

# HOME STAR



**Creating Jobs**

**Delivering Energy Efficiency**

# Agenda

- Home Star Overview
  - Silver and Gold Star Programs, Financing
- Summary of Program Participants and Roles
- Contractor-Home Owner Relationship
- Rebate Processing, Quality Assurance, & Financing
- BPI & Home Star
- RESNET & Home Star
- Q&A

# Speakers

- Facilitator: [Jared Asch](#), Director of Efficiency First
- [Matt Golden](#), President of ReCurve and Chair of Efficiency First
- [Larry Zarker](#), President of Building Performance Institute
- [Steve Baden](#), Executive Director of RESNET

# Home Star Overview & Program Roles

Matt Golden, President of ReCurve  
and Chair of Efficiency First

# Our Purpose

- **Rapidly Create Jobs**
- **Stand Up an American Industry**
- **Contribute to Energy Independence**
- **Help households lower energy costs**



# Remember: NOT YET A LAW

- This is not yet a law
- This program is still being debated
- Nothing is final until it has passed both houses and is signed by the President
- We are at the table representing EF
- Be prepared to help soon

# Construction Industry Employment

## Construction

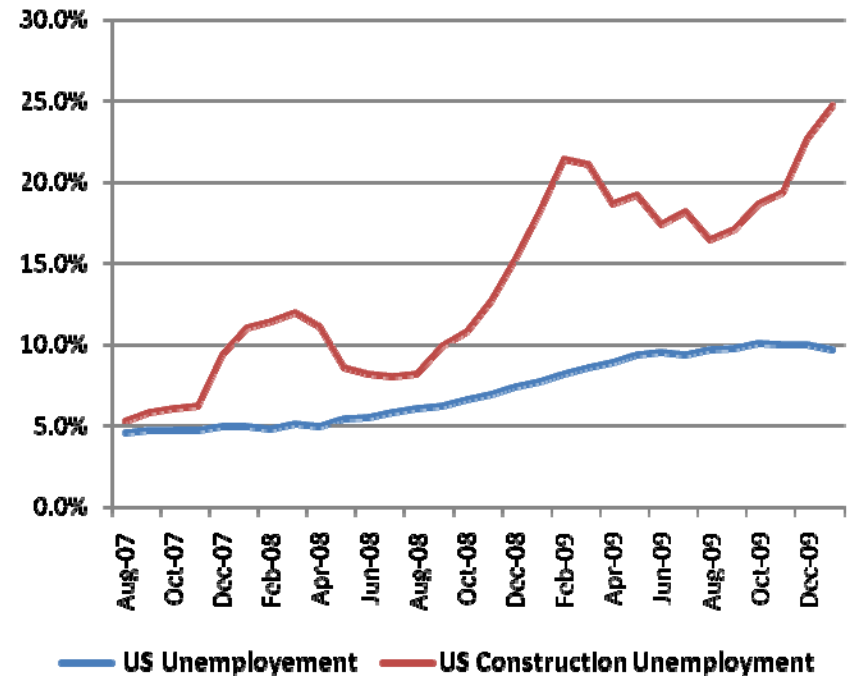
- 24.7% unemployment in construction industry (from 18.7% in October)
- 38% drop in employment since 2006

## Manufacturing

- 24.5 % drop in construction related manufacturing
- Construction-related manufacturing at less than 62% of capacity

## Construction Retail

- 14% drop in employment since 2006



# Policy Objectives

- **Rapid Deployment**
  - Leverage existing systems and infrastructure
  - Avoid the need for rule making or procurement
- **Market-Based**
  - Match public dollars with homeowner investment
  - Empower existing business and organizations
- **Pathway to Performance**
  - Short-term job creation
  - Long-term transformation
- **Broad Support**
  - Retail, Manufacturing, Contracting, Labor, and Environmental groups
  - A win for the Environment, Economy and American Workers.

# HOME STAR Program

## HOME STAR \$6 Billion

- **SILVER STAR**
  - \$3.6 Billion
- **GOLD STAR**
  - \$1.8 Billion
- **Financing / QA / Admin**
  - \$600 Million

## HOME STAR

<b>Cost:</b>	<b>\$6 Billion</b>
<b>Homes:</b>	<b>3.3 Million</b>
<b>Jobs:</b>	<b>168,000</b>
<b>Homeowner Saving (10 yr.):</b>	<b>\$9.4 Billion</b>
<b>Equivalent Cars Off-Road:</b>	<b>615,000 Cars</b>
<b>Power Generation Offline:</b>	<b>4 x 300MW Plants</b>

# SILVER STAR

- Up to a \$1,500 rebate per measure
- Not to exceed \$3,000
- Not to exceed 50% of project cost

## SILVER STAR - Eligible Measures

Rebate delivered to customer at time of purchase, but paid to installer post completion of job and quality assurance:

- |   |  |
|---|--|
| <input type="checkbox"/> Air Sealing        | <input type="checkbox"/> Duct Seal / Replacement |
| <input type="checkbox"/> Attic Insulation   | <input type="checkbox"/> Wall Insulation         |
| <input type="checkbox"/> Domestic Hot Water | <input type="checkbox"/> Floor Insulation        |
| <input type="checkbox"/> Heating Equipment  | <input type="checkbox"/> Cooling Equipment       |
| <input type="checkbox"/> Windows and Doors  |  |

# GOLD STAR

- \$3,000 incentive for a 20% savings
- \$1,000 for each additional 5% savings
- Not to exceed 50% of project cost or \$8,000

## 1. Energy Assessment

## 2. Retrofit

### ➤ Fundamentals

- Weatherization
- Insulation

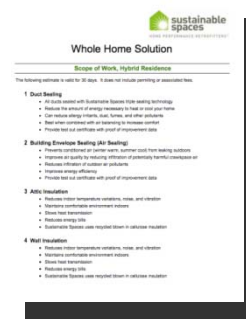
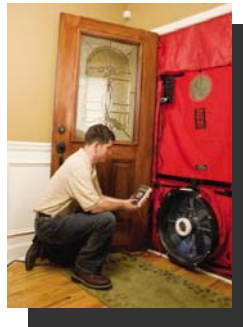
### ➤ Major systems

- Heating / Cooling
- Water Heating

### ➤ Renewables

- Solar

## 3. Quality Assurance



# HOME STAR Financing

- Creates up to \$1.5 Billion in low interest consumer financing
- \$200 Million for credit supports and interest buy-downs
- Supports a wide variety of existing financial products including, but not limited to:
  - Property Assessed Clean Energy (PACE)
  - Fannie Mae loans
  - Non-collateral loans
  - Secured loan products
  - On-bill financing
- Allows American families to achieve cash flow positive results on most HOME STAR projects from day one

# Enhances Existing Efforts

## ARRA Investments

- Utilize training infrastructure developed with ARRA funds
- Create jobs for Weatherization workers as ARRA funds ramp down

## Recovery Through Retrofit

- Combining HOME STAR incentives with the financing and industry standards recommended in this report will deliver results

## Retrofit for Energy and Environmental Performance (REEP)

- Currently in House The American Clean Energy and Security Act (2009)
- Currently in Senate Clean Energy Jobs and American Power Act
- Currently in Senate Energy Bill - The American Clean Energy Leadership Act (ACELA)
- Large stakeholder group including industry, labor, and environmental groups

# Active HOME STAR Coalition

Broad Industry, Labor, Social Justice, Energy and Environmental Supporters

## Industry

AFC First Financial

Air-Conditioning, Heating and Refrigeration Institute

Andersen Corporation

BASF The Chemical Company

CertainTeed Corporation

Conservation Services Group

Council of the North American Insulation Manufacturers Association (CNAIMA)

The Dow Chemical Company

EcoBroker International

Efficiency First

Energy Federation, Inc.

GE Appliance and Lighting

Green Home Solutions by Grupe

Green Homes America

Home Depot

Knauf Insulation

The Linc Group

Lowe's Companies, Inc.

MASCO

MASCO Home Services

Owens Corning

The Polyisocyanurate Insulation Manufacturers Association (PIMA)

Recurve (formerly Sustainable Spaces)

Renewable Funding LLC

Serious Materials

Simonton Windows and ThermaTru Doors – Fortune Brands

Standard Renewable Energy

## Labor and Social Justice

Blue Green Alliance

Change To Win

Green for All

Laborers International Union (LIUNA)

**CONTINUED**

# Active HOME STAR Coalition

Broad Industry, Labor, Social Justice, Energy and Environmental Supporters

## Energy and Environmental Advocates

ACEEE

Alliance to Save Energy (ASE)

Building Performance Institute (BPI)

Center for American Progress Action Fund

Environment America

ENE (Environment Northeast)

National Association of State Energy Offices (NASEO)

Natural Resource Defense Council (NRDC)

National SAVE Energy Coalition

Northeast Energy Efficiency Council (NEEC)

Sierra Club

RESNET

US Green Building Council (USGBC)

**700+ Regional Contracting, Manufacturing and related small businesses from all 50 States.**

# In Sum

## **Fast Job Creation**

- Leveraging existing capacity and infrastructure

## **Build on Existing Policy Effort**

- Bridge to legislation in Senate and House Energy bills

## **Led by Consumer Demand**

- Matching federal dollars by homeowner dollars

## **Performance Driven**

- Rewarding results not products

## **Industry and Workforce Development**

- Creating a new American industry

# HOME STAR Program Actors



State  
Quality Assurance  
System

- State system that regulates QA providers network in state.

Federal Rebate  
System

- Federal Database system that tracks jobs uploaded by Rebate Aggregators, notifies QA providers, and processes rebate requests.

Quality Assurance  
Provider

- Third party (non contractor) entities that conduct on-site quality assurance inspections, insure contractor eligibility. Entities can be State offices or can be delegated to private contractors (most common).

Rebate Aggregator

- Entity that aggregates job data and rebate forms, checks to ensure eligibility and accuracy, uploads to Federal Rebate System, then distributes payments. QA providers, State energy offices, and national companies are all eligible to be Rebate Aggregators as determined by the secretary. National Contractors can perform Aggregator role but not QA role

Contractor

- Entity that enters into contracting agreement with homeowners. Rebate amount is fronted at time of purchase and floated by this entity until completion and processing.

# Homeowner Contractor Relationship

State  
Quality Assurance  
System

Federal Rebate  
System

Quality Assurance  
Provider

Rebate  
Aggregator

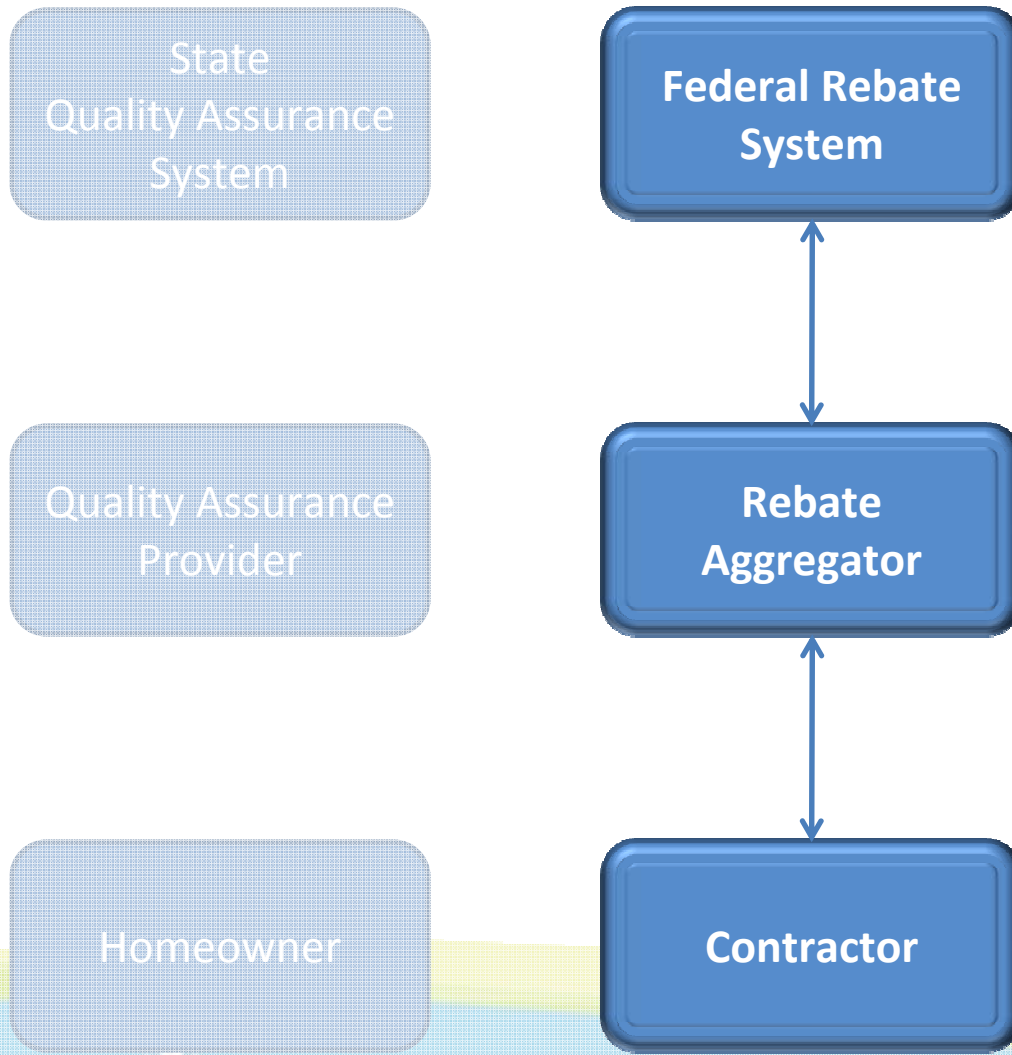
Homeowner

Contractor

## Homeowner Contractor Relationship

1. Homeowner hear about HOME STAR from retailer, contractor, program, or referral.
2. Contractor and homeowner enter into agreement for eligible installed measures for the NET amount post HOME STAR.
3. Homeowner may elect HOME STAR financing package.
4. Contractor conducts work to HOME STAR standards.
5. Homeowner signs off that work is completed.
6. Homeowner pays contractor for contract amount after HOME STAR rebate.
7. Contractor submits necessary data to Rebate Aggregator of their choosing.

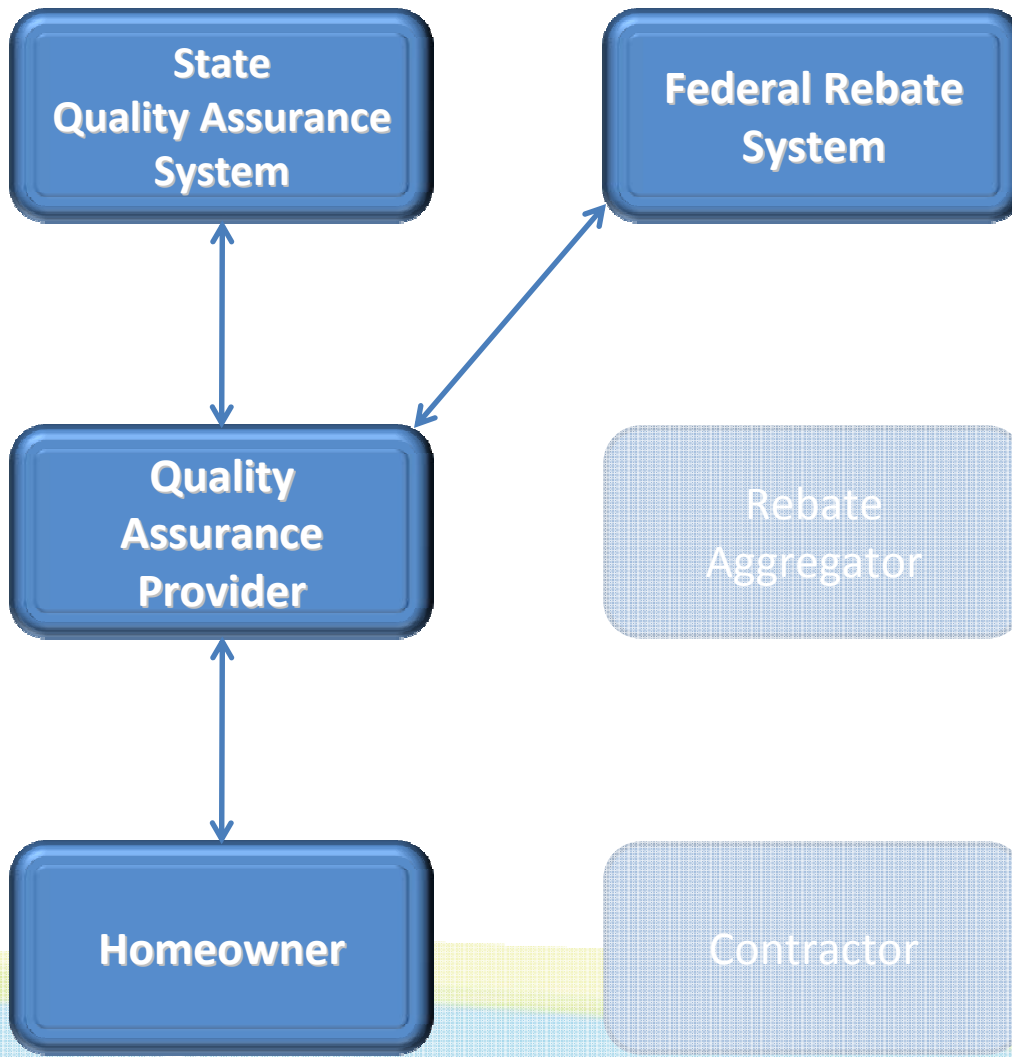
# Rebate Processing



## Rebate Processing

1. Contractor uploads standard forms, signed contract, and customer completion docs to Rebate Aggregator.
2. Rebate Aggregator checks documents to ensure eligibility and amounts.
3. Rebate Aggregator uploads request to the Federal Rebate System.
4. Federal Rebate System and/or Aggregator notifies QA Provider of record for the contractor.
5. Rebate is paid from Federal Rebate System to Rebate Aggregator within 30 days.
6. Rebate Aggregator provides rebate to Contractor within 30 days of receipt.

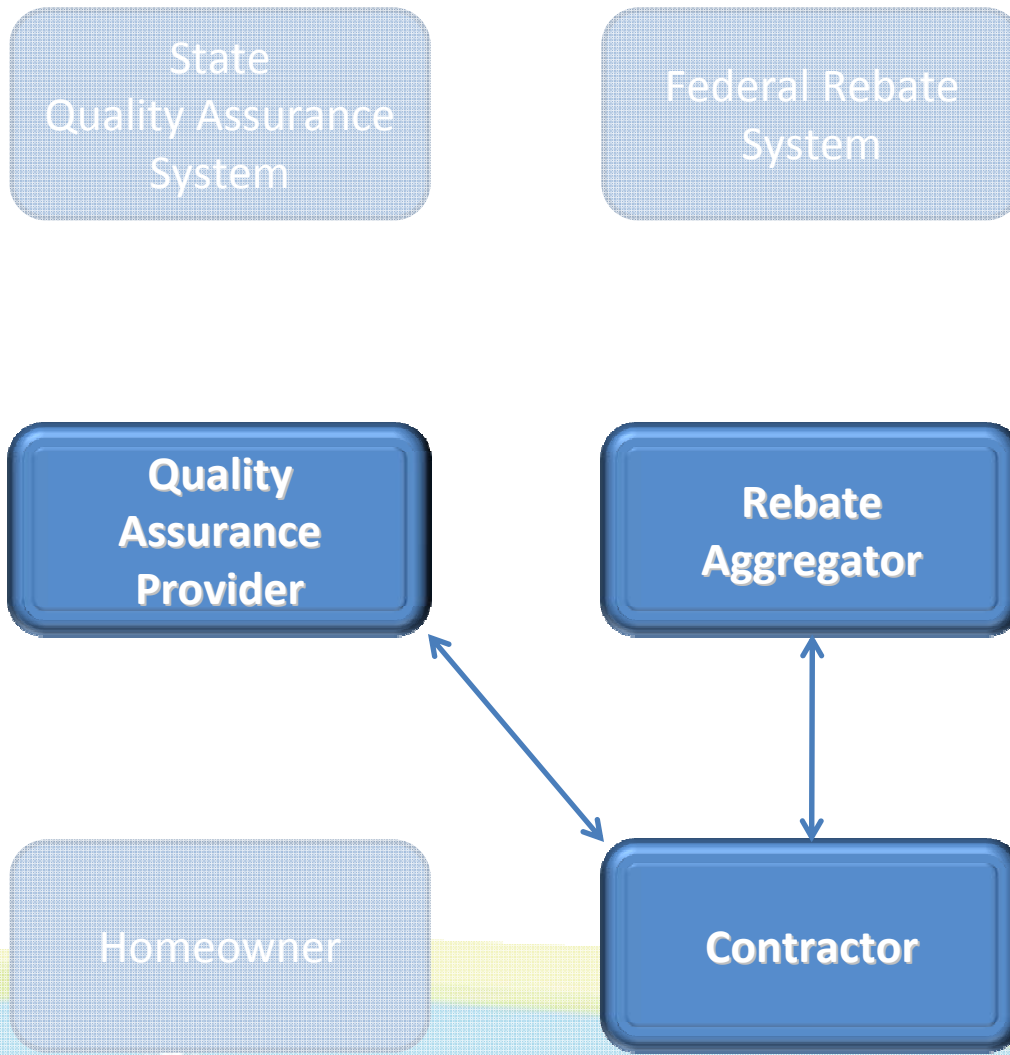
# Quality Assurance



## Quality Assurance

1. Federal Rebate System/Rebate Aggregator notifies Quality Assurance Provider as job data is uploaded by RA to Federal Rebate System.
2. Quality Assurance Provider selects percentage of jobs for on-site evaluation.
3. Quality Assurance Provider contacts homeowner to schedule evaluation.
4. Results sent to contractor and homeowner.
5. Contractor addresses any deficiencies found during QA.
6. Results reported back to Federal Rebate System and State Oversight
7. State oversees QA and resolves disputes or improper QA activity
8. HOME STAR Process Complete

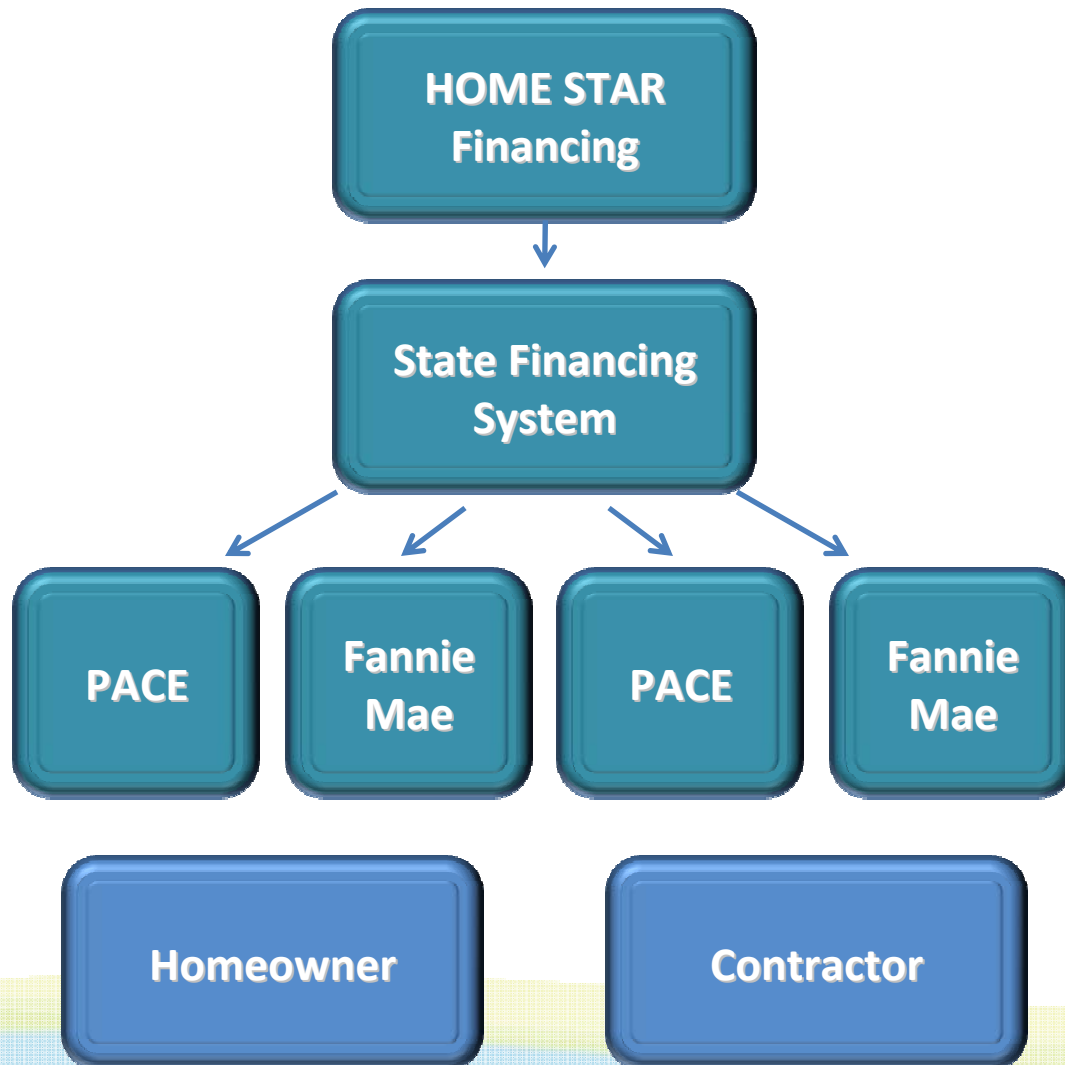
# Contractor On-Boarding



## Contractor On-Boarding

1. Contractor registers with Rebate Aggregator of their choosing.
2. Contractor selects State Authorized QA provider.
3. To be eligible for Silver Star, Contractor provides license and insurance.
4. To be eligible for Gold Star, Contractor provides license, insurance and BPI accreditation.

# HOME STAR Financing



## HOME STAR Financing

1. \$200 million provided to states according to SEP formula to be used as credit support or interest buy downs to increase access and reduce interest rates for consumer financing products.

- Property Assessed Clean Energy (PACE)
- Fannie Mae loans
- Non-collateral loans
- Secured loan products
- On-bill financing

2. Will create as much as \$1.5 billion in available financing.

3. Combining HOME STAR incentives with Financing will ensure homeowners are cash flow positive on day one.

# BPI & Home Star

Larry Zarker, President of Building Performance Institute

## What is BPI Accreditation?

A professional credential awarded by BPI to contracting companies who commit to offering comprehensive “whole house” home performance solutions for their customers.

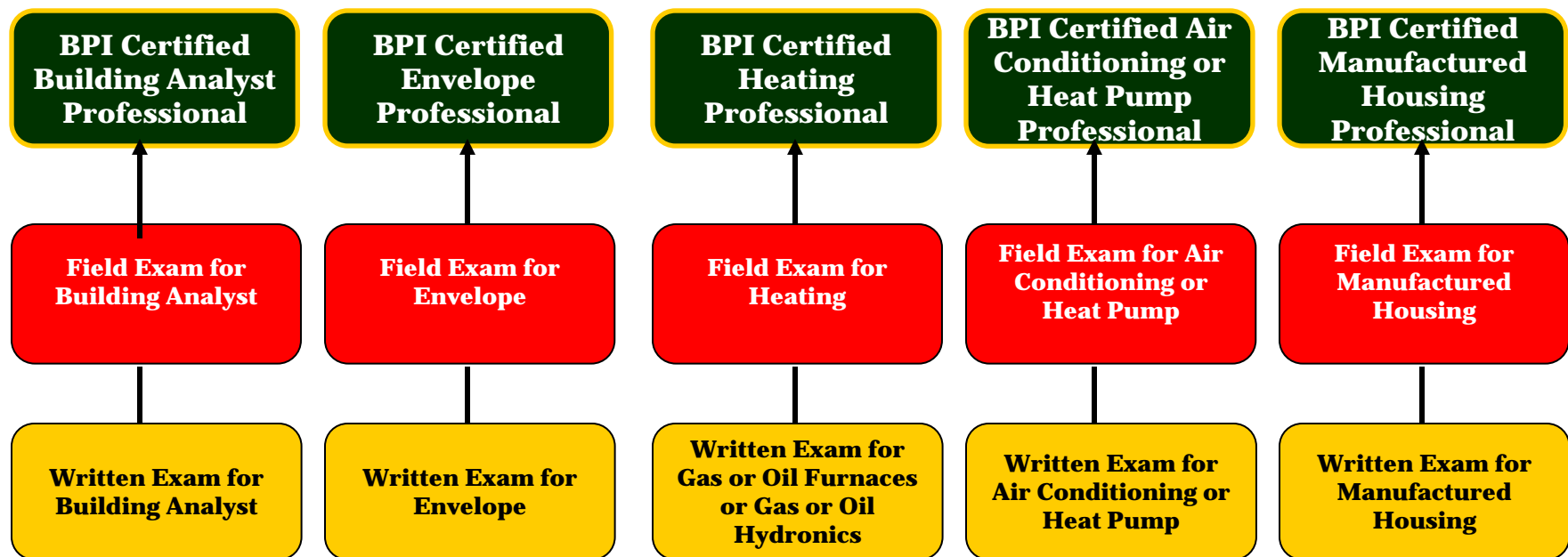


**ACCREDITED  
CONTRACTOR**

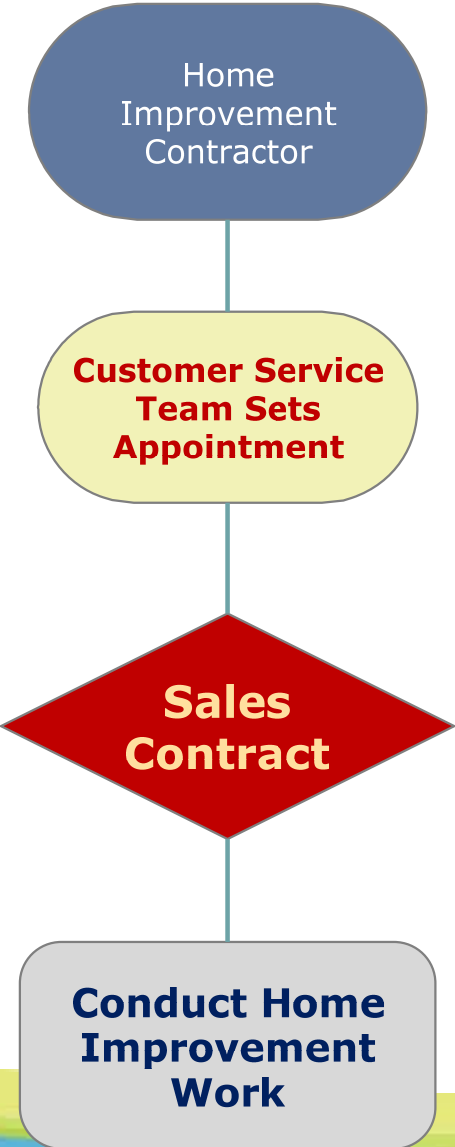
# BPI HPwES Contractor Model

- Educate Customers on Whole-House
- Offer Comprehensive Solutions
- Training & Certification of Key Staff
- Follow BPI Standards in Their Work
- *Do No Harm*
- Independent, Third-Party Quality Assurance Program

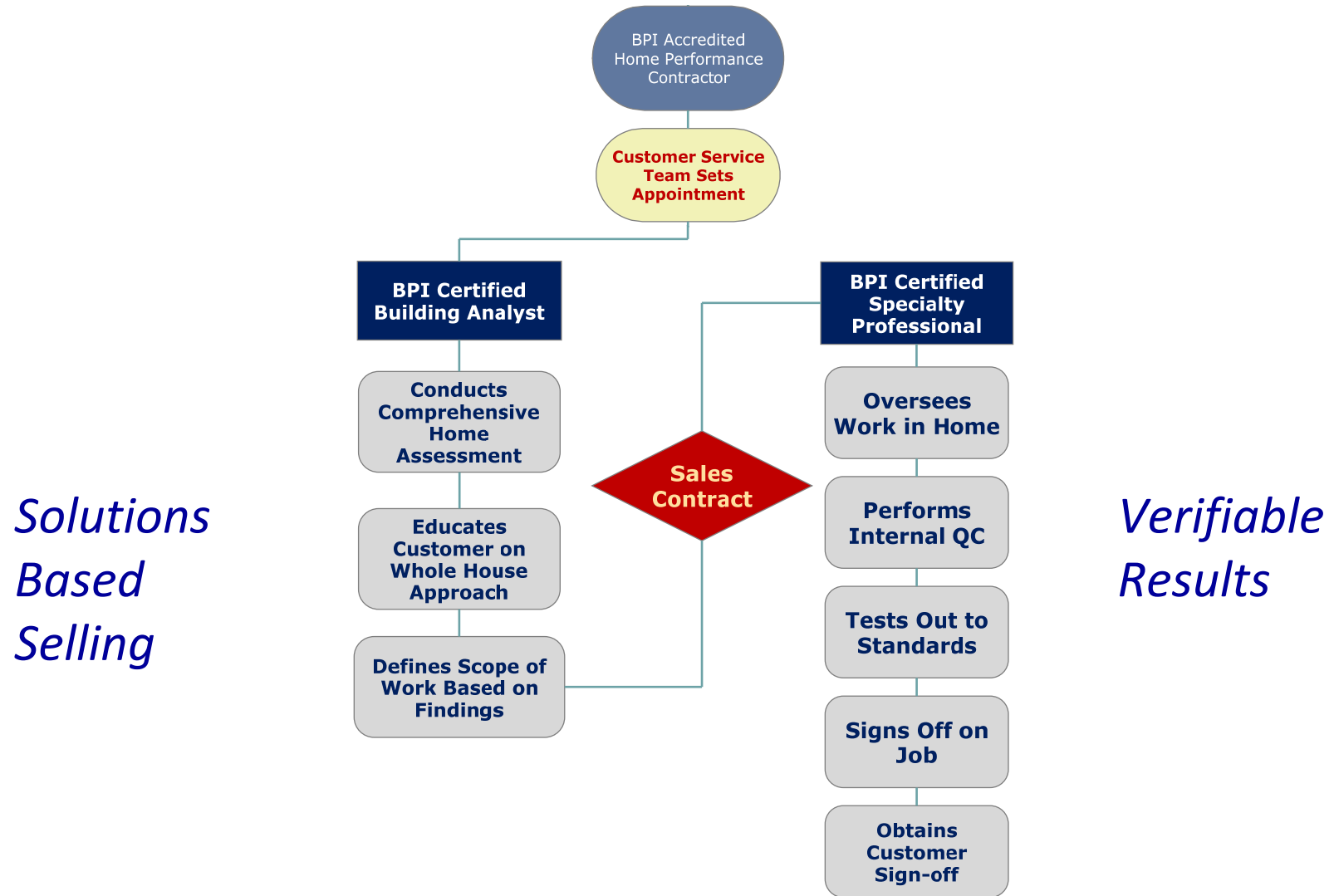
# BPI Certification Model



# Typical Home Improvement Sales Model



## BPI Accredited Home Performance Contractor Model



# BPI & Home Star

- How will BPI members be able to work with Home Star?
  - “Quality Assurance Providers” for Silver and Gold
  - Gold Star
    - calculation of the pre and post retrofit home energy consumption using RESNET approved computer simulation software or other software reference in the legislation
    - Perform retrofit work
  - Post-retrofit home energy ratings
  - As QA Providers, investigation of home owner complaints

# RESNET & Home Star

Steve Baden, Executive Director of  
RESNET

# RESNET & Home Star

- How will RESNET members be able to work with Home Star?
  - “Quality Assurance Providers” for Silver and Gold
  - For Gold Star, calculation of the pre and post retrofit home energy consumption using RESNET approved computer simulation software
  - Post-retrofit home energy ratings
  - As QA Providers, investigation of home owner complaints

# RESNET & Home Star

- Who can certify QA Providers?
  - International Code Council
  - BPI
  - RESNET
  - a State
  - State approved residential energy efficiency retrofit program

# RESNET & Home Star

- Quality Assurance Providers shall be responsible for
  - Ensuring the “competence and qualifications of contractors for or installers of home energy efficiency retrofits”, and
  - Performance of “field verifications” to confirm the compliance of retrofit work with minimum program requirements

# RESNET & Home Star

- Contractor's jobs shall be "field verified" on....
  - 20% of Silver Star jobs
  - 15% of Gold Star jobs
  - 10% for Silver and Gold jobs for contractors using 100% "certified workforce" in accordance with
    - BPI Certification
    - North American Technical Assistance
    - Laborers' International Union of North America

# Our Collective Action

- Efficiency businesses have reported over **48,500** calls and emails to Senators
- Efficiency First and others have held **50** meetings with Senators' in-district offices
- Home Star Coalition has held meetings with **~30** Senators' D.C. offices
- Sierra Club members send over **10,700** emails to Senators in last few weeks

# FAQ

- When does it start?
- Will projects be grandfathered in?
- What delays can I expect in getting paid?
- What are the political challenges?
- Can we combine w/ state, local and utility programs?
- How can I help make this happen?

<http://www.encyfirst.org/home-star/>

# Q & A

