



Spotlight on Austin, Texas: Let Your Contractor Be Your Guide for Big Rewards

Key Takeaways

- Get feedback from contractors on your program design before finalizing and launching
- Pay attention to contractor schedules when setting meetings and promotions
- Train contractors on how to deliver your offers, particularly for financing
- Share your marketing materials to leverage contractor outreach
- Track work and resolve bottlenecks quickly



The Better Buildings Neighborhood Program is part of the national Better Buildings Initiative led by the U.S. Department of Energy.

To learn how the Better Buildings Neighborhood Program is making homes more comfortable and businesses more lucrative and to read more from this Spotlight series, visit betterbuildings.energy.gov/neighborhoods.

All About Contractors

Austin Energy, a municipally owned utility, has a long history of collaborating closely with the building contractors in its area to deliver energy efficiency programs, which benefits both parties involved. Because contractors understand that Austin Energy has made a long-term commitment to supporting energy efficiency, they have been willing to invest time and money into the technical training and equipment upgrades required to conduct work in this sector. At the same time, they have helped create strong public recognition and support for Austin Energy's aggressive energy efficiency goals—including co-marketing the utility's programs to help drive demand. To launch its new Best Offer Ever¹ promotion quickly and effectively, BetterBuildings-Austin Energy's Clean Energy Accelerator focused particular attention on ensuring that the program was being responsive to its contractor base, which really paid off—47 contractors completed a record 564 home energy upgrades in just six months. For many of the participating contractors, the high program volume resulted in 2010 being their most profitable year ever.

Engage Contractors Early and Focus on the Details

Austin Energy focused on both the details and the big picture when it engaged its contractors to launch the Best Offer Ever promotion. The program devised a strategy to meet regularly with contractors, address their concerns, collect input on program ideas, and obtain real-time feedback on what is and is not working in the field. This strategy allowed for program adjustments and avoided costly mistakes.

Be Mindful of Contractor Schedules

Austin Energy's history of operating energy efficiency programs has led to the development of a rich contractor network that serves as an extension of the utility's direct staff. As a result, the utility has acquired key insights into contractor schedules, concerns, and capacity.

One contractor-focused issue Austin Energy considered was trying to smooth out a period of typically slow demand for energy efficiency upgrade services compared to the rest of the year. Austin is known for its hot weather, which keeps contractors busy at least nine months out of the year dealing with home-cooling issues. For that reason, Austin Energy purposely launched the Best Offer Ever promotion in fall 2010 to take advantage

Launching the Best Offer Ever in fall 2010 was a good way to take advantage of a time when contractor work was slow and professionals were available, as well as to beef up their business for the year.

¹ For details about the Best Offer Ever promotion, read the BetterBuildings Getting Started spotlight on Austin Energy's launch.

The Best Offer Ever is a unique, short-term offering of free energy assessments, low-interest project financing, and rebates valued at up to \$2,300. The extra incentives spurred more than 560 Home Performance with ENERGY STAR® upgrades in just six months.



of contractor availability and provide additional work during what are otherwise slow contracting months—increasing the likelihood of jobs being completed in a timely manner and helping contractors avoid seasonal layoffs.

Once draft promotional plans were in place, Austin Energy hosted a breakfast meeting—getting on their Home Performance with ENERGY STAR contractors' schedules before they were out in the field for the day—to discuss plans over tacos and coffee. Contractors provided feedback on the launch plans, received sample forms, and were trained on how to use them. The contractors were also candid about their involvement in implementing the offer. Most contractors had not actively marketed financing options before, so Austin Energy walked the group through each party's role and responsibility in the loan process.

Ensure Incentives Quickly Reach Their Intended Targets

One contractor concern about the Best Offer Ever that came to light during coordination meetings was the timing for contractor payment. Before the launch of the Best Offer Ever, Austin Energy would issue a rebate payment to the homeowner approximately six weeks after a job was completed. In an attempt to further increase uptake of home energy upgrades, the utility wanted to reduce upfront costs for homeowners by allowing customers to assign their rebates directly to contractors, who would consequently reduce homeowners' invoices by the rebate amount. However, contractors often have very tight budgets, so Austin Energy responded to their concerns about the typical turnaround time for rebate processing by developing an expedited contractor payment system that delivers electronic rebate reimbursement directly to contractors within two weeks.

Leverage Contractor Outreach for Co-Marketing

As a result of Austin Energy's early and regular contact with contractors, the utility reaped many benefits, including lower marketed costs. Many of the program's 47 participating contractors aggressively marketed Austin Energy initiatives to potential customers; one

Fostering contractor relationships early in the program's inception created buy-in from contractors, which was reflected in their aggressive marketing of the Best Offer Ever initiative.

“Capturing and honoring your errors will help you identify what you need for next time and build incrementally as your program develops.”

—Karl Rábago, Vice President,
Austin Energy

contractor even had a billboard advertisement posted on a main thoroughfare within days of the Best Offer Ever launch.

Help Contractors Succeed by Adjusting to Real-Time Challenges

Even with extensive pre-launch planning, the Best Offer Ever promotion has been a learning experience.

As contractors completed upgrades as part of the Best Offer Ever, Austin Energy carefully monitored customer demand. One unanticipated challenge that Austin Energy overcame was the expiration of loan preapprovals due to high demand for contractor services. Contractors were so overwhelmed with work that loan preapprovals were expiring before the energy upgrades were completed. This situation was costly for the lender, burdensome for program participants, and challenging for contractors. Austin Energy responded by working with the lender to send out weekly notices to contractors to keep them informed of when their customers' loan prequalifications were due to expire so that they could prioritize those jobs in their work scheduling.

“Planning for success is harder than planning for failure,” Austin Energy’s Rábago said. “Take notes and learn, as this is a long run opportunity. Capturing and honoring your errors will help you identify what you need for next time and build incrementally as your program develops.”



Austin, Texas

Accomplishments

Within Six Months of Program Launch:

- 564 residential energy upgrades completed
- 47 contractors performing work
- \$4.39 million in loans originated
- 10 times the typical program participation rate

Program Elements

Driving Demand

- Print advertising
- Contractor co-marketing
- Short-term promotional offer

Workforce

- Existing qualified contractor base
- Close collaboration on program design and delivery
- 100 percent quality inspection

Financing

- Low-interest, 3- to 10-year unsecured residential loans
- Credit enhancements with local credit union

Program Facts

- DOE Seed Funding: \$10 million
- Building Types: Residential (single-family and multi-family) and Commercial
- Building Upgrade Goal: 4,300 homes and apartments
- Energy Savings Goal: 20 percent per building

BetterBuildings-Austin Energy’s Clean Energy Accelerator

Austin Energy is a municipally owned utility that has been operating programs to catalyze energy efficiency investments in existing buildings for 27 years. Since Austin Energy launched its Home Performance with ENERGY STAR® program in 2006, more than 8,800 homeowners have completed comprehensive energy upgrades. The utility intends to use its BetterBuildings grant funds to move beyond traditional rebate programs by implementing a suite of financial products aimed at increasing customer access to whole-house energy efficiency.

Learn More

www.austinenergy.com

BetterBuildings-Austin Energy’s Clean Energy Accelerator Contact

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