



WHPA Goal 2: CQM Standard 180 User Guide Working Group Thursday June 23, 2015 Meeting Notes

Call to Order

The first planning meeting was called to order at 10:03 am PDT by Dale Rossi, Chair of this working group and a representative of Field Diagnostic Services Inc. (FDSI).

Roll Call

The Chair considered one member of each organization to be a voting member for this new working group, He intends to work toward consensus on all decisions. 10 of 18 voting members in attendance would constitute a quorum. 6 voting members attended this meeting. In addition, 2 non-voting members, 0 guests and 1 staff were present for a total of 9 attendees.

P = Present at meeting				
A = Absent from meeting; if proxy has been assigned it will be noted below.				
Although Voting Members have been designated by Staff, this group acts primarily by consensus.				
CQM Maintenance Task Working Group Voting Members				
ACCA (Air Conditioning Contractors of America)	Donald	Prather	Contractor Association	P
AHRI	Warren	Lupson	HVAC Manufacturer Association	
Aire Rite AC & Refrigeration	Don	Langston	Contractor (Nonresidential)	
BELIMO	Darryl	DeAngelis	Controls (Manufacturer or Distributor)	
BMI (BuildingMetrics, Inc.)	Pete	Jacobs	Energy Efficiency Program Consultant	
CLEAResult (formerly PECD)	Michael	Blazey	Energy Efficiency Program Consultant	
FDSI (Field Diagnostic Services Inc.)	Dale	Rossi	Third Party Quality Assurance Providers	P
GWP (Goodheart-Willcox Publisher)	Sandy	Clark	Educator, Trainer	P
Honeywell ECC, Commercial Buildings, Trade	Michael	Lawing	Controls (Manufacturer or Distributor)	P
HSGS (Honeywell Smart Grid Solutions)	Shayne	Holderby	Energy Efficiency Program Consultant	P
Marina Mechanical	Denny	Mann	Contractor (Nonresidential)	
National Comfort Institute	Jeff	Sturgeon	Educator, Trainer	
Richard Danks Consulting - FacilityPro	Richard	Danks	Other Stakeholder	
SCE (Southern California Edison)	Steve	Clinton	California IOU	
Charles Segerstrom, Energy Efficiency Consulting	Charles	Segerstrom	Energy Efficiency Program Consultant	
Tre' Laine Associates	Pepper	Hunziker	Energy Efficiency Program Consultant	P
UC Davis EEC (Energy Efficiency Center)	Kristin	Heinemeier	Research Organization	
Western Allied Corporation	Mike	Gallagher	Contractor (Nonresidential)	
CQM Maintenance Task Working Group Non-Voting Members				
CLEAResult	Mike	Withers	Energy Efficiency Program Consultant	
HSGS (Honeywell Smart Grid Solutions)	Steve	Varnum	Energy Efficiency Program Consultant	
SCE (Southern California Edison)	Todd	Van Osdol	California IOU	P
SCE (Southern California Edison)	Scott	Higa	California IOU	P
CQM Maintenance Task Working Group Guests				
California Public Utilities Commission (CPUC) - Energy Division			California PUC	
Adrienne Thomle, Consulting**	Adrienne	Thomle+		
WHPA Staff (Non-Voting)				
BBI (Better Buildings Inc.)	Mark	Lowry	WHPA Executive Advisor/BBI COO	
BNB Consulting/WHPA Staff	Bob	Sundberg	Energy Efficiency Program Consultant	P (scribe)
Empowered Solutions/WHPA Staff (WHPA Co-Director)	Shea	Dibble	Energy Efficiency Organization	

** Organization is Not a Member of the WHPA; + Individual is NOT Registered with the WHPA; (P) after last name = Member/Registrant is Pending Approval from the WHPA Executive Committee



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To avoid repetition, the name of the member organization will not be repeated in the body of the minutes past the first identification with the name of the representative participant.

Welcoming and Member Introductions

None.

New Business

None.

Approve Previous Meeting Draft Notes

The June 16 meeting draft notes were distributed June 22. No revisions were received from attendees. The finalized meeting notes would be posted to the WHPA website by Bob Sundberg.

ACTION Items

April 28 ACTION: IOU staff were requested to have program staff and/or implementers participate on this WG.

STATUS: Steve Clinton, SCE program training, agreed to seek out working group participants from the program side of their staff. Jeanne Duvall, PG&E, indicated that she would have a new program staff member participate after they completed orientation. Ongoing.

May 26 ACTION: Todd Van Osdol, SCE, agreed to provide get together with Scott Higa to locate examples of the reporting tools which the program provided customers and examples of reports delivered to customers. To be provided at WG meeting dealing with customer facing reporting, topic #5.

STATUS: Todd had located several customer reports. He still needed Scott Higa's approval in order to share them with this working group. Dale Rossi suggested the SCE program customer reports be shared when the 5th topic was being addressed, customer facing reporting. To be provided at WG meeting dealing with customer facing reporting, topic #5.

May 26 ACTION: Todd Van Osdol, SCE, would work with Scott Higa to gather information obtained through EMI conducted customer interviews which revealed reasons why customers would consider continuing HVAC Optimization maintenance practices after IOU program incentives expired.

STATUS: Todd Van Osdol and Scott Higa would deliver those findings at the 4th topic meeting, communicating the value proposition.

AGENDA

Topic	Discussion Leader	Desired Outcome
Welcome, Roll Call, Member Introduction, Approve Past Meeting Notes, Review Action Items, New Business, Meeting Agenda	Chair, WHPA Staff	Record attendees, welcome any new members, approve previous meeting minutes, review status of any open Action items, planned agenda and bring up any new business items for the WG to consider addressing.
Review User Guide Outline 6/16 meeting revisions	Dale Rossi	Reach agreement on decisions recorded in User Guide draft. Resolve any suggested further revisions.
Value Proposition		Brainstorm value proposition for key stakeholders and discuss which should be included in a user guide.

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Set next meeting date/time, assign actions and proposed agenda and adjourn.	Chair, WHPA Staff	Clear understanding of member responsibilities for the next meeting. Next meeting date/time established.
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User Guide Summary Outline – Dale Rossi

The following list provided topics that the working group intend to explore in the current effort

1. Understanding performance objectives and condition indicators
2. Making a maintenance plan
3. Investigating unacceptable conditions and performance
4. Communicating the value proposition
5. Customer facing reporting

Communicating the Value Proposition brainstorming session – Dale Rossi

Dale Rossi, FDSI and Chair, indicated that the Standard 180 Committee was meeting the next day. There were many open questions this WG was considering which would be discussed at that Standard 180 Committee meeting which might provide further clarification about what the authors of the standard meant and how they intended the standard might be used. He thought it would be a good idea to wait for that input before this WG proceeded with further consideration of Section 3 & 4. But, they could hold a preliminary brainstorming session about Topic 4 Communicating the Value Proposition.

Staff Google search: definitions of Value Proposition

The Value Proposition Canvas makes explicit how you are creating value for your customers. It helps you to design products and services your customers want.

In a nutshell, *value proposition* is a clear statement that explains how your product solves customers' problems or improves their situation (relevancy), delivers specific benefits (quantified *value*), tells the ideal customer why they should buy from you and not from the competition (unique differentiation).

A value proposition is a business or marketing statement that a company uses to summarize why a consumer should buy a product or use a service. This statement convinces a potential consumer that one particular product or service will add more value or better solve a problem than other similar [offerings](#).

Forbes

In its simplest terms, a value proposition is a **positioning statement that explains what benefit you provide for who and how you do it uniquely well**. It describes your target buyer, the problem you solve, and why you're distinctly better than the alternatives

<http://www.forbes.com/sites/michaelskok/2013/06/14/4-steps-to-building-a-compelling-value-proposition/#3b587d581f2c>

A value proposition is a short statement that clearly communicates the benefits that your potential client gets by using your product, service or idea. It "boils down" all the complexity of your sales pitch into something that your client can easily grasp and remember.

It's not enough just to describe the features or capabilities of your offer, your statement needs to be very specific. Your value proposition must focus closely on what your customers really want and value. Do they want to solve problems, to improve on existing solutions, to have a better life, build a better business, do more, better, faster...?

Dale asked the group for their ideas about what a value proposition was and why would a party adopt this standard. What value would different stakeholders be provided by adopting the standard?

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Sandy Clark, Goodheart-Wilcox Publishers (GWP), offered that a party would have concluded that if they participated, there was a short-term, tangible benefit to them. Increased comfort, improved IAQ, enhanced energy savings were a few of the many possible tangible benefits from implementing this plan.

Mike Lawing, Honeywell ECC, offered that it would extend equipment life by reducing runtime and increase savings and comfort.

Donald Prather, ACCA, asked the group whether they would be talking only about the value proposition for end user customers or also consider benefits to contractors. What about utilities and their program implementers? For contractors, it would be a service differentiator and a sales tool. Customers could come to recognize a different, higher level of service. Don Langston and other contractors could expand on that further.

Todd Van Osdol, SCE, supplied program comments they'd received from owner/operator customers who managed most of their own maintenance with staff. Organizations like school districts. The program had helped them document their own in house best practices. It also helped them standardize their approach to maintenance.

Dale Rossi stated that he wasn't sure any contractors were really implementing Standard 180 maintenance.

Bob Sundberg, WHPA staff, reminded the group that during previous Maintenance Task Working Group meetings, Don Langston had provided an example of his firm's maintenance contracts as a template for how they presented Standard 180 based maintenance. Don had emphasized their efforts to initiate the dialogue with owners about their maintenance program goals and objectives, accountability and program reviews at fixed intervals like annually.

Donald Prather responded that he knew Don Langston had commented on not getting any feedback from the utilities about energy savings resulting from program participation. The missing link was data collection which would establish whether they were meeting their energy savings objectives or not.

Pepper Hunziker, Tre' Laine Associates, suggested that to find out why customers would continue Standard 180 based maintenance after incentives had expired, it would be a good idea to find that out from current program graduates. What were their drivers and motivation?

Todd Van Osdol added that a value to the utility program was establishing the owner as the responsible party and developing the relationship with their service provider. Also, establishing energy efficiency and savings as objectives of a maintenance program. Section 5 maintenance task tables also identified components related to energy efficiency operation which might be overlooked with more minimal approaches to maintenance. Routine maintenance practices might entirely overlook economizer operation, for instance.

Dale Rossi then asked the group what was the benefit of Standard 180 based maintenance to the technician which no one had yet mentioned.

Sandy Clark offered that technicians should feel a lot of job satisfaction delivering service their customers really needed. Energy savings as well as improving the environment for their customers.

Scott Higa, SCE, suggested that the program provided technicians with better tools techniques to communicate the value proposition of the program to their customers on the WE&T side. This was an objective for the Standard 180 as well as most other energy efficiency programs offered.

Pepper Hunziker suggested they collect their ideas about a value proposition on a white board during the meeting. Collect some of the topics and subjects which should take place for a contractor service and sales training. Maybe this team could identify the top three groups and identify the value proposition for each.

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Michael Lawing, Honeywell ECC, suggested that each stakeholder had their own individual value proposition from the CEO, owner and service provider all the way down to the technician who delivered the service that had to be written in language they understood. Who's got the money and makes the decisions. The message that needs to be delivered must be very crisp.

Whiteboard notes:

Audiences

- end user/owner/customer, contractor, technical staff, sales staff
- corporate energy manager or corporate facilities manager
- building owner/operator audiences: national restaurant chains/banks/large and small retail; school system owner operators; public vs. private enterprise responsible parties; MUSH...municipals, schools, hospitals/clinics not for profits
- COO, CFO, CEO executive suite customers/decision-makers
- school district energy manager

Shayne Holderby, HSGS, responded to an earlier comment that he thought one of their participating school districts had fully implemented a Standard 180 based maintenance program. He thought that their energy manager would be willing to join one of the WG calls. He also offered to try and obtain the maintenance program documentation the school district had developed.

ACTION: Shayne Holderby, HSGS, would invite a school district energy manager to participate on a future WG conference call. He would also try to access that school districts Standard 180 based maintenance program documentation.

Michael Lawing, Honeywell ECC, suggested that Don Langston and other contractors who advocated this approach were attempting to offer a higher level of service for larger margins. A program had to arm those contractors to talk with facility managers but also to the decision-making stakeholders above them. A contractor needed to be armed with a multi-level value proposition so it comes down to the value for cost, not just the price. If the initial contact needs to take the offering to a higher decision-maker, he'd better be provided with a script of the full value proposition.

Pepper Hunziker agreed. That sales person needed to be prepared to offer all the elements of the value proposition needed to reach each level of decision-makers. She thought this group could identify very specific audiences and detail out the messages, the value proposition for adopting/retaining Standard 180 based maintenance, needed to reach each of those key audiences. A language change for each, for the corporate facilities manager, different from one for the energy manager.

Sandy Clark suggested it wasn't only a language change but a perspective change. The group could develop a different case study for each of the key perspectives.

Dale Rossi suggested that one important thing this user guide might accomplish would be to guide others on how to create an effective case study, as Sandy suggested. A case study would be one good method for how to communicate the value proposition.

Bob Sundberg, WHPA staff, noticed that Pepper had identified a two-step process. First, they needed to clearly identify the key elements for the value proposition for a key audience. Then, they could translate those elements or benefits into a framework for a case study. But, they needed to work on that first step first and not jump to the vehicle, the case study, until the first step was completed.

Michael Lawing offered one example. For a CFO of leased space, the decision-maker would enjoy higher rents with better IAQ and increased building value by adopting the higher standard of maintenance. As the operating costs of the

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building were reduced, the building value would increase. Energy use and possible savings might be a piece, but the element of most interest was the value of the property to this audience. This was a very different perspective from the facility manager. The need was to translate the value proposition elements into a language that audience member clearly understood. He thought that the end user and contractor/service provider were their primary audiences.

Pepper Hunziker suggested they produce a grid/table of audiences and specific benefits/drivers/pain avoided which appealed to each that would constitute the value proposition elements for each one. She noted Dale Rossi's earlier statement of a user guide goal being to provide a guide to the party, typically a sales person, who was presenting Standard 180 based maintenance. They should use that lens as each value proposition was developed. Somebody was having to present this value proposition. The group should decide on which key audiences were going to be presented with their value proposition.

Shayne Holderby thought the column titles should cover the 1) customer, 2) contractor, 3) sales person and 4) technician.

Todd Van Osdol, SCE, suggested making a distinction between public and private end users since their motivations varied greatly and the IOU programs dealt with them differently. The value proposition would be very different for government or school facility decision-makers than for a for-profit facility manager or owner like a large national account chain.

Dale Rossi suggested they focus initially on decision-makers for 1) government facilities, 2) corporate chain and 3) institutional/health care/hospitals. MUSH – municipals, schools, hospitals seemed to form one group – not for profit institutions.

Todd Van Osdol elaborated that this group all shared the need to stretch their limited budgets. Union groups that took care of maintenance had and needed a clear definition of the required maintenance practices.

Dale Rossi then suggested the third group might be owner/operators. The small retail store, hardware, specialty retail where the owner is the occupant of the building space. Very different from corporate and institutional.

Todd suggested a corporate end user distinction between those who managed leased space with tenants and corporate chains which operated the space directly. Tenants might have HVAC maintenance responsibility written into their lease agreements or not. The actual lease agreement terms were the critical factor on who made maintenance program and other HVAC decisions.

Dale Rossi suggested that for him there was a clear distinction between offering general platitudes as benefits and clear data as evidence of benefits. When his firm suggested a program they always had to analyze utility bills and model building energy usage and provide a foundation for how they were estimating current and future energy use to determine likely energy savings benefits. They frequently needed that data to calculate return on investments (ROI), net present value and other benchmarks needed by key decision-makers. He asked the group where was the place in this discussion for offering actual data and not just rhetorical statements?

Pepper Hunziker didn't respond to Dale's question directly but his comments triggered a thought about how that sales person might be mentored. How could this guide impart that sort of knowledge to enable them to communicate better in that direction?

Michael Lawing responded to Dale's question that he'd worked with contractors to provide data like estimated ROI. But, that kind of information wasn't typically for the facility guy but for the guy in the C-suite. They could also try to locate the studies he had quoted from which contained numbers from case studies as examples for what might benefit a decision-maker. The hard data numbers had traditionally been energy analysis. The soft numbers that were more difficult to detail were in areas like occupancy comfort, how to estimate benefits of extended equipment life, not



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directly related to energy use and the electrical meter. The group needed to address the information needed to convince that decision-maker on how their operation could be made more efficient. In his world of proposals, an effective value proposition needed both kinds of data.

Closing Comments/Adjournment

Dale commented that he would listen to the meeting recording and update and write up what was suggested. Dale also indicated that he'd be attending the Standard 180 Committee meetings and would report what he heard at their next meeting. Pepper Hunziker volunteer to produce a first draft for a table/grid along with help from Sandy Clark. Dale Rossi would help edit the straw man draft. Michael Lawing volunteered to review a value proposition table/grid.

The next meeting was scheduled for Thursday June 30 at 10 am PDT. Their agenda would continue Topic 3, Unacceptable conditions and performance or continue with Topic 4 Communicating the Value Proposition discussion with a larger group of attendees.

The Chair adjourned the meeting at 11:06 am PDT.

* * * * *

ACTION Items listed on following page.

Action Items and Key Decisions

April 28 ACTION: IOU staff were requested to have program staff and/or implementers participate on this WG. Completed.

STATUS: Steve Clinton, SCE program training, agreed to seek out working group participants from the program side of their staff. Jeanne Duvall, PG&E, indicated that she would have a new program staff member participate after they completed orientation. Ongoing.

May 26 ACTION: Todd Van Osdol, SCE, agreed to provide get together with Scott Higa to locate examples of the reporting tools which the program provided customers and examples of reports delivered to customers. To be provided at WG meeting dealing with customer facing reporting, topic #5.

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June 23 ACTION: Shayne Holderby, HSGS, would invite a school district energy manager to participate on a future WG conference call. He would also try to access that school districts Standard 180 based maintenance program documentation.

June 23 ACTION: Dale Rossi would attend the Standard 180 Committee meetings and report back on what was discussed and decided.



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