Consumers look to builders / remodelers as a resource for information
- Remodelers core asset is *relationships*
- You never know enough in an evolving industry
- There is a lot of money flowing into this sector




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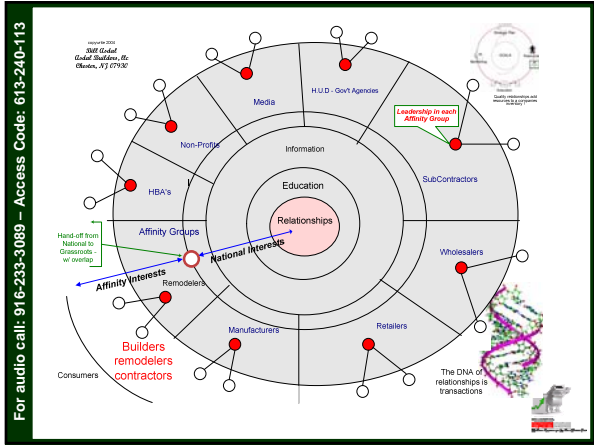
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## Buckets of importance in reducing energy ~ adding value to the customers understanding

- 1<sup>st</sup> = Consumer behavior
  - What can they do that costs **nothing**
- 2<sup>nd</sup> = Suppressed consumption of energy
  - Formerly weatherization, now a range of solutions – **modest cost**
- 3<sup>rd</sup> = Advanced technologies
  - Visible solutions but may not be the first solution to grasp. – **highest costs**




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## Mastery Required!

- 1. Business competency**
  - Planning
  - Cost control
  - Staying in control of the process
- 2. Technical competency**
  - Science, testing, materials, whole house/ systems
- 3. Sales skill set** – understanding the decision process (it IS different)



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## Business Competency

- Plan your successes = a business plan
  - [www.sba.gov](http://www.sba.gov)
  - [www.score.org](http://www.score.org)
- “Any road will lead to nowhere”
  - Chart a course to profitability
  - Niche for your existing business
  - New start-up business



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## *Upselling remodeling* or a key to sell at all?

- Energy Retrofits can be a key to get to other work
  - Be the solution provider
  - Deliver services professionally
- Add-ins to existing remodeling
  - Above code construction, air sealing, insulation upgrades, mechanical upgrades, monitoring, pre and post test, envelope enhancements



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## Technical Competency

- Training – staff development
  - [www.bpi.org](http://www.bpi.org)
  - [www.zerodraft.com](http://www.zerodraft.com)
- Subcontracting competency out – use standards
  - Need diligent tradesmen
  - “Team sport”
  - Appropriate software tools
- Strategic relationships
  - Engage raters, auditors for you
  - You work for GC’s and provide technical support



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## Sales Competency

Consumers need to decide where to invest – Energy, Space, Maintenance – Where do they put their money?

### Making a decision is a *process*...what are the components



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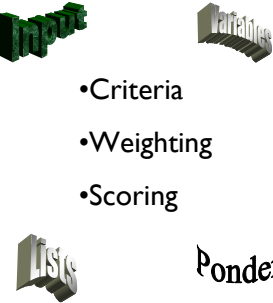
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## Understanding the decision process...



- Criteria
- Weighting
- Scoring

Ponder



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## Consumer Criteria (Up-selling?)

A collaborative discovery:

- First cost
- Life cycle cost
- Social responsibility
- Contractor pressure
- Warranty
- Peer pressure


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### Criteria Evaluation of Prospective Upgrades Return on Investment/years of payback

Retrofit Type	Estimated Installed Cost	Estimated Annual Savings	Additional Cost for High Efficiency	Simple Payback on High Efficiency
Radiant Barrier*	\$ 700	\$ 40	\$ 700	17.5
HVAC: 18 SEER Split System**	\$ 8,035	\$ 260	\$ 5,115	19.7
HVAC: 16 SEER Split System**	\$ 6,450	\$ 216	\$ 4,530	16.3
HVAC: 15 SEER Split System**	\$ 6,080	\$ 193	\$ 3,760	16.4
HVAC: 12 SEER Packaged Unit	\$ 3,665	\$ 136	\$ 745	8.9
HVAC: 12 SEER Packaged w/no CFC's*	\$ 3,755	\$ 126	\$ 745	8.9
Programmable Thermostat*	\$ 80	\$ 64	\$ 80	1.3
Super Efficient Refrigerator*	\$ 900	\$ 32	\$ 100	3.1
Solar Water Heater*	\$ 1,670	\$ 65	\$ 1,370	21.4
Tankless gas water heater*	\$ 1,118	\$ 31	\$ 818	26.4
Aeroseal Duct Sealing**	\$ 800	\$ 12	\$ 800	66.7
LED Lighting: Entryway*	\$ 65	\$ 10	\$ 63	6.3
Efficient Top Loading Washer*	\$ 600	\$ 30	\$ 260	6.7
Gas Clothes Dryer w/Moisture Sensor*	\$ 450	\$ 30	\$ 100	3.3
Compact Fluorescent Lights (8)	\$ 60	\$ 25	\$ 36	2.2
Replacement Windows: LoE Glass	\$ 400	\$ 157	\$ 400	2.5
Additional Attic Insulation to R38	\$ 350	\$ 65	\$ 35	5.3
Additional Attic Insulation to R49	\$ 540	\$ 77	\$ 240	7.0
Bare Duct Insulation	\$ 100	\$ 40	\$ 100	2.5
Infiltration Sealing	\$ 250	\$ 20	\$ 250	12.5

\* PATH Technology  
 \*\* Includes cost to modify house for split system




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## Consumer weighting

A collaborative discovery:

- First cost 200%
- Life cycle cost 150%
- Social responsibility 130%
- Contractor pressure 180%
- Warranty 140%
- Peer pressure 120%



Consumer Scoring




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## Energy Up-grades...

1. Pre -testing + Post -testing
2. Air sealing
3. Insulation
4. Mechanical up-grades
5. Appliance up-grades
6. Envelope enhancements:
  - a. Doors
  - b. Windows
  - c. Siding
7. Electrical controls: conditioning, lighting
8. Mechanical redesign
  1. solar hot water,
  2. P.V., wind

*my order of work priorities*



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## In Summary...

Getting Ready for Home Star?

- Write the plan
- Gain the skill
- Understand the decision process
- Add value
- Collect a check

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Chester, NJ  
Bill@AsdalCompanies.com



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# Q & A



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### Brainstorm Meeting...



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### Upcoming Event



For more information  
visit [www.affordablecomfort.org](http://www.affordablecomfort.org).



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### Resources

- [www.encyfirst.org/home-star/](http://www.encyfirst.org/home-star/)
- [www.nahbrc.org](http://www.nahbrc.org)
- [www.toolbase.org](http://www.toolbase.org)
- [www.pathnet.org](http://www.pathnet.org)
- [www.energy.gov](http://www.energy.gov)
- [www.qualifiedremodeler.com](http://www.qualifiedremodeler.com)
- [www.marketsharp.com](http://www.marketsharp.com)
- [www.bpi.org](http://www.bpi.org)

Watch Your Email for These Links!



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Next Session...

**The Science of Successful In-Home Selling**

Wednesday Feb. 24, 2010  
2 p.m. Eastern, 1 p.m. Central  
and 11 a.m. Pacific

Dave Yoho  
President  
Dave Yoho Associates

Brian Smith  
Senior Account Executive  
Dave Yoho Associates

Dave Yoho's  
**HIPS** Home Improvement Profit Seminars  
Management Seminar

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As You Exit...Please Take a Moment...

Please complete our quick survey for as you exit the webinar!

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Thank You!

Beyond the Energy Tax Credits...  
Preparing Your Company for the Upcoming Home Star Program!

Further information:  
Larry Zarker - [LZarker@bpi.org](mailto:LZarker@bpi.org)  
Bill Asdal - [Bill@asdalcompanies.com](mailto:Bill@asdalcompanies.com)

[www.growthcoachwebinars.com](http://www.growthcoachwebinars.com)

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