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Garry D. Jones
Director
Energy Efficiency

February 25, 2025

Commission Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Ave
P.O. Box 13326
Austin, TX 78711

RE: Project Number 38578– Oncor winter EEIP presentation - "Best practices in contractor engagement to maximize residential retrofit savings"

Oncor respectfully submits this presentation titled "Best practices in contractor engagement to maximize residential retrofit savings" to be presented at the Winter Energy Efficiency Implementation Project (EEIP) meeting.

If you have any questions, please contact me at 214-486-5350.

Sincerely,

A handwritten signature in black ink that reads "Garry Jones". The signature is written in a cursive, flowing style.

Garry D. Jones
Director, Energy Efficiency

A blurred background image of an office environment. Several people are seated at desks with computer monitors, appearing to be in a meeting or collaborative work setting. A man in a checkered shirt is in the foreground, looking towards the group. A red curved line is overlaid across the middle of the image.

Best practices in contractor engagement to maximize residential retrofit savings

EEIP Meeting, February 26, 2025

2026 / 2027 Program plans



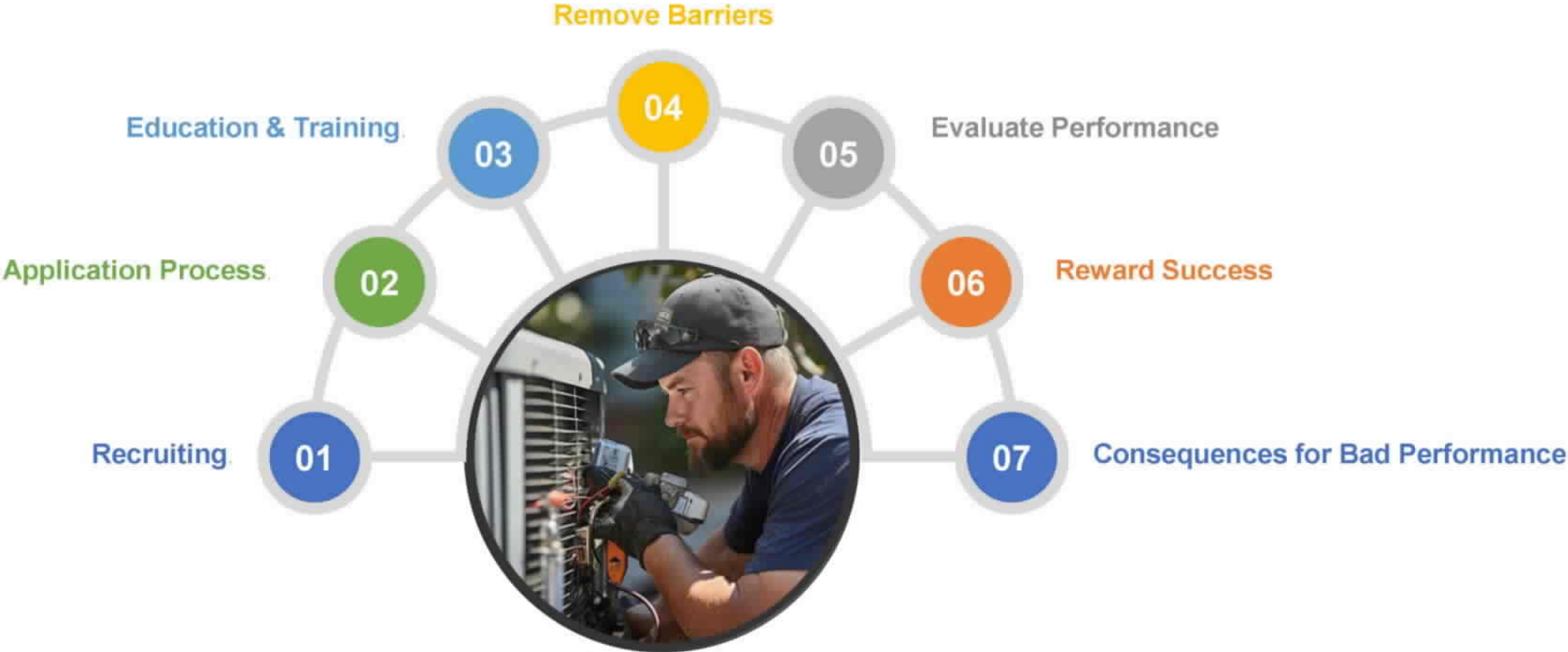
- Increasing program spend to an estimated \$63 million in 2026, and \$65 million in 2027
- Implementing a new Rural / Non-metro program to increase portfolio reach outside DFW metroplex
- Expanding HVAC tune-up programs
- Continuing focus on replacing resistance heat with heat pumps

Energy Efficiency Spend (\$ Millions)



* Estimate

To be effective, service provider management should be embedded in all program processes



Recruit reputable and successful service providers



Recruit reputable, stable providers locally from the communities you serve

- Employee referrals
- Recruit within local business and civic organizations
 - Chamber of Commerce
 - Local industry organizations such as Texas Association of Air Conditioning Contractors
 - Rotary Club
 - Masons
- Local community events
- We've had poor results, and program compliance issues from out-of-state contractors; recruit carefully
- Some providers are too small to adequately serve customers in volume, and do not have the infrastructure needed to be successful in the program

Thoroughly vet service providers during the application process



- Ownership
- Financial stability
- Affiliates
- Required licenses
- Business, auto, and professional liability insurance
- Investigate tax status with the State; are they current
- Identify outstanding customer complaints (BBB) and any litigation
- Employee names and photographs
- Require background checks on any employees entering customer homes
- Equipment calibrations and condition
- Demonstrate proficiency in efficiency activities
- Substandard service providers shy away from providing information about their companies

Increase your service provider admission standards, and ensure they put effort into the admissions process

Ensure service providers understand not only program rules, but also customer service and reputation expectations



Provide initial and on-going training on program rules and customer service expectations

- Does the provider have a customer service training program?
- How does the provider market their services?
- Visit their facility and meet their employees
- Provide onsite training and lunch & learns
- Examine trucks and equipment
- Develop relationships with providers, making it easy for them to ask questions
- Conduct kickoff meetings to establish annual program rules and changes
- Make it easy for service providers to contact you

Remove program barriers and unnecessary program requirements



We found that most of our program rules were based on the issues we've had with previous service providers. Focus program rules on the 95% of providers doing a good job and terminate the bad actors

- Changed our failure review process allowing the provider to correct mistakes
- Developed an app that facilitates data entry via tablet or phone
- Implementing a virtual inspection app that will allow inspectors to do an inspection from their desk
 - Reduces inspection wait time for non-metro and rural areas
 - Records and documents the inspection
 - PMs can give real-time instructions / advice on project questions
- Providing approved marketing material for printing and distribution, in both English and Spanish
- Expanded funding of E4-TX dataset for low income eligibility determination
- Offer new providers hands on assistance in completing project documentation
- Ensure provider payments are timely

Evaluate performance and hold providers accountable



Trust but verify. Ensure providers are complying with program rules and expectations through inspections, desk reviews and on-site visits

- Incorporating AI into the project review process to identify project parameter outliers
- On-site review of blower door testing
- Changed our failure review process allowing the provider to correct mistakes, while still holding them accountable
- On-site inspections and project desk reviews
- Use cumulative failure rate to implement corrective action and possible termination
- Post-work customer surveys
- EM&V project review

Reward success



Strengthen success by acknowledging and rewarding your top service providers. Support their growth by helping them expand their business and diversify the range of energy efficiency measures they offer. In turn, this also benefits the communities they serve.

- Small awards / certificates the providers can display
- Lunch for employees
- Increased budget / funding allocations
- Reduced inspection oversight
- Additional recognition through Oncor
 - Stories in Oncor Wire and online
 - Inclusion in Oncor public presentations
- Offer service providers new measures and programs to expand their business
 - Weatherization for Residential HVAC providers
 - VFD for Commercial HVAC providers
- Allow service providers to enroll in multiple programs to maximize opportunities

Don't waste program resources or time on bad actors



*Take quick, decisive action with poor performers.
They will drain resources and result in poor
EM&V performance*

- Termination clauses in the umbrella contract
- Probationary period for new providers
- On-going review of cumulative failure rate
- Clear process for termination
- Project lock out capabilities
 - Insurance
 - Excessive customer complaints
 - Program rule violations
- Formal termination documentation
- Include notice that the provider may file a complaint with the PUCT if they feel termination was undeserved
- Decisions regarding on-going project completion and payment



Questions?