

2012 Residential Energy Efficiency Solutions Conference

Expanding Programs through Creative Partnerships

Session 2 – Engaging Business Partners

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Home Performance Contractors and Fuel Dealers



KEY PLAYERS IN VERMONT'S RESIDENTIAL ENERGY FUTURE



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Richard Faesy, Energy Futures Group



Research Funder



High Meadows
Fund

Mission: To promote vibrant communities and a healthy natural environment while encouraging long-term economic vitality in Vermont. HMF's work supports leadership and innovation in three primary areas:

- Reducing reliance on fossil fuels by encouraging energy efficiency and renewable energy;
- Improving the sustainability and viability of agricultural enterprise and food security and affordability;
- Encouraging vibrant compact settlements surrounded by working farms and forests.



Our Research

Goal: To understand the Vermont home performance contractor and fuel dealer communities and their perspectives on current and future opportunities for home energy retrofits in Vermont.

- Interviews:
 - 24 home performance, other building contractors, and non-profits
 - 14 fuel dealers/HVAC contractors
- Attended two NeighborWorks of Western Vermont contractor meetings



Analysis Objectives

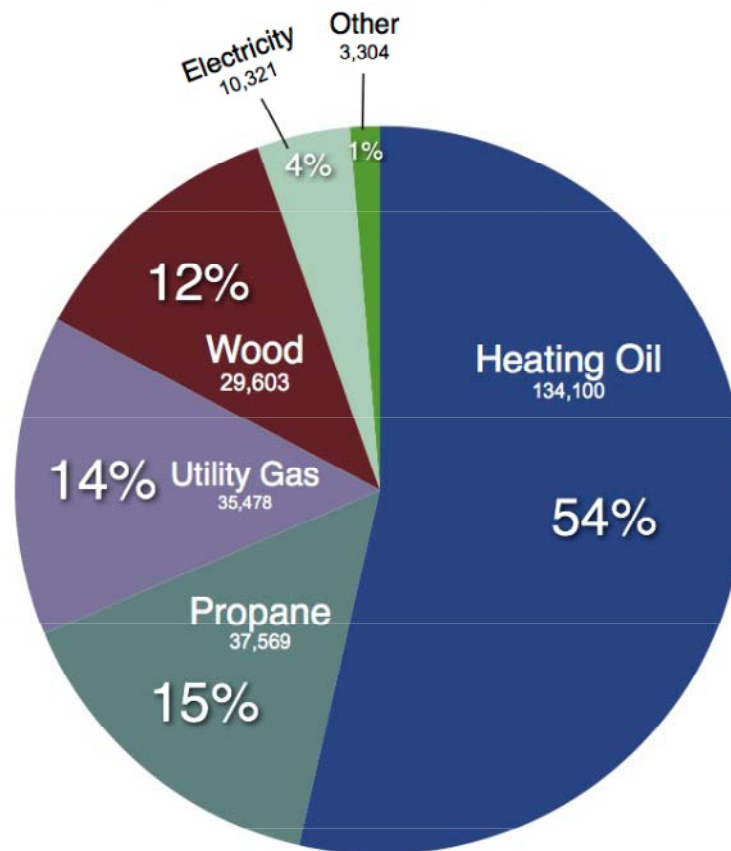
- To provide qualitative portrait of two Vermont home energy stakeholder communities, with supporting quantitative data.
- To make recommendations that will help move Vermont towards a vibrant, growing market for home performance services, and help meet the statewide goal of retrofitting 80,000 homes to save 25% of energy consumption by 2020.



Fuel Dealers/HVAC Contractors



Vermont Heating Fuels by Household



Heating Fuel Consumption in Vermont
Percentage of Households
Based on 251,736 Occupied Housing Units
Source: U.S. Census



Fuel Dealers/HVAC Contractors – Interviewees (14)

- Vermont Fuel Dealers Association (VFDA) key player
- Business models range from...
 - Family-owned local fuel sales/service
 - Multi-state/international corporations
 - HVAC only (3)
- Size:
 - 140 fuel dealers statewide
 - Serve 1,000 to 10,000+ customers
 - 2 to 85 employees
 - Most in the 6 to 20 truck range
- Products offered (fuel dealers):
 - Fossil fuels (fuel oil, propane, kerosene)
 - A few offer wood pellets
 - Some exploring home performance services
 - All that sell fuel, offer HVAC equipment and service



Questions Asked

- Information about their businesses and services offered
- Perspectives on the market
- Thoughts about potential future directions for their business, including:
 - Offering high efficiency biomass equipment
 - Providing lead generation for home performance contractors.
 - Partnering with home performance contractors
 - Directly offering home performance services



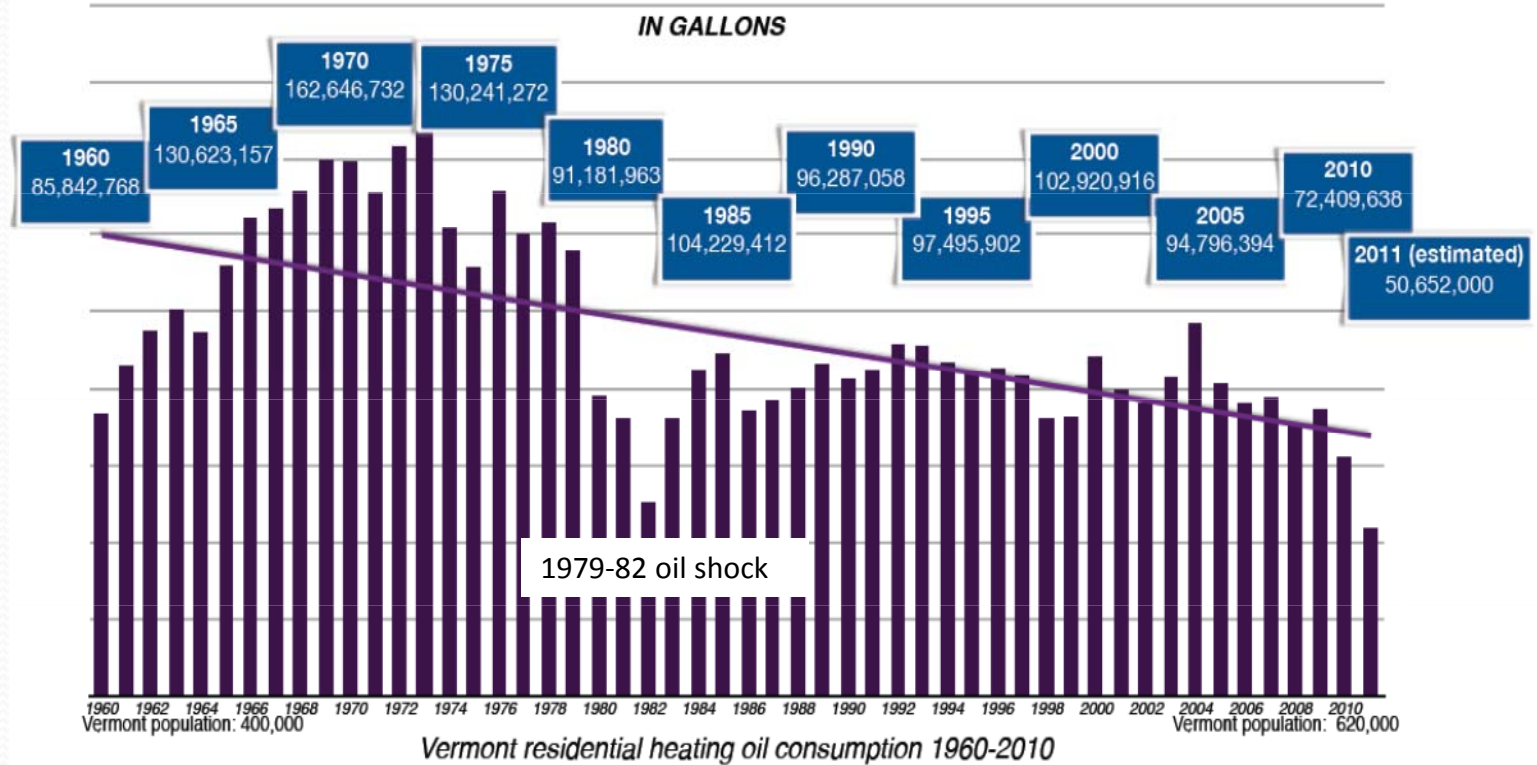
Barriers and Challenges

- \$4.00/gallon oil
- Expanding distribution of cheap natural gas
- Electric, cold climate, air-source heat pumps
- Wood pellets
- Negative public image of oil
- Generational transitions in industry
- Industry consolidation
- Declining sales



Vermont Residential Heating Consumption

HEATING FUEL FACT SHEET



Source: Energy Information Administration (EIA)

[http://www.eia.gov/state/seds/seds-data-fuel.cfm?](http://www.eia.gov/state/seds/seds-data-fuel.cfm?src=email)

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“This is a shrinking business...” (Fuel Dealer)



Opportunities

- Necessity is the mother of invention
- Sell less fuel, but more service to more customers
- Fuel dealers as an “energy business”
- Customer relationships
- Customer service & satisfaction

“There needs to be a mentor or a single point of contact with customers. The fuel dealer can be that person.” (Fuel Dealer)



Opportunities (continued)

- New profit center
- Partnering
- Diversification
- Green & local

“We are looking at a specific software package that allows the service tech to do a kind of home energy analysis during a service call.” (Fuel Dealer)

“Biofuels will be a growing market. We are looking to become a ‘localvore’ with wood pellets.” (Fuel Dealer)



NeighborWorks of Western Vermont



- Objectives of Project
 - Spend financial stimulus funds
 - Complete 1000 home energy retrofits in Rutland County by 2013





- Innovations

- Drive participation through social networks
- Provide participants with an advocate during retrofit
- Create a contractor guild
- LaborWorks for NeighborWorks
- Fuel dealer partnerships
 - Johnson Energy
 - Keyser Energy



Is your heating system operating below 80% efficiency?

If it is, you are probably using more fuel than you need to.



Want to test the efficiency of your furnace?

Johnson Energy will test it for free!

Want to test the efficiency of your whole home?

NeighborWorks H.E.A.T. Squad will check your home and provide a detailed report of the findings for only \$100!

Do this now!

The \$100 home check-up deal won't last forever!

The regular cost of a check-up is \$350 to \$500!

But wait, there's more!

- Johnson Energy and NeighborWorks believe in being good partners for your heating needs. Mention this coupon and Johnson is offering you \$25 off your whole-home check-up.
- We can also help you get up to \$2,500 in rebates if you need to upgrade your furnace or make other efficiency improvements to your home.
- NeighborWorks can provide affordable financing to help cover out-of-pocket cost.
- The average Rutland County family who has completed this process already is saving an estimated \$900 on energy costs annually!

Call Today (802) 438-2303 x227 or visit www.HeatSquad.org

The H.E.A.T Squad is a division of NeighborWorks of Western Vermont, a non profit housing organization serving Rutland County since 1986.



Conclusions & Recommendations

- Design productive business relationships
 - Determine that fuel dealers can be GC for BPI contractors
 - Develop model business plans
- Educate fuel dealers & home performance contractors
 - What is home performance?
 - Opportunities for working together
 - Programmatic responsibilities
- Build bridges
 - Open up communication; September workshops
- Explore wood pellets



Questions and Comments

<http://www.highmeadowsfund.org/learningresources/>

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