



# The Performance Playbook

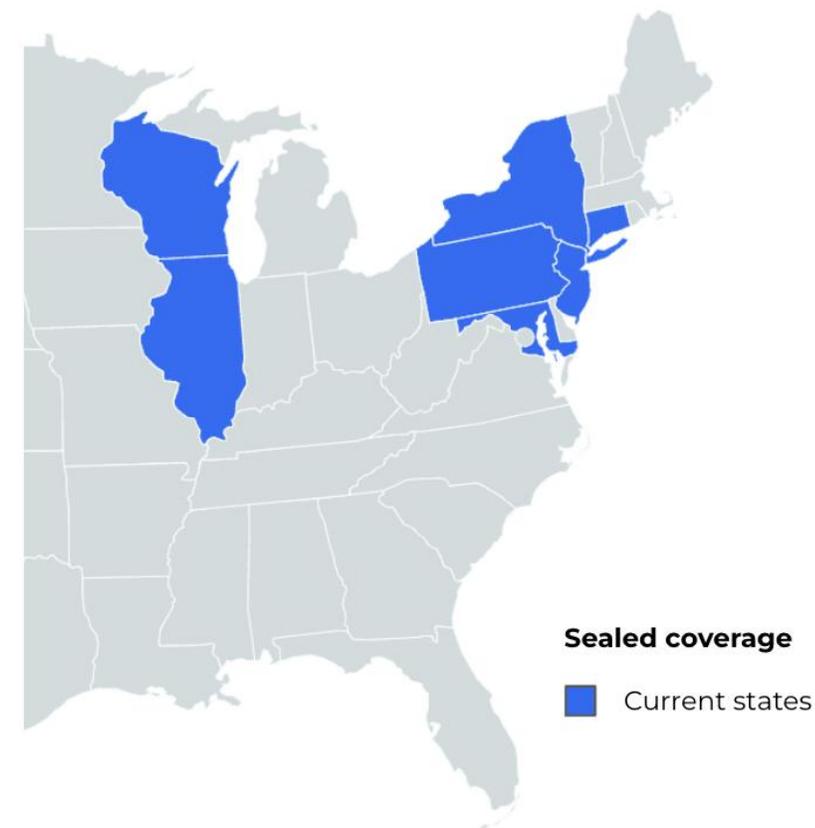
A policy strategy for scaling heat pump adoption with happy  
consumers and utilities



# 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



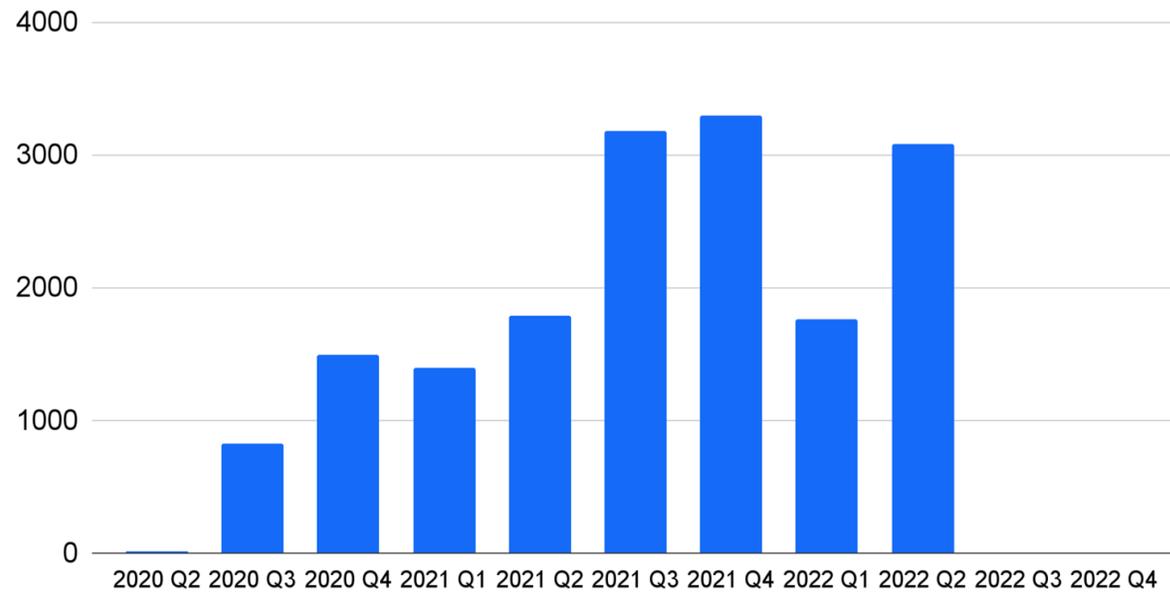
	CA TECH Initiative	Denver Climate Action Rebate Program	Con Edison Clean Heat Program
<b>Total Budget</b>	\$37,500,000	\$9,000,000	\$755,000,000
<b>Date Started</b>	12/7/21	4/22/22	4/1/20
<b>Date Ended</b>	5/12/22	6/24/22	5/14/22
<b>Days to Crash</b>	156	63	773



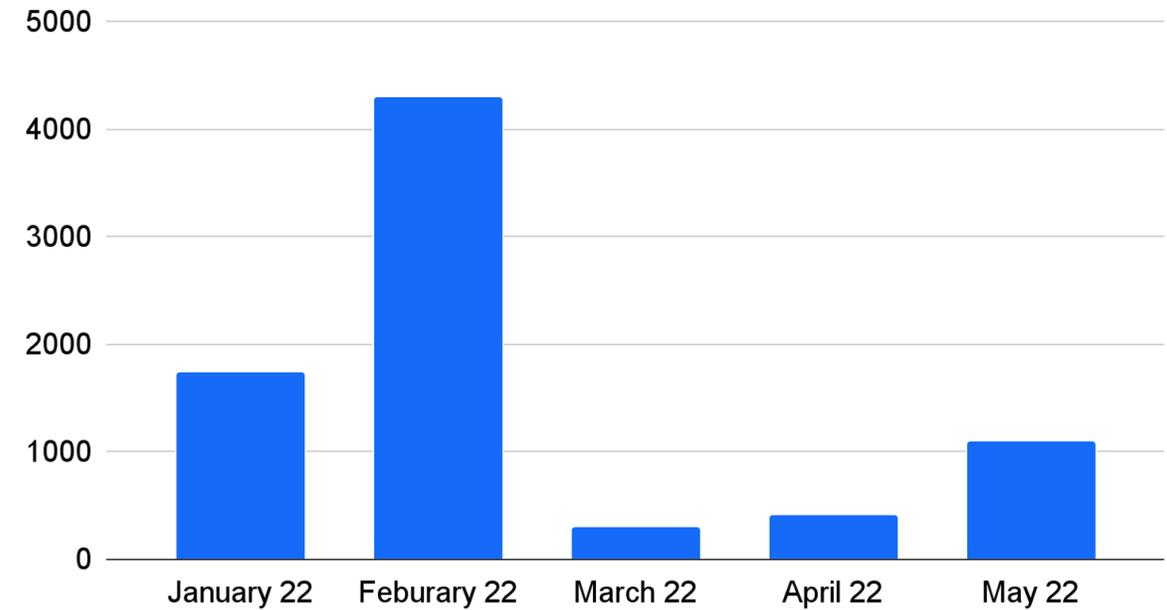
# Sugar spike before the crash



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

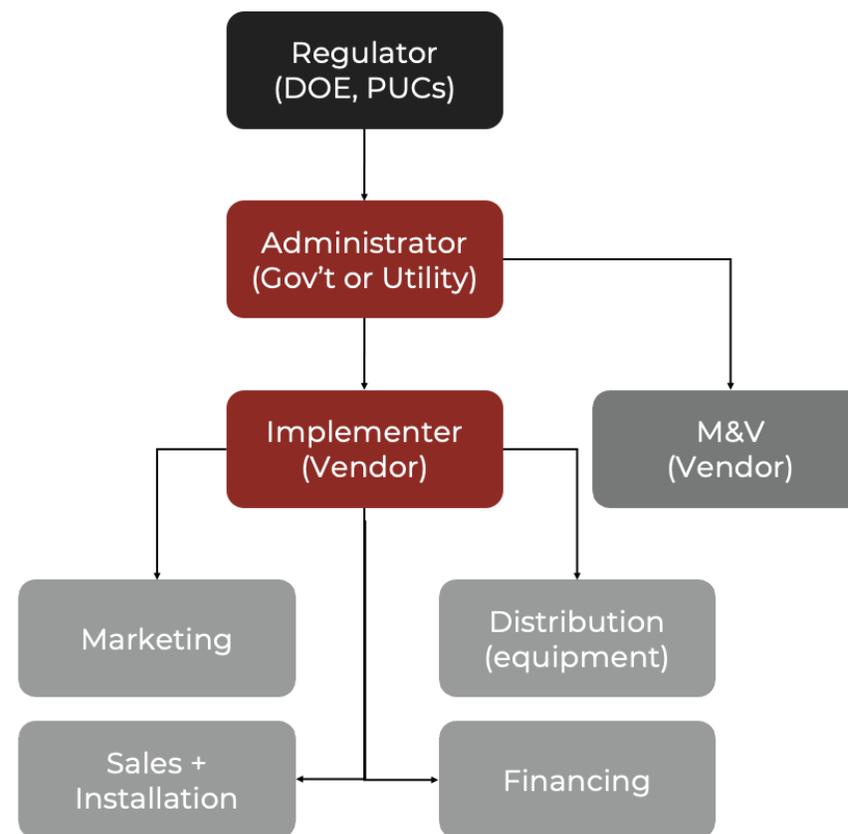




# Command & control program designs are too rigid



- 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

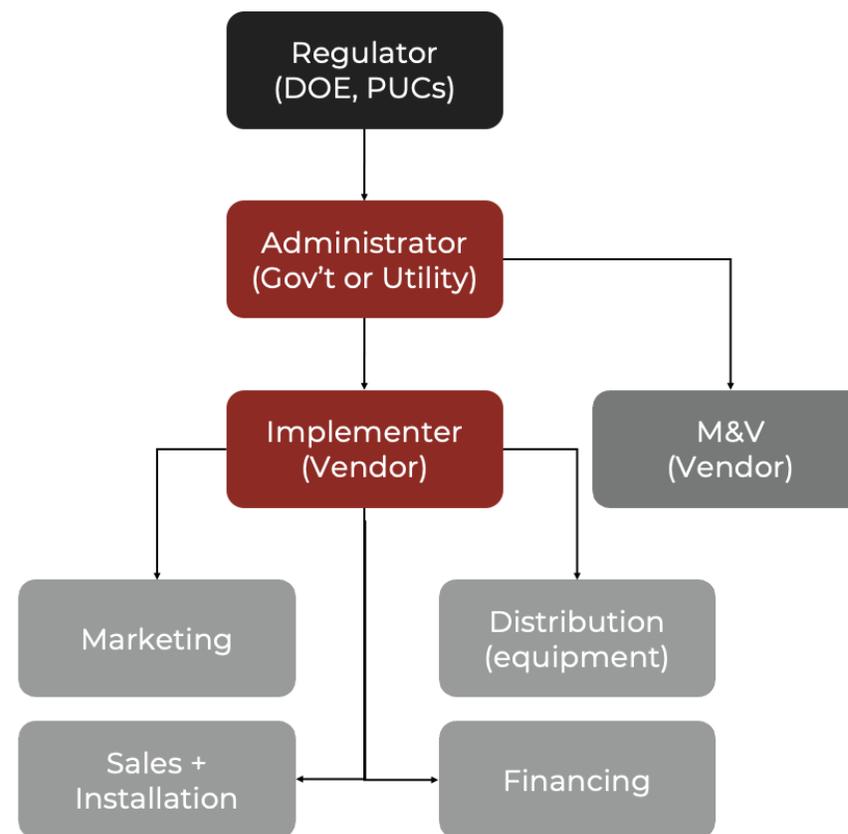




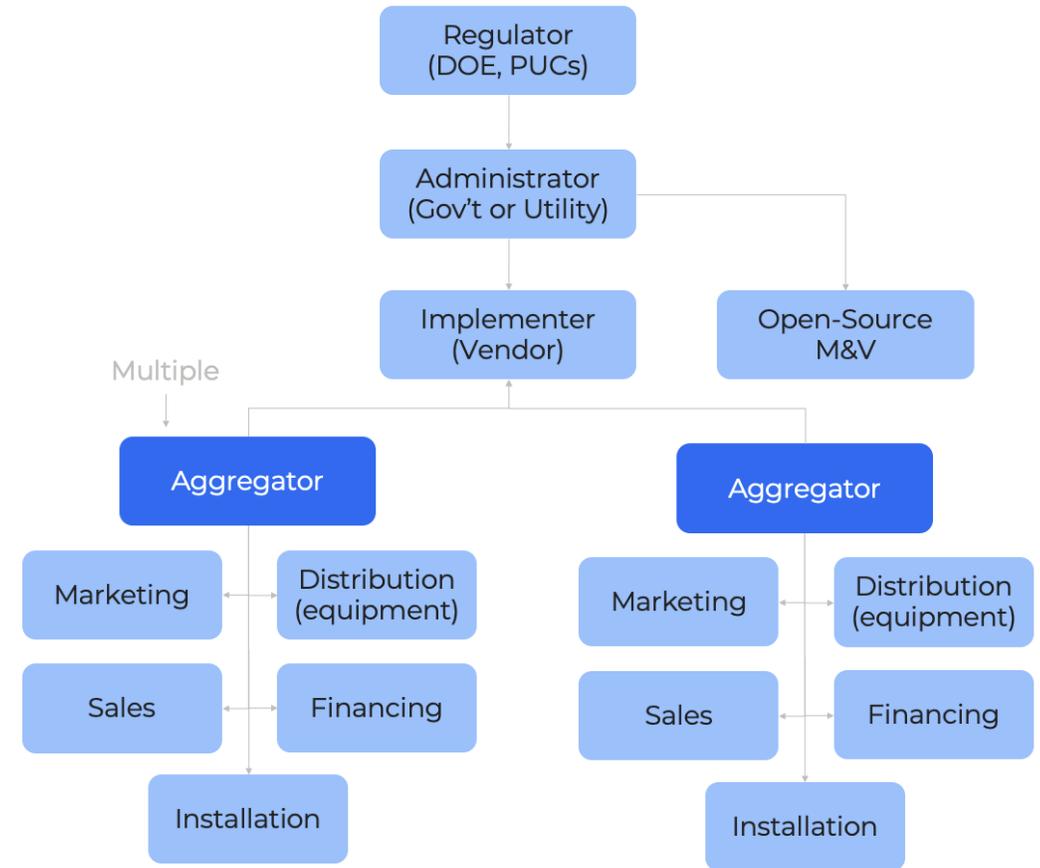
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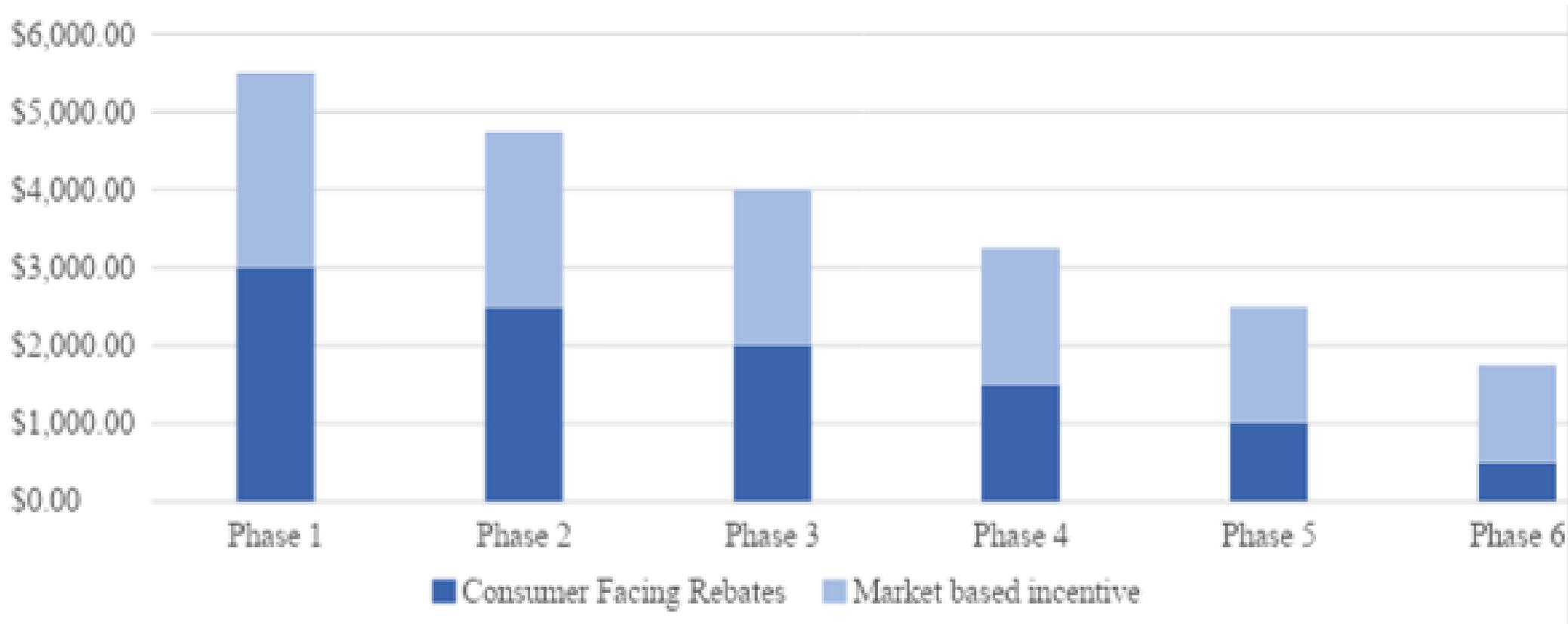


- Flexible program structure driven by performance-based, mid-stream incentives.
- Broad trade ally definition that allows “aggregators” of various types (financiers, retailers, solar companies, etc.) to participate.
- Many eggs, many baskets to encourage innovation and experimentation by aggregators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





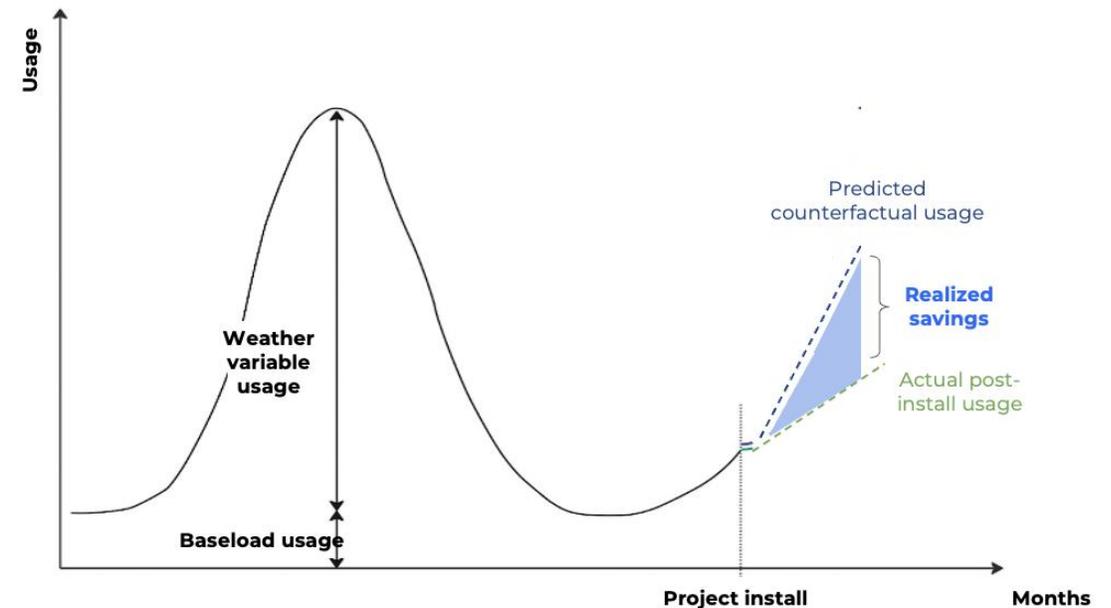
# Built-in flexibility via decreasing incentive blocks to maximize the impact of program funding





*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



Thank you!



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