

RESIDENTIAL



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Get ahead of the curve: Use energy audits to grow your business



Randy & Rob Novak

What is one of the fastest-growing segments of the residential marketplace that could help boost your business in a down economy? Many residential contractors believe that performing energy assessments is a growing, long-term trend, with numerous benefits all the way around—for customers, manufacturers, and HVAC contractors.

“It is an opportunity to increase the size of pie, to help people be more comfortable, and to give them better air quality,” said Rob Novak, who is chief building analyst for [HomeStar Iowa](#), and lead instructor for [Home Star Training](#), Cedar Rapids, Iowa. “I definitely think whole-performance contracting over next few years will be fastest growing segment of the residential marketplace. It absolutely is an up-and-coming trend.”

“The biggest thing is that if contractors are struggling in the marketplace, this is a nice way to differentiate their company,” he said. “There is a whole list of things they can do, everything from insulation to more in-depth, indoor air quality solutions so they are not just out competing with other companies for the same things.”

“There is credibility when a third party performs an energy audit,” said Randy Novak, president, [Novak Heating and Air Conditioning Inc.](#), Cedar Rapids, Iowa, and soon-to-be SMACNA president-elect. He is also Rob’s brother. “We make it a priority to work with energy auditors, to partner with them to help our customers. It makes it easier to have them come in and make an independent assessment. Then we [as the HVAC contractor] come in and help the customer meet their goals. It seems to be making a difference.”

How are home energy audits performed? A certified home energy auditor completes a comprehensive home energy assessment on a house using equipment such as an infrared camera and a blower door, along with computer modeling, to reveal hard-to-detect areas of air infiltration and energy loss. A list of prioritized improvements is then presented to the homeowner.

“Air movement in and out of the house is big thing. If you can stop that, you can provide the comfort people are expecting,” Rob said, who started as an HVAC contractor, and then found his niche in performing energy assessments. He does a couple of hundred energy audits a year as well as giving energy audit training to contractors around the country.

“You have to do a whole house approach,” he said. “You need to actually go in and do the testing to figure out what the solutions are. Utilities are developing programs for rebates for proven reductions of energy, and it works out well for the customer—they get the comfort and indoor air quality. They’ve always wanted plus quite a bit of energy savings. A true win-win!”

“We go into the house and look at it from top to bottom. We are performing more in-depth manual testing, including a blower door test, for air leakage,” Rob continued. “Infrared cameras show where the house is leaking

and then we use computer modeling software to simulate the best action to take that would best benefit the house. Would it be insulation in the attic, or a high-efficiency furnace, or ventilation? You never know where it is going to take you.”

“Then we prioritize repairs,” he said. “Most are HVAC-related. The beauty of that is the customer doesn’t have to do it all at once, it gives them a road map of what should be done for their particular house.”

“Rob once worked with a disabled customer who was sensitive to temperature fluctuations and dust, we did an energy audit for him,” explained Randy. “Air quality was a big issue for the client, so we put in an air filtration system and a new HVAC system for him.”

The installation work for this special client was easier because of the auditor’s energy assessment report. “It makes it very easy when the customer has a succinct, detailed report and then we can go there and talk to them about it,” Randy continued. “It makes the sale a lot easier. The customer had breathing problems and was sensitive to dust. The energy audit recommended the best filtration system we had. We had the ductwork sealed and the system installed. In the end, we had a customer who was just thrilled. It never hurts to have somebody else who’s independent.”

As an energy auditor/proctor, Rob focuses on the training and certification aspects of the auditing business as well. He trains both field and sales staff at the contractor’s site, or in a nearby hotel, and by doing hands-on training in a model house. Once certified, the contractor’s staff then can go through an accreditation process.

“The nice thing is that energy auditors will come to us and do the training, in the field, or in the shop,” Randy added. “We have made the effort to partner with them rather than put them on staff. The auditor can recommend jobs and train our staff as well.”

Another benefit, they have found, is to partner with other industry-related firms. “It is so important to partner with other companies, including HVAC installation and insulation,” Randy noted.

The auditors can promote and make recommendations to the customers. “We end up selling a lot more things. We are selling higher quality products, we are sealing ductwork, and we are making sure that duct is insulated in un-insulated areas,” Randy explained. “It will end up increasing the average sale and we will have a happier customer.”

It is up to the contractor how far they want to go with energy assessments, Randy said. “Do they want to take their training, partner with an auditor, or have an auditor on staff? It also might make sense to go through the certification process. HVAC contractors have different levels of NATE (North American Technician Excellence) certification already, and JATCs also do NATE testing.”

Industry organizations that provide accreditation and certification include [North American Technician Excellence Inc.](#) (NATE), [Building Performance Institute Inc.](#) (BPI), which is sponsored by the U.S. Department of Energy, and [Residential Energy Services Network](#) (RESNET).

For HVAC contractors, it’s important to develop partnerships at least at first, then get the training and do some audits, Rob explained. “Then you can hire an existing auditor and develop a couple of key service-oriented folks to go out and do that work. Most of this type of work they have been doing for a long time, it is not a huge leap for them. They do need to get BPI certifications to participate in the Home Performance with Energy Star auditing and get rebate programs.”

Randy agreed that energy assessments are an up-and-coming trend that can increase business for HVAC contractors. “It is a trend that is going to increase. Some trends last a short time,” he said. “I think this a trend that has legs; it is going to keep going. I feel it’s a good thing. Customers and manufacturers like it. There is going to be some build-up in this for the next couple of years, so it’s a good idea to be aware of it and get ahead of the curve.”

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