



REQUEST FOR INFORMATION (RFI) ON EFFICIENCY MAINE TRUST TRIENNIAL PLAN VI (FISCAL YEARS 2026-2028)

Pearl Certification Response

December, 12th 2023



Dear Members of the Efficiency Maine Trust,

Pearl Certification admires Efficiency Maine's accomplishments, accelerating the adoption of heat pump equipment at possibly the fastest rate in the US, while also transforming the market such that the labor, materials, and equipment availability and cost structures have reached economies of scale, further empowering Mainers to enjoy the benefits of their upgrades. We hope that our experience as a third-party certification provider can help Efficiency Maine as it works to craft its sixth Triennial Plan.

Pearl Certification's mission is to transform the market for energy-efficient, high-performing homes at a scale that will make a real difference in increasingly urgent efforts to mitigate the climate crisis. Pearl catalyzes market transformation by 1) Making the energy efficiency features of the home visible at time of sale through certification of the home's overall efficiency and specific high-performance assets, and 2) providing homeowners with tools to make efficiency improvements throughout their homeownership life cycle.

As a [public benefit corporation](#), Pearl was created to generate social and public good, and to operate in a responsible and sustainable manner. Pearl, like all public benefit corporations, balances the interests of those who are involved and affected by the corporation (such as employees and customers), as well as the advancement of their intended public benefit goal. As such, we help homeowners while simultaneously partnering with businesses and public entities to build a market that rewards energy efficiency. This holistic approach increases both the supply of and demand for sustainable, energy-efficient housing. To date, Pearl has certified over 180,000 homes in 49 states including Maine, and we have built national contractor and real estate networks. The leadership team at Pearl brings a cumulative 200 years of experience in energy efficiency and renewable energy, having played key roles in the development of federal programs and the management of leading home performance initiatives across the U.S.

We see tremendous opportunity to further the impact and reach of your current energy efficiency portfolio while also preparing the state for the forthcoming Inflation Reduction Act (IRA) rebate programs. Pearl can help Maine meet the third-party certification requirement of the HOMES program and serve as a cornerstone of the state's Market Transformation Plans for HOMES and HEAR programs.

We appreciate the opportunity to contribute to the sixth Triennial Plan.

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Question #3 - Public Information and Outreach: *As part of its Public Information and Outreach initiative, the Trust maintains an extensive website at efficiencymaine.com offering a variety of program descriptions and online tools and videos to help customers select efficient products, locate a vendor, request a rebate, and understand how to operate their efficient products to achieve maximum savings. The Trust hosts training workshops for various trade professionals and occasionally hosts seminars or symposia on topics related to energy conservation and alternative energy. The Trust also provides educational resources and information about efficient equipment directly to Mainers and recent rebate recipients. In what specific ways could we improve these resources and services? What examples from other entities should we consider?*

The efficiencymaine.com website contains robust tools to help Mainers upgrade their homes and/or businesses. The scope of available resources and the attention to detail is impressive. In our experience with homeowners, the volume of information presented to them about energy efficiency can often be overwhelming. Homeowners need simple and seamless engagement and education; this is critical to ensuring robust demand from Maine residents for energy efficiency programs, including the forthcoming Inflation Reduction Act (IRA) rebate programs.

A home certification can be a crucial instrument for guaranteeing households and other stakeholders access essential information about a property's energy efficiency and sustainable features in an easily understood format. By making the invisible energy efficiency visible, the certification empowers individuals to make informed decisions when upgrading or purchasing a home.

A certification is most effective if it helps answer questions about the experience of living in a home. In practice, this means providing information about the home's features and translating these features into the language of benefits. Households need to understand the connection between efficiency and electrification upgrades and the health, comfort, and energy savings benefits they provide. Informed by years of consumer research, the [Pearl Certification Report](#) generates lasting demand for high-performing homes by documenting and showcasing the features and benefits of energy efficiency upgrades. The report is a comprehensive solution detailing retrofit equipment and materials, projecting energy savings and greenhouse gas emissions, and supporting accurate retrofit valuation. As a third party to the transaction, Pearl prioritizes transparency and ease for both homeowners and homebuyers alike. The Certification Report can be shared with households in a digital format and printed in cases where homeowners do not have internet access or are non-digital natives.

Pearl is a proud Home Energy Score Partner, as well as a DOE-approved Home Energy Score QA Provider and Assessor, allowing Pearl to generate a Home Energy Score if it is included as part of the program design. When the data is available, Pearl includes a HES as the "miles-per-gallon" indicator of the home's energy consumption, comparing it to the energy cost of a comparable "average" home.



The conversation shouldn't end with an initial improvement. Homeowners need the resources to help them learn how to make additional energy-efficient improvements that will continue to improve their quality of life and increase their home's value. For households with internet access, Pearl's [Green Door homeowner app](#) complements the Certification Report by helping homeowners understand energy efficiency, electrification, and home performance and find everything they need to improve their homes and ensure they are accurately valued at time of sale. This includes surfacing available state IRA and utility rebates and tax credits to help homeowners understand all incentives available to them. The app can also connect homeowners with contractors to perform energy efficiency upgrades and trained real estate agents when they decide to sell their home.

Green Door can serve as an extension of [efficiencymaine.com](#) by helping your content reach more people and meet them where they are in their energy efficiency journey. It is very important to communicate flexibility and reassurance that efficiency upgrades need not be risky nor do need to happen all at once. Green Door's Home Investment Plan feature enables homeowners to create custom roadmaps for energy-efficient improvements that make the most sense for their timelines and budgets. Home Investment Plans can also be designed to reflect the interconnected nature of home performance upgrades. For example, a plan might recommend shell upgrades for a homeowner who is considering upgrading to a high-efficiency heat pump.

Home certifications can also increase demand for energy efficiency by ensuring that the value of these investments are captured in the form of increased home equity. This creates a powerful driver for market transformation and aligns with the goals of Efficiency Maine's Triennial Plan. Indeed, the timing of this next iteration of the Triennial Plan is especially relevant with the upcoming opportunities available through the IRA) rebate programs (HOMES and HEAR). Pearl can help Maine meet the third-party certification requirement of the HOMES program and serve as a cornerstone of the state's Market Transformation Plans for HOMES and HEAR programs. We also think a home certification can serve as an important tool for Efficiency Maine's current portfolio of energy efficiency programs. Maine has made incredible investments in homes across the state, however, these upgrades are not currently fully visible or valued in a way that supports long-term market transformation.

The fundamental idea behind third-party certification as a vehicle for market transformation is straightforward: a quality certification makes the energy-efficient and other high-performing features in a home not only visible but exciting to homeowners and home buyers. The buyers pay more money for the home, validating the equity value of investments made by the seller. This is a critical market signal for other homeowners: when efficiency translates into home equity, they have a powerful new motivation to make efficient improvements. The buyer also has confidence that real energy savings and non-energy benefits offset the price premium they pay. This dynamic is particularly important for



low-income households, for whom even a modest increase in home equity has more significance than for an upper-income household. In other words, certification supports wealth building in lower-income communities. Pearl has published a [white paper](#) to help understand how third-party certification drives market transformation.

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Question #6 - Equity: *The Trust places a priority on advancing equity in the delivery of its programs. For example, geographic equity informs the location and installation of electric vehicle charging infrastructure and municipal incentives. Many of the Trust's programs or incentives have enhanced incentives for income-eligible households, and others are available only for households that meet certain eligibility criteria. Also, the Trust's programs meet statutory requirements setting minimum budgets to benefit low-income Mainers. Please comment on how the Trust may continue to prioritize delivering benefits equitably to low-income and other priority communities while also advancing goals of maximizing energy savings, carbon reductions, and market transformation.*

Too many people live in inefficient, uncomfortable, and unhealthy homes. For low income communities, these factors carry a disproportionate burden. Homes in disadvantaged communities are routinely undervalued by the real estate industry. [A 2018 Brookings Institute study](#) found that homes in majority Black neighborhoods were undervalued by \$48,000 per home on average. This presents a dual issue: a housing stock that needs significant investment but one with residents that are unlikely to receive the full benefits from energy efficiency upgrades in terms of wealth creation.

The disconnect between the real estate and energy efficiency industries limits the potential impact and reach of residential efficiency and electrification programs. If you ask an energy efficiency expert whether energy-efficient homes should be more valuable than comparable non-efficient homes, they almost invariably say they should be. And yet, if you talk to almost anyone who has made their home more efficient and sold it, or to the average real estate agent, they will tell you that efficient homes don't sell for more.

Consumer sentiment suggests efficient homes should come with a higher price tag. Studies, both national and regional, carried out by a range of reputable firms, from Consumer Reports to the National Association of Realtors ([NAR, 2023](#)) to the National Association of Home Builders ([NAHB, 2021](#)), consistently show that homeowners value efficient homes and efficient home features. Many respondents say that they would pay more for efficient homes, however, the energy efficiency features are rarely factored into the value of a home. This is in part due to the fact that real estate agents need more tools to market the benefits of high-performing homes to their clients. Appraisers also need more data in the appropriate format to assign value to a home's efficient features.

Pearl's unique third-party certification approach includes crucial data and information sharing and coordination with the real estate and appraisal markets, ensuring the investments made in disadvantaged communities are fully captured by those residents. The ability to see, capture and leverage the value of these upgrades is particularly important for low-income households where even a modest increase in home equity is significantly more consequential. [Independent research](#) shows Pearl Certification increases a home's value by 3.5 - 5%. The upcoming IRA rebate programs are a huge opportunity to help build



generational wealth in these communities, but only if the value of the upgrades funded by these programs are fully realized.

Pearl's Green Door app can also serve as a tool to help educate eligible homeowners on weatherization and other low-income-focused programs. This can be particularly important when these residents are considering upgrading to a high-efficiency heat pump. There is a real risk that these households might switch to a heat pump but not also upgrade the shell of their homes, resulting in an oversized system with higher energy bills and reduced comfort.

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***Appendices:** Where helpful, attach relevant reports, published within the past few years, related to topics covered in the response. Please provide URLs where the documents may be accessed online. Where online access is not possible, please provide electronic copies in the response email or upload.*

Pearl has published a [white paper](#) to help understand in greater detail how third-party certification drives market transformation. We have also posted a series of [case studies](#) on our website, including [the story of a Mainer](#) who used Pearl Certification's tools to upgrade his 101-year-old home.

Thank you again for the opportunity to share our perspective and experience. We look forward to the opportunity to support Efficiency Maine in achieving its goals.