

**DOCKETED**

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<b>Organization:</b>	CHEERS
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# CHEERS Proposed QA Model





# Benefits of Proposed Changes

- Improve Administration/Updating of FV&DT Regulations in Title 24
- Address Role of ECC-Rater Companies
- Eliminate Special Inspector Status to Remove Restrictions
- Clarify Conflict of Interest Protections
- Address Conflicted Data
- Appropriate Actions for Corresponding Noncompliance
- Strengthen Quality Assurance
- Increase Consistency for Training, Testing, and Reporting

# CHEERS Proposed Model

CHEERS would like to proposed to the CEC the following QA Model:

- Remove Shadow Audits and Lab Audits
  - History of producing false positive outcomes
- Promote Desk Audits, Blind Audits and consider Surprise Audits
  - Desk Audits offer the opportunity to conduct higher number of audits due to low cost
  - Desk Audits enable Blind Audits to be more targeted
  - Surprise Audits leverages technology to utilize timing and location while offering a lower cost which enables greater volume
- CHEERS is exploring leveraging IHACI, Trade Schools, Industry Associations and Manufacturers to outsource the HERS Lab and Certification Training



# Initial Incremental Costs

Costs to Affected Party	Description of Cost	Estimated Incremental Cost
ECC Rater	No Change to Costs	\$0
ECC Rater Company	ECC Rater Certification Required Training Reporting	\$300 or \$2,500 \$90 \$2,200
ECC Provider	Progressive Discipline Quality Assurance Training Reporting	\$17,000 \$11,000 \$11,000 - \$80,000 \$5,300



# Ongoing Incremental Costs

Costs to Affected Party	Description of Cost	Estimated Ongoing Cost
ECC Rater	No Change to Costs	\$0
ECC Rater Company	ECC Rater Certification Required Training Reporting	\$300 or \$2,500 \$90 if required \$2,200
ECC Provider	Progressive Discipline Quality Assurance Training Reporting	\$21,000 (\$1.8 - \$2.0 Million) \$1,500 - \$12,000 \$5,300

# Lab Costs

## CEC's Model - Retraining

- 20K sqft Warehouse – Rent/Lease
  - \$8.22 per sqft annually
  - \$164,400 annually
- Training staff
  - Scope: 2 resources
  - Schedule: two hours
  - Budget: \$74
- Facility cost per retraining: \$40
- Staff estimates total annual cost for retraining: \$21,000

## CHEERS Model – All Training

- Two 1600 sqft homes - Purchase
  - \$406 per sqft
  - \$1,692,000
- Training staff
  - Scope: 2 resources
  - Schedule: Full Time
  - Budget: \$182K (fully loaded)
- Annual operating expense
  - Budget: \$561,600
  - Hourly Facility Cost: \$293

# New Reporting and Progressive Discipline

## CEC's Model

- New reporting requirements estimate
  - Data analyst: \$37 hourly
  - Scope: 60hrs
  - Total: \$2,200
- Progressive Discipline development:
  - Resource: \$34.53 hourly (\$5,525 per month)
  - Scope: 3 months
  - Total: \$17K
- Changes to the data registry for Progressive Discipline regulations:
  - Dev resource: \$155 per hour
  - Scope: 160hrs
  - Total: \$25K

## CHEERS' Model

- New reporting requirements estimate
  - Data analyst: \$100 hourly
  - Scope: 100hrs
  - Total: \$10,000
- Progressive Discipline development:
  - Resource: \$100 hourly (\$16,000 per month)
  - Scope: 3 months
  - Total: \$48K
- Changes to the data registry for Progressive Discipline regulations:
  - Dev resource: \$155 per hour
  - Scope: 160hrs
  - Total: \$25K



# Training Materials – Code Update

## CEC's Model

- Training Materials (Each Code Cycle)
  - Resource: \$34.53 hourly
  - Scope: 2 months
  - Total: \$11K
- Learning Management Systems (LMS)
  - Estimated cost: between \$12,000 and \$80,000
  - Scope: “Covered in as little as 30 minute, but only restricts the training to being less than 8 hours.”
- Reporting
  - Dev resource: \$33 per hour
  - Scope: 1 month
  - Total: \$5,283

## CHEERS Model

- Training Materials (Each Code Cycle)
  - Resource: \$100 hourly
  - Scope: 2 months
  - Total: \$32K
- Learning Management Systems (LMS)
  - Estimated cost: between \$12,000 and \$80,000
  - Scope: “Covered in as little as 30 minute, but only restricts the training to being less than 8 hours.”
- Reporting
  - Dev resource: \$100 per hour
  - Scope: 1 month
  - Total: \$16K

# Quality Assurance

## CEC's Model

- Raters per Provider: 450
- Tested Site Audits: 1,800
- Sample Group Audits: 2K
- Addt. Audits due to failures: 180
- Cost per rater: \$2,222
- Cost per audit: \$263
  - Total audits: 3,980
- Total Program Cost: \$1M

## CHEERS Model

- Raters per Provider: 750
- Tested Site Audits: 3,000
- Sample Group Audits: 3,333
- Addt. Audits due to failures: 300
- Cost per rater: \$2,222
- Cost per audit: \$263
  - Total audits: 6,633
- Total Program Cost: \$1.7M

# Next Steps

CHEERS appreciates the opportunity to collaborate with the CEC on cost models for HERS certification training and quality assurance processes.

CHEERS would like to schedule a review meeting to review this presentation and answer any questions the Commission might have regarding CHEERS proposed changes to the current model.

Thank You  
CHEERS Team



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