

Home Performance – A Road Map for Driving Market Growth

HVAC SECTOR PRESENTATION FOR DISCUSSION



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

MAIN ISSUES / BARRIERS

- Wide range of diverse and often interconnected issues/barriers have been identified through the HVAC landscape analysis, needs assessment, industry workshops and visioning.



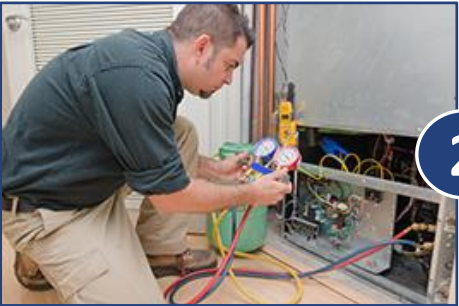
1

INDUSTRY REPUTATION & STANDARDS OF PRACTICE



3

CONSUMER EDUCATION



2

WORKFORCE DEVELOPMENT & PROFESSIONALISM



4

CONNECTIVITY TO PROGRAM & POLICY DESIGN



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

MAIN ISSUES / BARRIERS

INDUSTRY REPUTATION & STANDARDS OF PRACTICE

- Challenging to compete while providing quality work. Contractors competing in an unlevel, price-driven environment which creates a race to bottom culture.
- There is a lack of codes, standards, and enforcement aimed at quality workmanship. Combined with limited permitting and no inspections beyond “gas safety” has created an unlevel playing field.
- There is a need for quality assurance but this is coupled with uncertainty on “who should do inspections”. Current views range from independent industry rep to government and/or utilities.



1



HOME PERFORMANCE
STAKEHOLDER COUNCIL

MAIN ISSUES / BARRIERS

WORKFORCE DEVELOPMENT & PROFESSIONALISM



2

- Gap exists in the retrofit market for HVAC training with accepted standards of practice. Challenge with retrofitting is every house is different and complex.
- Employers are reluctant to invest in training as there is little value ascribed to professional credentials. Employers are also concerned that well-trained employees may leave to start their own business or to join a competitor.
- Business models for broader home performance solutions specific to HVAC sector is an evolving concept. Better understanding needed on the opportunity, costs, requirements and benefits for an HVAC contractor.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

MAIN ISSUES / BARRIERS

CONSUMER EDUCATION



- General consumer perception is that codes/standards are being applied in the home. Consumers don't understand the value of a quality installation and contractors don't know how to sell it.
- Information dissemination within the industry remains a challenge with helping consumers demystify real world vs. myths on technologies and installation practices.
- Consumers often make their decisions as a “distress purchase” and look for a simple replacement, with little thought to improving equipment efficiency, quality installation or dealing with home performance issues.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

MAIN ISSUES / BARRIERS

CONNECTIVITY TO PROGRAM & POLICY DESIGN

- Programs need some level of continuity to build industry/consumer confidence.
- Focus has been placed on increasing efficiency requirements of manufactured equipment without providing same attention on installation to achieve designed efficiencies.
- Market uncertainty about what impact (positive or negative) recent policy initiatives might have on their businesses.
 - *Examples are Provincial Climate Action Plan goal/objective to advance efficient electrification and local governments adoption of 100% renewable energy target for 2050 (e.g. City of Vancouver and City of Victoria)*



4



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

POTENTIAL SOLUTIONS (thus far)

INDUSTRY REPUTATION & STANDARDS OF PRACTICE

- There is potential for industry collaboration with utility and government to develop standards to help govern workmanship.
- The standards should be made public and easily accessed by HVAC contractors and consumers with potential to be housed on a utility and government website.
- More and better inspections were emphasized, possibly with labelling to build industry recognition and consumer confidence.



1



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

POTENTIAL SOLUTIONS (thus far)

WORKFORCE DEVELOPMENT & PROFESSIONALISM



2

- TECA has fundamental course material with “Basics of Air” and “Quality First” courses that could be augmented to include specific retrofitting curriculum.
- TECA has been working a number of years on Certified HVAC Technician designation for industry. Internal challenges with industry association and lack of identifying suitable training organization or trade school have been barrier to implementation.
- Some HVAC contractors expressed support for mandatory training with government or utilities providing this for added credibility.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

POTENTIAL SOLUTIONS (thus far)

CONSUMER EDUCATION

- Government and utilities should play major role in raising awareness on importance of installation.
- Advertising and websites led by utilities and government were mentioned as potential vehicles to create awareness and education on value of quality installations.
- Better financial information and calculators that highlight the economic benefit for consumers undertaking home performance upgrades was presented as potential idea to help with demand side of equation.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

POTENTIAL SOLUTIONS (thus far)

CONNECTIVITY TO PROGRAM & POLICY DESIGN

- Programs need better technical/product criteria, installation standards, specifications and quality assurance.
- There needs to be an integrated approach to getting and using industry input on utility program design, rate design and government policies around fuel choice and taxation.
- Consistency in programs and better coordination of utility and government efforts to create more stability in the market.



4



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

OPPORTUNITIES

- **WORKMANSHIP RECOGNITION** – Exploration of rewards and/or incentive program for trades to better promote quality work that is recognized.
- **PRESCRIPTIVE REQUIREMENTS** – Utilities to potentially drive change by having prescriptive requirements on installations when offering rebates through programs. This should include a percentage of inspections for quality assurance.
- **FUNDING FOR PROFESSIONAL DEVELOPMENT** – Support for contractors from government and utilities to help with investment in training, accreditation to address capacity and quality workmanship.
- **PRODUCT & SERVICE EXPANSION** – Integrated solutions for consumers and increasing contractor knowledge and capacity to sell and install house-as-a-system projects.
- **HOME ENERGY LABELLING** – Purchasers of resale homes look for evidence (labelling/certification) that homes have achieved certain levels of energy performance to create increased public valuation of home performance solutions.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**

SPECIAL CONCERNS

- **DIVERSITY OF TRADES** – The rise of ethnic trades is a changing dynamic within the HVAC industry, and the ability to reach, communicate, train, and certify this growing segment requires planning and strategy.
- **BUSINESS MODEL QUESTION MARKS** – It remains unclear, whether whole-home contractors is viable business model or whether better integrated programs may lead to more whole home upgrades and increased opportunities for HVAC contractors.



**HOME PERFORMANCE
STAKEHOLDER COUNCIL**