



Solar Rating & Certification Corporation™
The Industry Standard Since 1980.

Chairman's Report **Solar Rating & Certification Corporation**

November, 2011

Since I took over as Board Chair in May, 2010, my primary focus has been to help SRCC face the challenges of a large backlog for both collector and system certifications that began in 2009. Other challenges included the development of a working budget, long term financial plan, and a strategic plan for the organization.



That same month, the SRCC hired a new Executive Director, Eileen Prado. Eileen was not from the solar industry but brought more than twenty five years of organizational management experience including manufacturing, marketing, sales, and finance. Her first task was to develop the current budget and make recommendations for our financial structure.

We were tasked with these challenges at a time when the solar heating and cooling industry desperately needed the SRCC to step up their productivity. Participants were struggling to bring new products and systems to market and viewed the certification backlog as a roadblock. At the same time, the DOE was cutting back on their funding in our industry and made very specific demands of the SRCC to become financially independent of the DOE for day to day operations. Fees could no longer be subsidized by DOE funding. For the first time, the SRCC took a cost up approach to the fee schedule, analyzing tasks, scrutinizing costs, and establishing fees that fairly covered the costs of this non-profit organizations crucial work. The maintenance fees based on sales volumes were abolished, and fees based on the number of active certifications were introduced to better reflect the participants' share of the SRCC program.

Once we were on solid ground with the current financial condition of the SRCC, it was time to focus on the strategy. With the help of our board of directors and committees, all volunteers, I was able to develop a strategic action plan for the SRCC to combat the current productivity challenges and put the organization on a path towards future financial independence, stability, and efficiency, without compromising the quality and expert service we have all come to rely on in our industry. It was also important to dedicate the talents and expertise of our Technical staff on the demands of the current and future innovations in our industry.

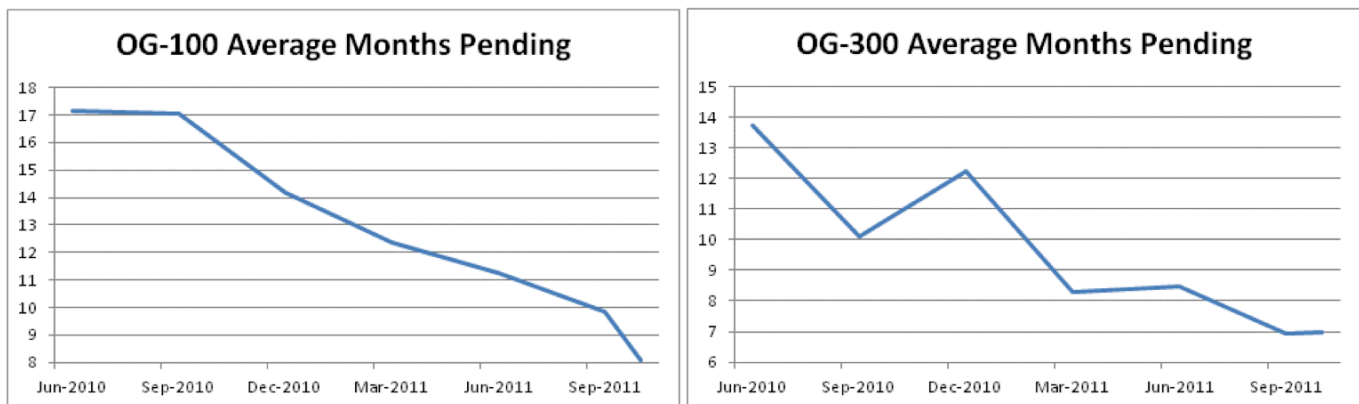
The first strategic objective was to in-source our processes. As many already knew, the SRCC subcontracted all of the certification and ratings work to the Florida Solar Energy Center. By insourcing, we were able to hire and train our own workforce to better serve our participants and improve workflow efficiencies. The SRCC opened its own offices and employed its own staff on July 1, 2011. Joining Eileen Prado on the staff are Jim Huggins, our longtime and highly respected



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Technical Director from FSEC, Tomas Koenig as Assistant Technical Director, and a staff of four employees that are 100% focused on OG100 and OG300 ratings and certifications.

Since June, 2010, when we first began measuring our certification processes and lead-times, we have decreased the average certification lead-time for OG100 by 53% and the average certification lead-time for OG300 by 49%. Since we insourced, only four months ago, the average certification time has improved by more than 15% in both areas. The charts below illustrate the improvements in certification efficiencies:



Financial and operational independence has positioned the SRCC to effectively face the challenges of the solar heating and cooling industry in the years to come. Our industry relies on the SRCC to ensure that products and systems installed in the United States meet safety and efficiency standards thus protecting consumers, utilities and other stakeholders as well as the reputation of our industry. We aren't done making improvements yet.

In 2012, we will focus on continued productivity improvements while renewing our commitment to quality assurance. Look for the SRCC to begin factory inspections for OG100 compliance, and the introduction of new programs that will ensure OG100 and OG300 compliance in the field as well.

The SRCC is served by a board of talented hard working volunteers that devote their time and effort to this fine organization because, like me, they believe in its mission. The staff, led by Eileen Prado and Jim Huggins, is top notch, and we are fortunate to have them fully devoted to our continued success.

I look forward to serving the SRCC as the Board Chair in 2012. I am honored to have been elected to the board by my peers in the solar heating and cooling industry, and to once again be elected as the Chair by my fellow board directors. Thank you for your support as we faced the toughest periods in the SRCC's history, and for your continued dedication to making the solar heating and cooling industry a leader in energy independence and job creation for our nation.

-Ole Pilgaard, Chairman