NASEO Measured Savings Workshop June 2024

Sealed

Sealed helps contractors get **more jobs** with **less energy**

Sealed provides software and solutions to contractors, enabling them to install more home weatherization and electrification projects and grow their businesses.

Sealed serves as an aggregator in rebate programs, handling all rebate processing and payment on behalf of contractors.
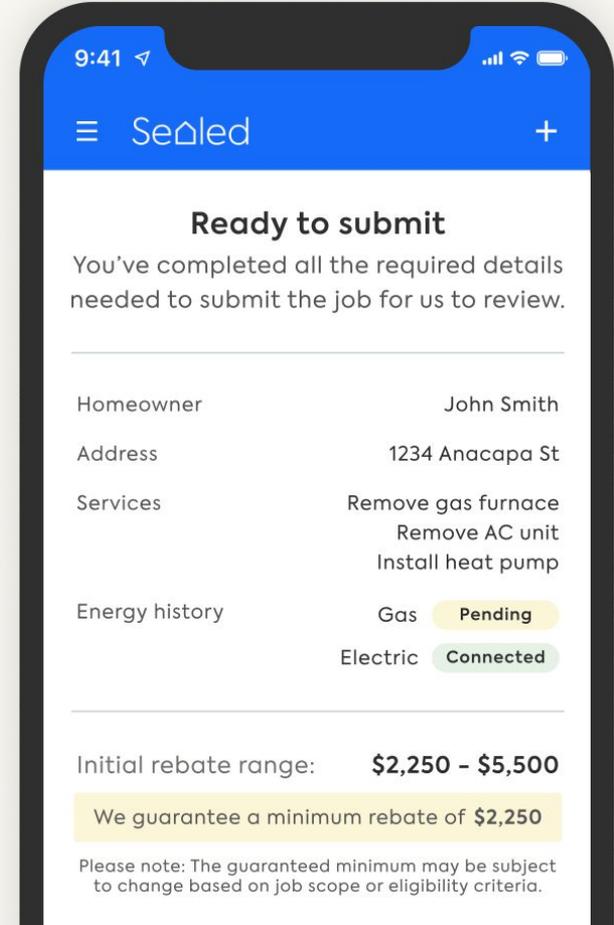
Aggregators make programs easier for contractors

From contractor perspective:

One application, many programs
Aggregators find stackable programs and submit a project for all eligible rebates

From program perspective:

Many projects, one portfolio
Aggregators create a portfolio of retrofit projects and take on performance savings risk for that portfolio

Aggregators examples

Check out Canary Media's article on aggregators

California has robust measured savings programs

Rebates for actual savings

Rebates paid on measured energy reductions, the avoided cost of energy per CPUC, and program-specific multipliers

Whole-home approach

Programs record energy savings across the entire house site, with a variety of eligible measures

Measurement period

Rebates are fully paid out after measurement period; aggregators are providing guaranteed, upfront payments to contractors to reduce challenges

3C-REN, PCE, and MCE have current residential measured savings programs.

Case study: 3C-REN Single-Family Program

Ratepayer-funded, energy efficiency program covering three CA counties

- A broad mix of energy efficiency and electrification measures are eligible for rebates

- Rebates are provided to aggregators based on actual energy savings

- At least 50% of expected incentive must be provided to customer via point-of-sale rebate

- Program provides higher incentive levels for Hard-to-Reach customers [1]

In Santa Barbara and San Luis Obispo Counties, hard-to-reach is defined as meeting one of the following criteria: (1) customers that qualify for CARE or FERA rates OR (2) don't speak English as their primary language OR (3) reside in a mobile home. In Ventura County, customers must meet one of the above criteria and live in designated "Disadvantaged Community" census tracts.

Contractors & households are paid upfront
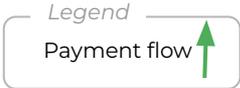
Timeline: *Install complete...*   *...1 year post-install*

Household — 1

Contractor — 1   2

Aggregator — 2   3   4

Program implementer — 3   4

1   Contractor gives Household point-of-sale rebate

2   Aggregator pays Contractor expected rebate upfront after project enrollment approval
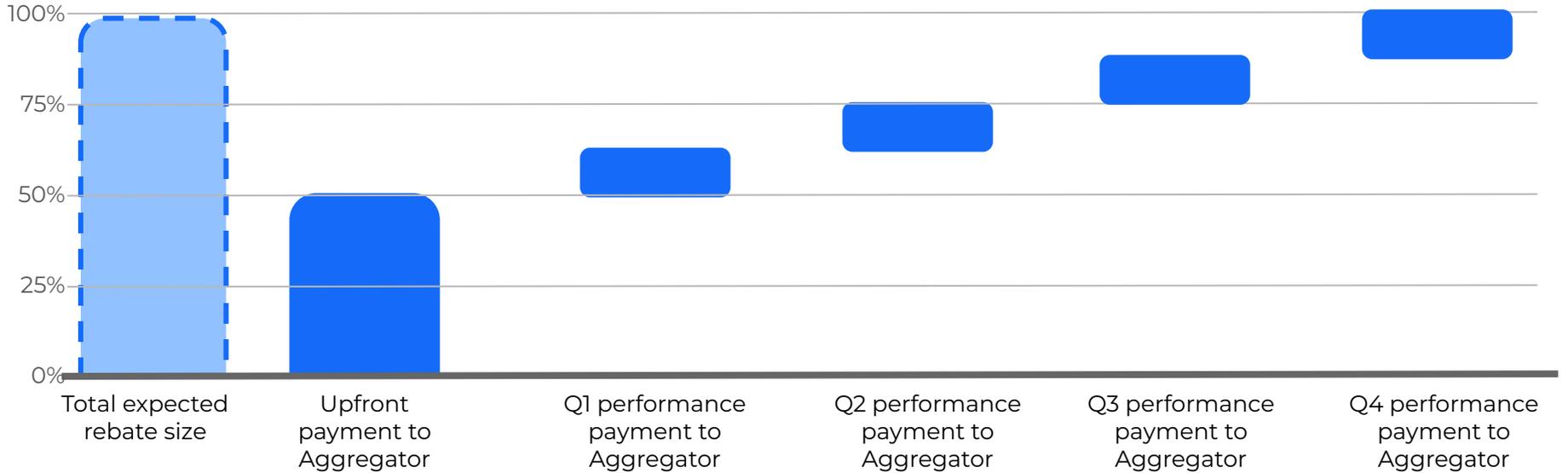
3   Implementer pays Aggregator upfront payment

4   Aggregator receives full rebate value if energy savings are achieved

50% of expected inventive provided upfront to minimize carrying costs
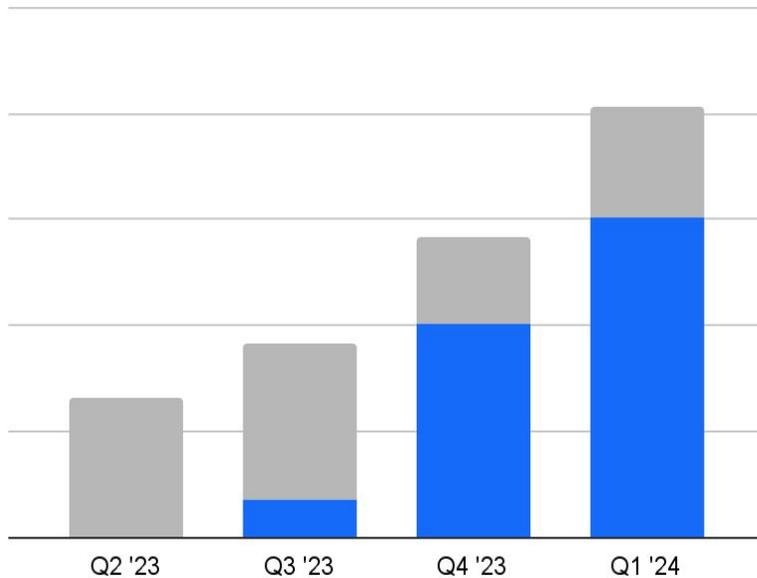
Illustrative graphic

Legend

Expected total payment at 100% realization

Actual payment to Aggregator

Measured savings programs can drive market transformation

3C-REN Program installs by quarter

Installs by Other Aggregators ■ Installs with Sealed as Aggregator ■

Q2 '23   Q3 '23   Q4 '23   Q1 '24

Source: 3C-REN program dataset

From 3C-REN Contractors:

"We were blown away by market data from 3C-REN on heat pump adoption. It has shifted our sales team to pivot accordingly."

"If Sealed didn't front the money to us for the rebate, I don't think we could participate in this program. There is so much risk as a small business to cash flow, and Sealed fixes that."

"We were primarily selling furnaces, and our business was dismal just months before we started working with Sealed. We are now almost exclusively selling heat pumps and have one of the highest grossing rebates. We've been able to take on HTR customers."

3C-REN resolves the balance of accountability and scalability

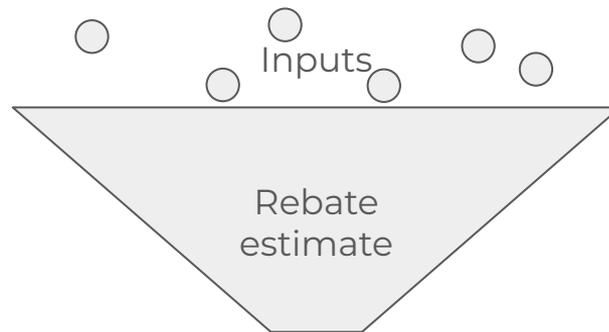**In most programs today**, the only way to raise accountability is by monitoring many inputs...

Inputs

Rebate estimate
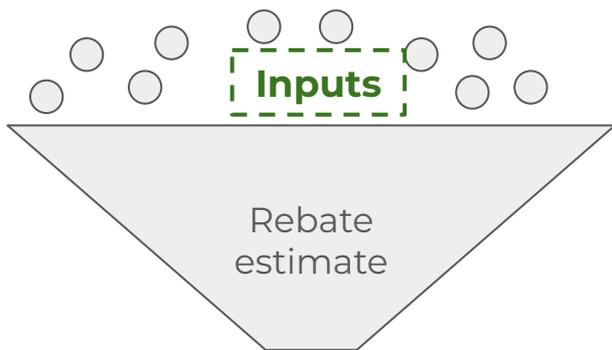
Output (actual energy savings)

...**causing scalability to decrease** as more requirements are added for better accuracy

But with measured programs, accountability is based on a single (but important) output...

Inputs

Rebate estimate

Output (actual energy savings)

...which **allows scalability to increase** since the inputs are not the basis for payment

Legend

Accountability and payment
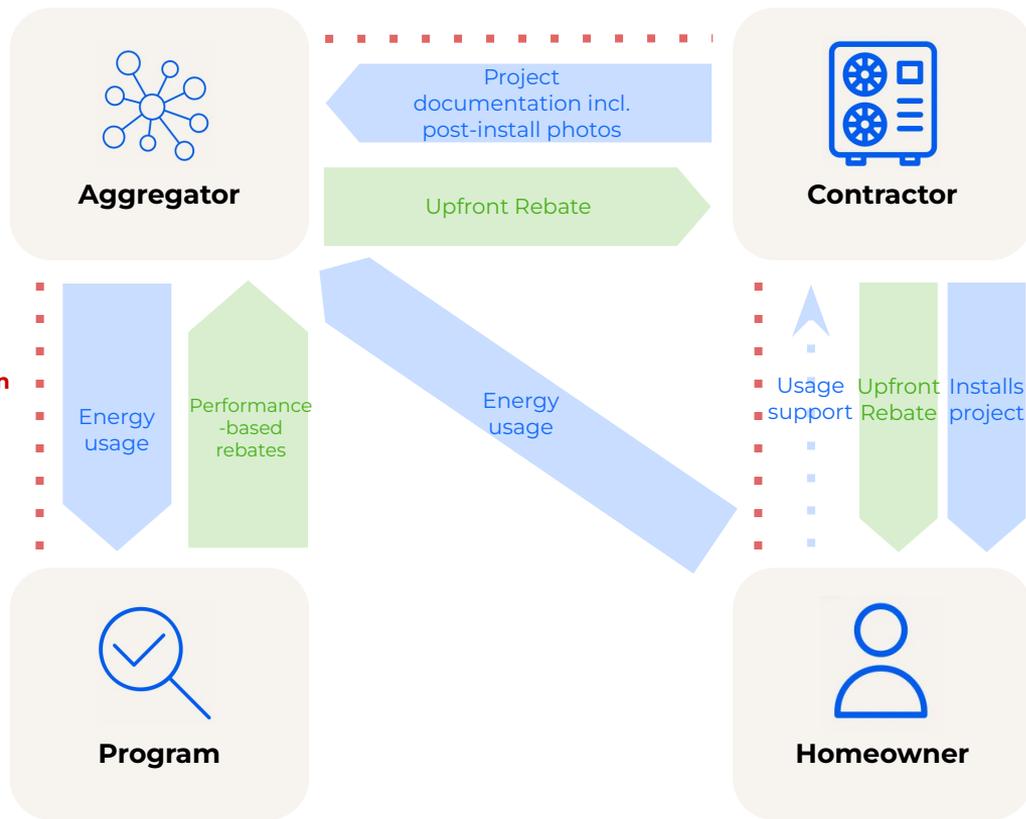
3C-REN lessons learned

➔ Paying contractors & households quickly (and upfront) is crucial

➔ Contractors need to be prepared to give a guaranteed minimum rebate during the "kitchen table conversation"

➔ The flexibility of measured savings programs can attract a broader range of contractors without sacrificing project quality

➔ Getting data directly from utilities can be a challenge for programs

Measured pilot programs:
States can put most measured "responsibilities" on aggregators

Aggregator

Contractor

Project documentation incl. post-install photos

Upfront Rebate

Program Participation Agreement

Energy usage

Performance-based rebates

Energy usage

Usage support

Upfront Rebate

Installs project

Program

Homeowner

Cash

Contract

Services / Data

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Thank you!

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