



**PPL companies**

# Home Builders Role in Marketing of the HERS Index

***Bill Cooper, Program Manager***  
*LG&E and KU Energy-Saving New Homes*



# LG&E and KU Energy-Saving New Homes

- Program Accomplishments
- Program Profiles and Transition
  - ENERGY STAR 2.0 Profile
  - ENERGY STAR 2.5/3 Transition
  - EnergySmart Strategic Builder Option (SBO)
- Home Builders Associations' Impact To Marketing
- Program Support



# Program National Recognition

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- 2009 RESNET Market Transformation Award
- 2010 ENERGY STAR® Partner of the Year – Program Delivery
- 2011 ENERGY STAR Partner of the Year - Program Delivery
- 2012 Program designated the nation's first RESNET recognized ENERGY SMART Program (May 8, 2012)



# Program Designation Timeline

## ENERGY STAR

- 2.0            2007 – 2011
  - 2.5            2011 – 2012
  - 3.0            2012 – present
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- Nov. 2011...Strategic Builder Option (SBO) Introduction
  - Oct.1, 2012...2009 IECC Kentucky Go Live



# Pre-Role Out 2007

- Day 1 finds one (1) Rater in LG&E – KU service territory
- Day 2 finds 3 – 5 ENERGY STAR<sup>®</sup> qualified homes in territory
- Historical numbers in 2007 represent only Military housing and electric cooperative serviced territory homes ≈ 30



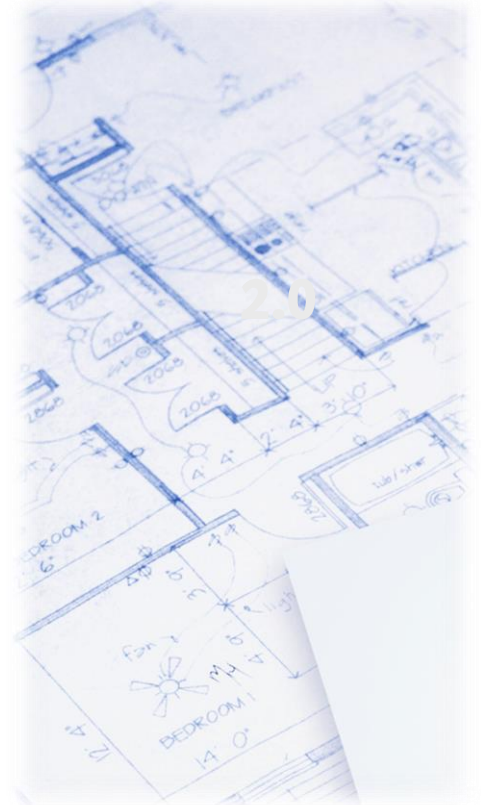
# Pre-Role Out 2007

- Day 2 reached out to Home Builders Association of Kentucky (HBAK)
- Day 3 attended HBAK Board Meeting
  - State's initiative update on Green Build Kentucky
  - Introduced "Vision" for the utility program
  - Offered open invitation to Builders to partner in program blueprint



# Pre-Role Out 2007

- Week 2 recognized need to find common ground between utility and builders
- Continued outreach to local Home Builders Associations
  - 1: 1 meetings with State's HBAs E.O.
  - How can the utility program best support the builder community?



# Pre-Role Out 2007

- Value drivers
  - Offered alternative building solutions to weather the new construction downturn
  - Helped with HERS Rater infrastructure development
  - Integrated builder cost recovery
  - Developed a new home education program
  - Partnered in adding value to members





## 2.0 ENERGY STAR<sup>®</sup> 2007 – 2011

- Tactical directives supported rater infrastructure development, and strategic builder partnering.
- Early “Builder” rebates offered rater inspection cost recovery.
  - ENERGY STAR<sup>®</sup> ; LEED
  - Green Build Kentucky
  - Infra-red Thermography
- Builder rebates offer rebates tied to square footage and building type



# 2.0 ENERGY STAR<sup>®</sup> 2007 – 2011

## Rebates

MAXIMUM REBATE BY BUILDING TYPE/SIZE (SQ.FT.)			
	≤ 2500	2501-6500	≥ 6501
Single Family	\$450	\$600	\$750
Multi-Single	\$325	\$450	
Multifamily*	\$225		

- Categorized by square footage and building type
- Inclusive Green Add-ons authorized—Rater Plus!

# 2.0 ENERGY STAR® 2007 – 2011

- Builder-Contractor technical training program goes live 2009
- HBA membership receives “no cost” training 5x per year multiple markets.
- CEUs integrated to training programs
- Program accepts co-leadership sponsorship role with Homebuilders Association to expand Midwest Regional Energy Star Conference



# 2.0 ENERGY STAR<sup>®</sup> 2007 – 2011

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## Results

- Builder participation: 123 (20% growth each yr.)
- Average Program Homes HERS Index 76
- New construction market penetration exceeded 18%
- All kWh; CCF and KW goals exceeded

# 2.5/3.0 Transition

- 2.5 Rolled Out 7/1/2011
- 3.0 Implementation 1/1/2012



# 2.5/3.0 Transition

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- Expanded strategic planning initiative
  - HBA special outreach at committee levels
    - Membership
    - Education
    - Utility Counsel
    - Events
  - More 1: 1 meetings

## 2.5/3.0 Transition—Member Surveys

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- EPA projects 50% builder drop-out rate
- Program builders' project 80-90% drop-out rate
  - Protect infrastructure (raters)
  - Mitigate builder losses due to mandatory 3.0
  - Coordinate strategy alignment and leverage of HERS
  - Create a "Strategic Builder Option" to ENERGY STAR
  - Incentivized performance with rebate restructuring

# 2.5/3.0 Go Live

## Leverage on an already existing national name

- RESNET SmartHome
- EnergySmart Builder
- EnergySmart Contractor

Enter... "A RESNET EnergySmart Program"





## 2.5/3.0 Go Live

- 100% Rated Homes
- No Sampling (SF, MS; MF)
- Integrated education of HERS Index
- Integration of Builder MOUs—Web
- Collateral Integration



# 2.5/3.0 Go Live

## Incentivize Performance with Dual Strategy

- Leverage HERS Index
- Protect Infra-structure
- Minimize builder losses
- Losses under filing kWh, KW and CCF

Single Family			
HERS INDEX		ENERGY STAR Version 2.5/3 Qualified Home	\$1,200
85-81	\$440		
80-71	\$500		
70-61	\$640		
60-51	\$900		
50-0	\$1,200		
Multi-Single Family			
HERS INDEX		ENERGY STAR Version 2.5/3 Qualified Home	\$750
85-81	\$330		
80-71	\$375		
70-0	\$480		
Multifamily			
HERS INDEX		ENERGY STAR Version 2.5/3 Qualified Home	\$450
85-81	\$220		
80-71	\$250		
70-0	\$320		

# 2.5/3.0 Go Live

- Expanded Builder-Contractor technical training program for 2009 IECC
  - Expanded reach of UK/HBAL Training
  - Sponsored "No Cost" training to Code officials and Raters
  - Sponsored HBAL Event Training to Builders
- Partnered in HBAL Education Center Creation and Sponsorship (a product of Utility Counsel brainstorming)

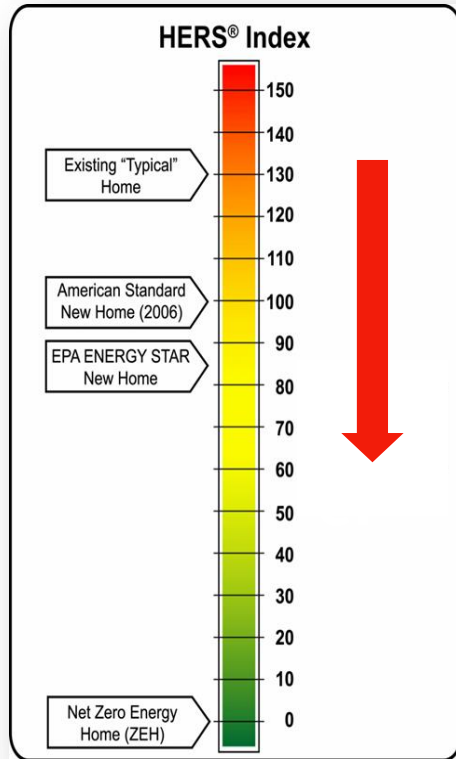


# 2.5/3.0 Go Live

- Program continues leadership role with Homebuilders Association to financially support Midwest Residential Energy Conference with HBA AND RESNET
- Conference education track participants receive 2009 IECC code books at "no cost".
- HERS Index customer message integrated to Grand Tour of Homes Media
- New Home & Remodeling Marketplace



# Design Performance



## HERS Index By Year

Year	Average All	Avg. Less Top Tier
2009	77.8	76.7
2010	76.8	72.7
2011	74.6	71
2012	72.4	69
2013	71.5	66
PTD	75.1	71.7

**Market penetration exceeding 24%**

# Collaterals

## Provided to builders

- Yard Signs
- POP Kits (Point of Promotion)
- Window Decals
- Consumer Brochures





# Utility Marketing of HERS Index



- You're invited... to an expanded program review
- March 1, 2:00 pm, Crystal Ballroom E & F
- Utility Marketing of the HERS Index to Improve Building Performance
- Strategy, design, strategic builder option, collaterals, Web



# Contact Us

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[www.lge-ku.com/build](http://www.lge-ku.com/build)

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