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12/13
Comments at Core Forum.

1 THE UTILITIES PREFER TO SELECT COMPANIES THAT THEY HAVE WORKED WITH
2 IN THE PAST, SOME FROM OTHER STATES. HOW DOES THIS HELP TO GROW THE
3 SUPPLY OF BUILDING PERFORMANCE CONTRACTORS TO SERVE NH? MANY OF
4 THE "EXPERIENCED" CONTRACTORS WERE HEADQUARTERED OUT OF STATE
5 AND OPENED NEW NH BRANCHES TO SERVE NH. FOR NEWLY CERTIFIED NH
6 BUILDING PERFORMANCE PROFESSIONALS, THEY ARE SHUT OUT OF THE
7 PROGRAM BECAUSE THEY ARE UNABLE TO DEMONSTRATE THE REQUIRED
8 EXPERIENCE IN BUILDING PERFORMANCE BECAUSE THEY CANNOT PARTICIPATE
9 IN THE BUILDING PERFORMANCE INCENTIVE PROGRAMS. THIS CATCH-22
10 CREATES A SUBSTANTIAL BARRIER TO ENTRY FOR NEW PARTICIPANTS,
11 INCLUDING TOO MANY OF THE THOUSANDS OF CONSTRUCTIONS WORKERS WHO
12 HAVE BEEN LAID OFF DUE TO THE RECESSION. NH INVESTED A LOT OF MONEY
13 INTO THE TRAINING OF CONTRACTORS THROUGH THE RECOVERY ACT. WHILE
14 THERE WAS A SURGE OF ACTIVITY CAUSED BY STIMULUS FUNDS FOR BUILDING
15 PERFORMANCE PROJECTS AND PROGRAMS, ESPECIALLY IN THE COMMUNITY
16 ACTION PROGRAMS AND BETTER BUILDINGS, THE NH MARKET HAS REVERTED TO
17 A CLOSED INCENTIVE MARKET. ADDING RGGI FUNDS TO THE CORE MARKET
18 HELPED THE COMPANIES THAT WERE ALREADY CORE CONTRACTORS, BUT IT
19 ELIMINATED OPPORTUNITIES FOR THE REST. THE CORE PROGRAM
20 ADMINISTRATORS ESSENTIALLY FIX THE PRICES THEY CAN CHARGE AND
21 DETERMINE THE CUSTOMERS THEY SERVE. THIS IS NOT ENCOURAGING A FREE,
22 TRANSFORMED MARKET IN BUILDING PERFORMANCE, IT IS BEING USED TO
23 CONTROL THE GROWTH, DEVELOPMENT AND INNOVATION IN THAT FREE
24 MARKET. IT IS DIFFICULT, IF NOT IMPOSSIBLE, TO COMPETE AGAINST A CORE
25 CONTRACTOR IN A COMPETITIVE SITUATION, SINCE ONLY THE CORE
26 CONTRACTOR CAN OFFER THE SUBSIDIES OF SEVERAL THOUSAND DOLLARS...A
27 SUBSIDY THAT WOULD TYPICALLY EXCEED ANY PROFIT ON THE PROJECT FOR AN
28 UNSUBSIDIZED CONTRACTOR. THE NH ELECTRIC AND GAS UTILITIES LOSE
29 REVENUE WHEN THEIR BUILDING PERFORMANCE PROGRAMS SUCCEED. WHAT
30 MAKES YOU THINK THAT THE ENTITY THAT WILL LOSE FINANCIALLY FROM A
31 SUCCESSFUL PROGRAM COULD BE THE UNBIASED ADMINISTRATOR OF THAT
32 PROGRAM? IT IS THE DEFINITION OF CONFLICT OF INTEREST. UTILITY RATES
33 ARE NOT DE-COUPLED IN NH. PLEASE KEEP IN MIND THAT THE UTILITIES HAVE

34 AN ULTIMATE FIDUCIARY RESPONSIBILITY TO THEIR SHAREHOLDERS. WHEN THE
35 UTILITIES WENT TO A "FUEL BLIND" PROGRAM DESIGN RECENTLY, IT MEANT THAT
36 EVERY HOUSEHOLD PURCHASING ELECTRICITY FROM THE GRID WAS ELIGIBLE
37 FOR THE CORE PROGRAM. THIS ALLOWED THE ELECTRIC UTILITIES TO SPEND
38 THEIR BUILDING PERFORMANCE FUNDS ON MEASURES DESIGNED TO REDUCE
39 OIL BILLS, FOR EXAMPLE. THERE WAS A MARKET FOR BUILDING PERFORMANCE
40 CONTRACTORS PROVIDING WEATHERIZATION SERVICES (E.G., INSULATION AND
41 AIR SEALING) TO NON-ELECTRICALLY HEATED HOUSEHOLDS. THAT MARKET IS
42 BEING CONTROLLED BY THE CORE PROGRAM ADMINISTRATORS. I STRONGLY
43 ENCOURAGE ADOPTING A PROGRAM DESIGN THAT RESPECTS BOTH
44 CUSTOMERS AND CONTRACTORS, ALLOWING THEM TO DECIDE WHAT MEASURES
45 ARE INSTALLED AND WHO DOES THE WORK. IT WORKS WELL FOR 99% OF THE
46 CONSTRUCTION INDUSTRY. WHY SHOULD THE OPTION NOT BE AVAILABLE FOR
47 THE BUILDING PERFORMANCE INDUSTRY? WHY SHOULD THE INDUSTRY BE
48 CONTROLLED BY THE PARTIES MOST CONFLICTED BY BUILDING PERFORMANCE
49 SUCCESS? WHY SHOULD THEY DECIDE WHICH CONTRACTORS WORK IN THE
50 BUILDING PERFORMANCE INDUSTRY IN NH?