

# The Performance Playbook

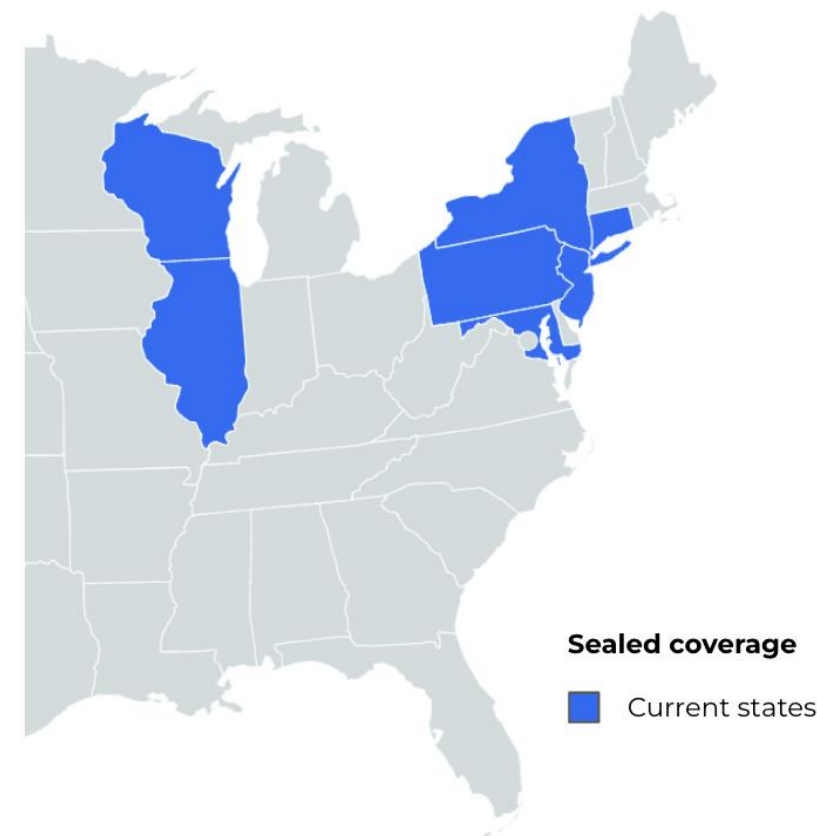
A policy strategy for scaling heat pump adoption with happy  
consumers and utilities



# About Sealed



- Sealed is a climate tech company on a mission to stop home energy waste and electrify all homes.
- Sealed designs, manages, and finances home weatherization and electrification projects, making it easy and affordable for people to be more comfortable while using less energy.
- Our offerings include insulation, heat pumps, and smart tech.





# Electrification programs have a sugar problem



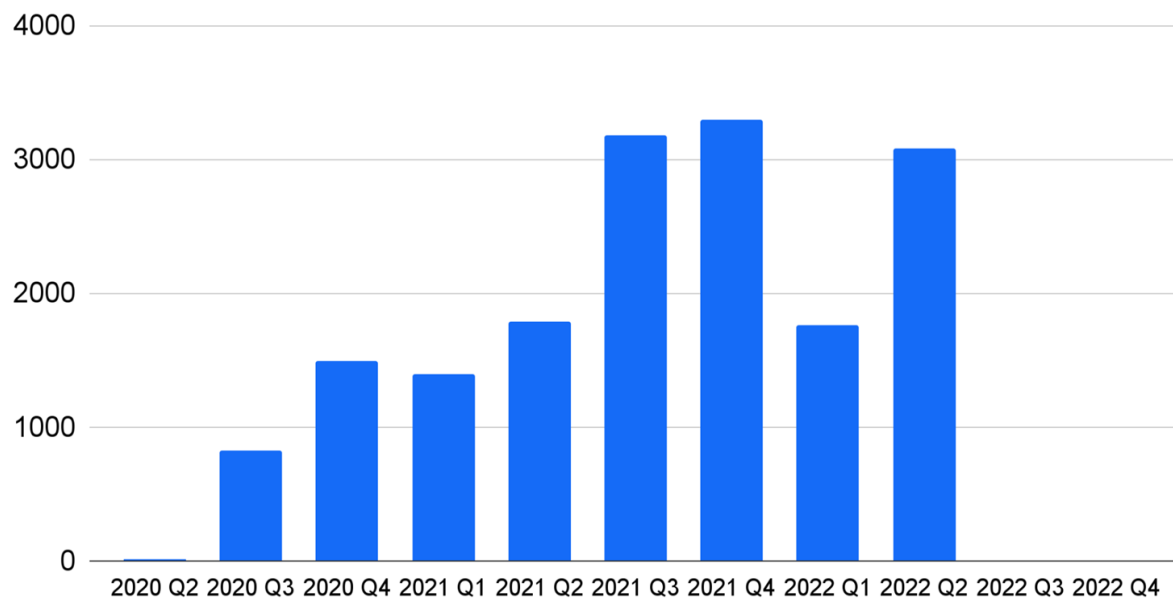
	CA TECH Initiative	Denver Climate Action Rebate Program	Con Edison Clean Heat Program
<b>Total Budget</b>	\$37,500,000	\$9,000,000	\$755,000,000
<b>Date Started</b>	12/7/21	4/22/22	4/1/20
<b>Date Ended</b>	5/12/22	6/24/22	5/14/22
<b>Days to Crash</b>	156	63	773



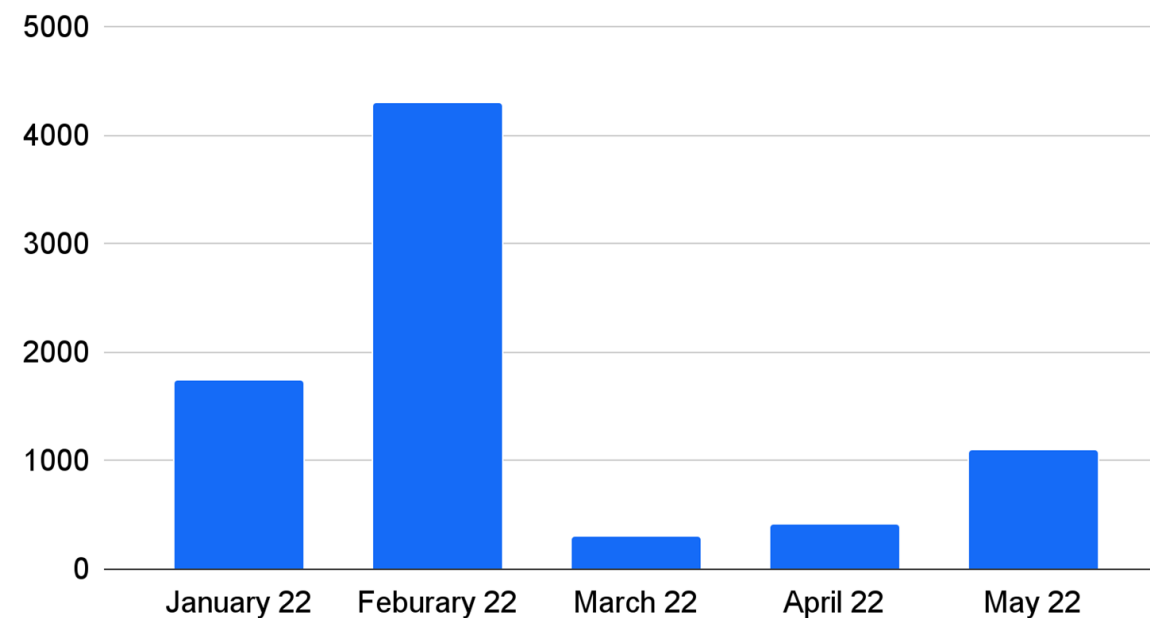
# Sugar spike before the crash



Participants in Con Edison's Clean Heat program by quarter, 2020–2022



Applications to Con Edison's Clean Heat program in early 2022



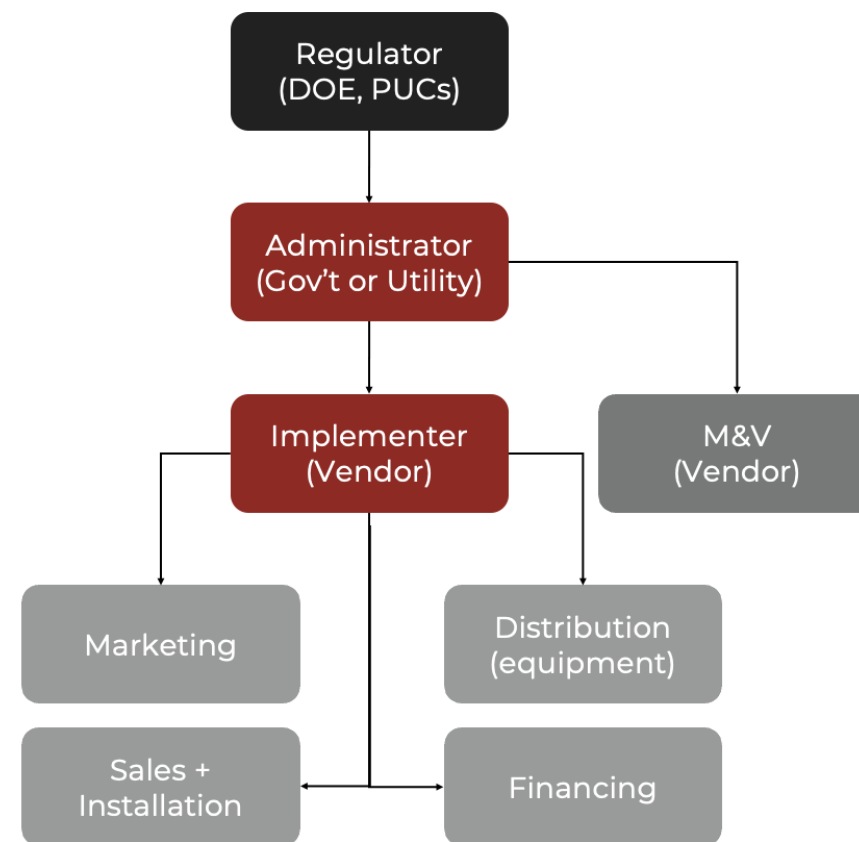


# Root causes of the crash

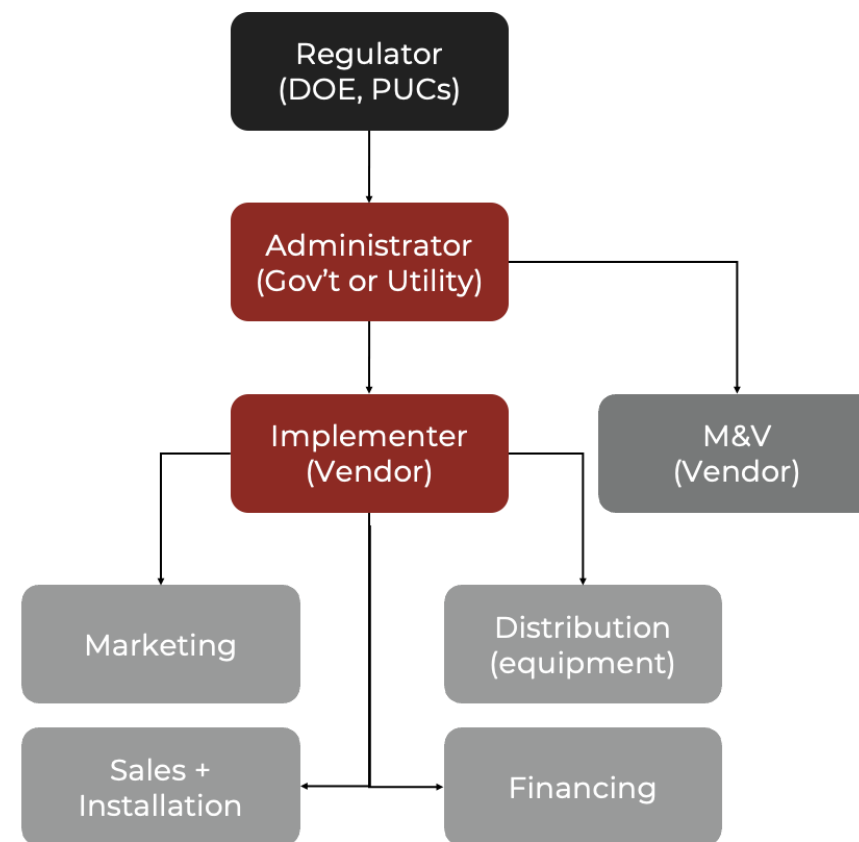
1. Over-generous downstream rebates set unrealistic consumer expectations
2. Not enough market data or flexibility to throttle incentive levels
3. Incentives based on equipment not performance



- Administrators and implementers make too many decisions
- Contractors are the only qualified trade ally that can receive incentives
- Many single points of failure with eggs in one administrative basket



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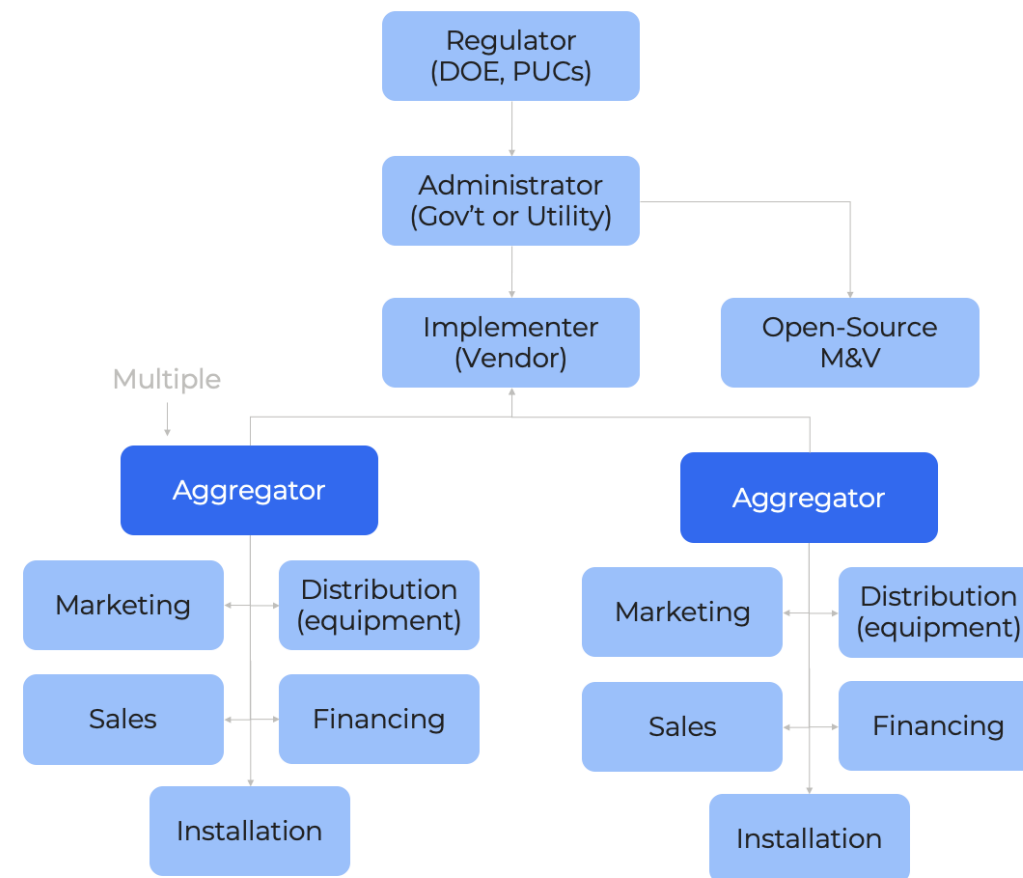




# Performance playbook can unleash market innovation



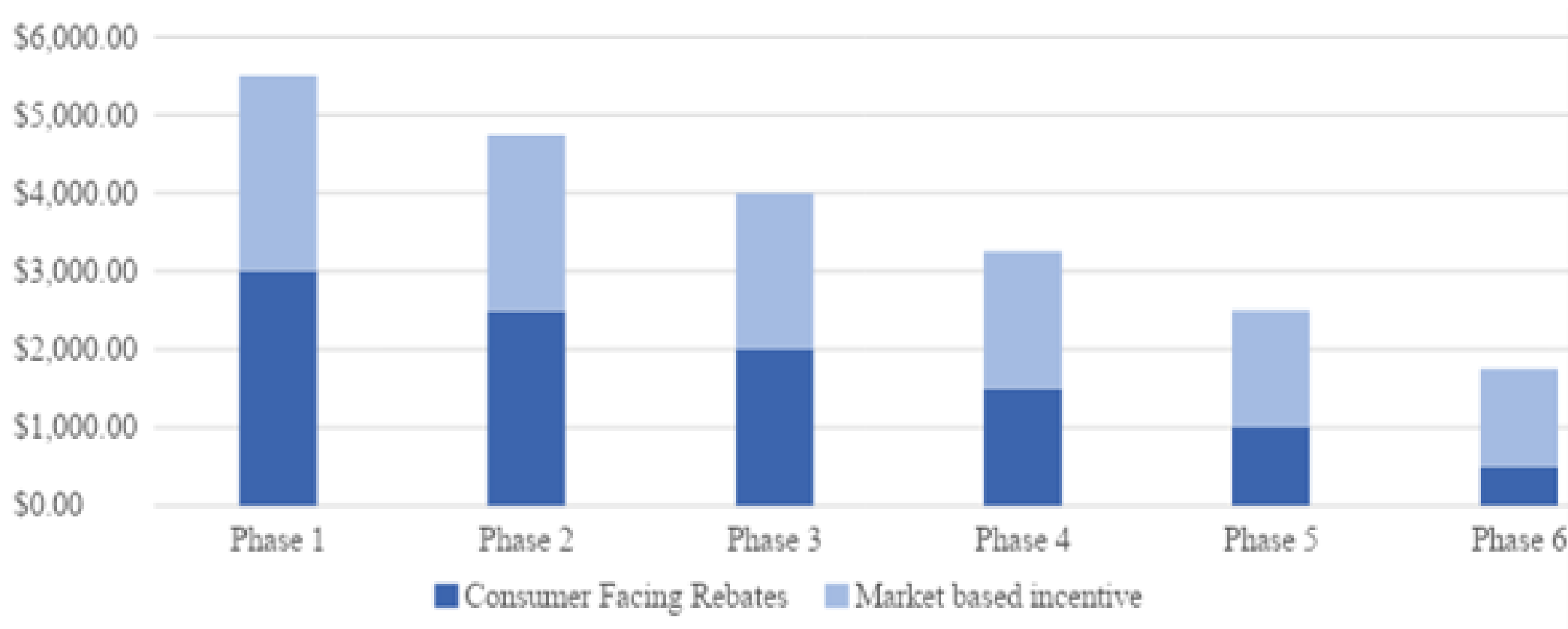
- Flexible program structure driven by performance-based, mid-stream incentives.
- Broad trade ally definition that allows “aggregators” of various types (financiers, retailers, solar companies, etc.) to participate.
- Many eggs, many baskets to encourage innovation and experimentation by aggregators to discover the most effective ways to increase adoption.







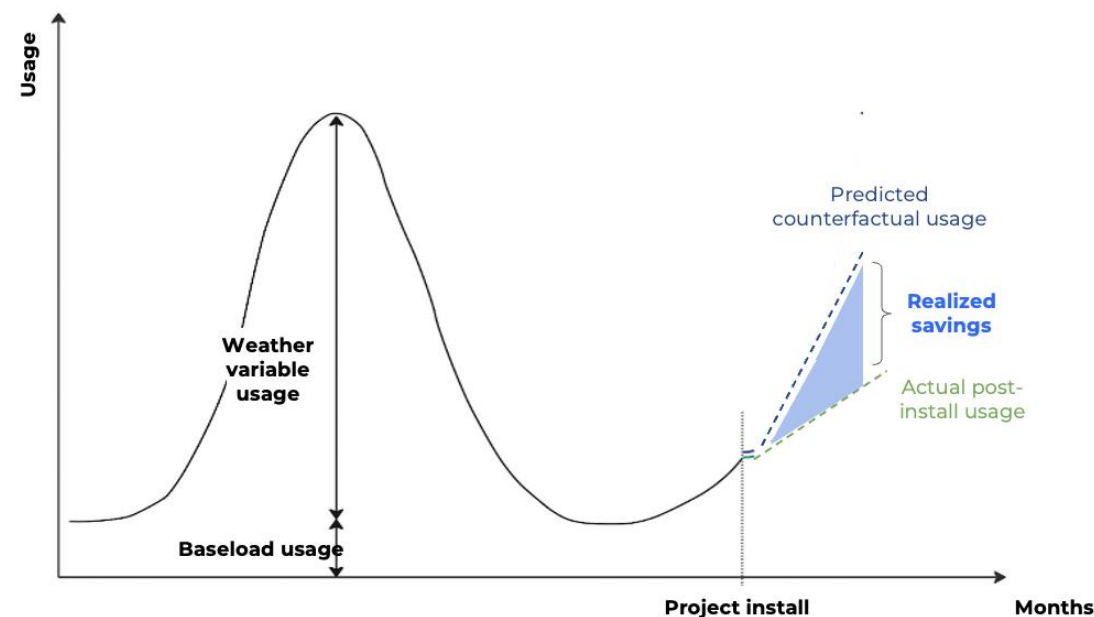
# Built-in flexibility via decreasing incentive blocks to maximize the impact of program funding





*Measured savings approach provides performance-based incentives, using open-source advanced measurement and verification software...to determine energy usage before and after project installation*

**Measured approach incentivizes based on actual energy savings - no more, no less**





# Market transformation is led by the market



Accessibility  
enables innovation



Innovation enables  
performance



Performance enables  
sustainable scale

Low barriers to entry allow  
more aggregators to  
participate

Incentives encourage and  
enable aggregators to invest  
in the program

Aggregators make large initial  
investments in marketing,  
systems, and experiments

Over time, experiments and  
testing lead to stable and  
sustainable growth that correlate  
strongly with incentive levels

Incentive levels can be calibrated  
(lowered or raised) based on  
program goals

Multiple Aggregators reduce risk  
by providing multiple successful  
approaches



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