



Home Performance with ENERGY STAR®  
Program Guide

For Fiscal Year 2017  
(7/1/2016 through 6/30/2017)

## Table of Contents

1. Overall Program Description .....	3
2. Target Market .....	3
3. Eligibility & Funding Source .....	3
Eligibility by Housing Type .....	4
5. Links to Website Information .....	5
6. Locating a Contractor .....	6
7. Energy Audit.....	6
8. Incentives & Financing Options .....	7
9. Eligible Measures & Health/Safety .....	8
10. For New or Participating Contractors .....	9
11. Program Terms and Conditions .....	10
12. Quality Assurance Inspections.....	10
13. Program Dispute Resolution.....	11
14. Call Center Support .....	11

## 1. Overall Program Description

Home Performance with ENERGY STAR (HPwES) is a national home performance improvement program developed by the Environmental Protection Agency (EPA) and now administered by the Department of Energy (DOE). The purpose of the program is to offer a comprehensive (“whole-house”) energy efficiency improvement package based on sound building science principles that produce predictable savings and that improve energy efficiency, comfort, safety, and durability.

The New Jersey Home Performance with ENERGY STAR program (the Program) is built on two parallel delivery strategies; providing information, education, and incentives directly to customers to encourage them to undertake significant energy efficiency improvements to their homes; and encouraging contractors to receive the proper training and Building Performance Institute (BPI) GoldStar Program qualifications to provide high quality home energy efficiency services. BPI certifications are based on national standards that ensure that home assessors have the skills required to identify and realize savings opportunities and that best practices are met.

The contractor recruitment element of the Program is designed to ensure an adequate supply of qualified contractors to meet the demand for program services created by the marketing and public education elements. The Program also has encouraged contractors (primarily insulation contractors, HVAC contractors, and remodelers) to transform their business and pursue an integrated, whole house approach to energy efficiency and home improvement.

## 2. Target Market

HPwES is designed to serve existing residential structures in all household income categories, and in particular the broad market not eligible for qualified low income program services. Existing one, two, three and four-family homes, either attached or detached, are eligible to participate as well as low-rise multifamily buildings.

The EPA has recently expanded the definition of buildings eligible to participate in Home Performance programs nationally to include low-rise multi-family buildings, no more than 3-story high (not counting garages). New Jersey has many large developments consisting of low-rise multi-family buildings and a number of contractors are already engaged in serving this market.

## 3. Eligibility & Funding Source

Customers served by one of New Jersey's seven investor owned natural gas or electric utility companies (IOUs), PSE&G, Elizabethtown Gas, New Jersey Natural Gas, South Jersey Gas, JCP&L, Orange & Rockland

Electric, can participate in the program as well as those served by municipal electric companies (ex. Vineland Electric) or own a property heated by oil or propane.

The funding for customers served by oil/propane/or municipal electric companies is provided by DOE State Energy Program (SEP) (not New Jersey) funds which is limited and subject to changes. If SEP funding is exhausted, incentives are no longer available. Prior to a contractor starting a project for a customer in this segment, they should confirm if SEP funding is available.

Customers switching their heating fuel (oil or propane) to a natural gas or electric utility are eligible to participate in the program per incentives in place for rebates and financing.

In general, NJ Clean Energy Program (NJCEP) funds are reserved for homes/projects that will continue to be served by one of the electric or gas IOU companies. Depending on geographic location, there are scenarios in which a home can have a combination of fuel types and utility accounts. For example, a home can be heated by oil/propane but have an electricity account with one of the four electric IOU companies mentioned above, or a municipal electric company account will remain but new natural gas appliances will be installed. In such cases where the account types are mixed, the contractor should confirm which funding source will apply to the project to confirm availability of funds.

#### Eligibility by Housing Type

- Single Family Homes Requirements:
  1. Single-family homes and townhouses, and residential buildings of 2 to 4 dwelling units (individual living spaces) are eligible for the program. All projects are required at a minimum to include air sealing and insulation with pre/post blower door testing. If there are any safety issues that preclude blower door testing, the issue must be resolved before project is eligible for participation. A townhouse is defined as a single-family dwelling unit constructed in groups of three or more attached units in which each unit extends from foundation to roof and with open space on at least two sides.
  2. In buildings of 2 to 4 dwelling units, each unit that has separate fuel metering (i.e. a separate electric meter, natural gas meter, and/or propane or oil tank) and separate HVAC and water heating systems, and can be tested individually with pre/post blower door are eligible for participation as a single unit. Any units that share fuel metering, HVAC, or water heating system, or cannot be separately tested with pre/post blower door are eligible for participation as one combined unit. If the building is done as separate projects, each project is eligible to include the savings above divided equally by number of units in the building.
- Multi-Family Eligibility Requirements
  1. Small multi-family (MF) building developments may participate in HPwES. To be eligible, buildings must have 3 stories or less, single ownership, and total building energy usage that is accessible (through individual metering of the units within the multi-family structure, or a master meter at the building), with a primary heating fuel of natural gas, electric, oil or propane.

2. A MF building is eligible to participate in the program if it is made up of five or more dwelling units in a single building, or multiple buildings (each with five or more units), within a single geographic boundary and with a single property management structure, but no more than three stories high and with energy usage data available at the individual unit or at a building level (as opposed to sites with two or more buildings heated by a central heating plant or serviced by a common utility meter).
3. Multi-family buildings that do not meet these criteria may fall into the Commercial & Industrial (C&I) program.
4. A [decision tree](#) is available on the NJCEP website to help identify which program is most appropriate for a specific multifamily building.

## 5. Links to Website Information

- The below link routes to the Home Performance webpage explaining the key features of the program. It also includes pertinent information on how to get started and how to find a contractor that will deliver the services of the program:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/home-performance-energy-star-r>
- The below link routes to the Trade Ally page where you can search for participating contractors by zip code or radius search:  
[http://njcleanenergy.com/tradeally/disclaimer?path=/residential/tools-and-resources/tradeally/advanced\\_vendorsearch/?id=57](http://njcleanenergy.com/tradeally/disclaimer?path=/residential/tools-and-resources/tradeally/advanced_vendorsearch/?id=57)
- The below link routes to the Energy Audit page which explains what you can expect from a home energy audit including an instructional video on the audit process:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/what-expect-home-energy-assessment>
- The below links routes to the Eligible Measures PDF document:  
[http://www.njcleanenergy.com/files/file/Residential%20Programs/HP/Contractor%20Portal%20Documents/FY2016/2016%20FY%20NJ%20HPwES%20Eligible%20Measures%20and%20Cust%20Eligibility%20-%2007\\_01\\_15.pdf](http://www.njcleanenergy.com/files/file/Residential%20Programs/HP/Contractor%20Portal%20Documents/FY2016/2016%20FY%20NJ%20HPwES%20Eligible%20Measures%20and%20Cust%20Eligibility%20-%2007_01_15.pdf)
- The below link routes to the program Benefits and Incentives page including additional links pertaining to the loan and repayment options that are available:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/benefits-and-incentives>
- The below link routes to a Frequently Asked Questions (FAQ) page for the program:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/frequently-asked-questions>

- The below link routes to the Contractor page:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/contractors/contractors>
- The below link routes to testimonials from customers who have recently participated in the program:  
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/testimonials>

## 6. Locating a Contractor

As stated above, Home Performance is a “whole-house” solution to evaluating, analyzing, and improving a home’s energy usage and consumption and increasing its comfort for its inhabitants. The first step is to identify a Home Performance **Building Performance Institute** (BPI) GoldStar contractor who will schedule and conduct a home energy survey according to BPI and DOE guidelines. Only **BPI GoldStar** contractors are permitted to participate in the program.

It should be noted that some contractors will offer the survey at no-cost to the homeowner, while others may charge a fee. It is recommended that you interview more than one BPI GoldStar contractor before selecting one.

## 7. Energy Audit

The selected contractor will conduct an energy survey documenting the home in its current state. The survey will include:

- Health and safety checks (carbon monoxide levels, moisture, and indoor air quality problems)
- Overall comfort level such as cold/hot spots, stale odors, stuffiness, etc.
- Air sealing opportunities
- Insulation levels
- Heating system efficiency
- Cooling system/central air conditioning efficiency
- Water heating system efficiency

After the energy survey is completed, the contractor will present a report detailing the findings along with any recommended measures to improve the home’s energy consumption and comfort. Using software, the contractor will model a package, or array of measures that the homeowner can choose to partake in which will result in reduced energy consumption, improved comfort, and savings. To help offset the cost of these upgrades, the program offers cash rebates and low interest financing that is tiered, depending upon the Total Energy Savings (TES) achieved by installing the package of measures.

## 8. Incentives & Financing Options

The program does not offer any rebates for having the home energy survey completed (Tier 1). As stated above, some contractors may offer this service at no cost to the homeowner. To qualify for Tier 2 and 3 incentives, at a minimum, air sealing and insulation must be performed. Table 1 below displays the incentives available for single-family homes and Table 2 displays the incentives for multi-family homes.

Table 1: Single-Family and Townhouse Incentive Chart

Incentive Tier	Total Estimated Energy Savings (TES) Requirement	Required Measures	Customer Incentive
Tier 1	N/A	Energy Audit only	None
Tier 2	5% to 19.9%	<ul style="list-style-type: none"> <li>Must install air sealing &amp; insulation in at least one location and address any health/safety issues.</li> <li>May also install additional insulation, duct sealing, duct insulation and water heater measures from the eligible measures list.</li> </ul>	<b>\$2,000</b> rebate, not to exceed 50% of the costs of the eligible measures used to calculate TES, and up to a <b>\$5,000</b> loan at 0%, 7-year term, if utility financing is unavailable.*
Tier 3-Level 1	20% to 24.99%	<ul style="list-style-type: none"> <li>Must install air sealing &amp; insulation in at least one location and address any health/safety issues.</li> <li>May include additional measures (see list).</li> </ul>	<b>\$3,000</b> rebate, not to exceed 50% of the costs of the measures used to calculate TES, and either up to a <b>\$10,000</b> loan at 0%, 7-year term, or 4.99% financing up to a 10-year term or up to <b>\$15,000</b> if utility financing offer is unavailable.*
Tier 3 – Level 2	At least 25%	<ul style="list-style-type: none"> <li>Must install air sealing &amp; insulation in at least one location and address any health/safety issues.</li> <li>May include additional measures (see list).</li> </ul>	<b>\$4,000</b> rebate, not to exceed 50% of the costs of the measures used to calculate TES, and either up to a <b>\$10,000</b> loan at 0%, 7-year term, or 4.99% financing up to a 10-year term or up to <b>\$15,000</b> if utility financing is unavailable.*

\*In some cases, utility companies offer an On-bill financing arrangement. Refer to the website for more details.

- Consumer loans are offered and underwritten by the NJ Credit Union League (cuGreenLoans Program) or Energy Finance Solutions (EFS) in conjunction with the program. Loan qualification guidelines will differ for each lender. Refer to their online or mail-in applications for their underwriting standards and terms and conditions.
- South Jersey Gas (SJG) and New Jersey Natural Gas (NJNG) both offer financing options; SJG offers a loan managed by EFS and NJNG offers an On-bill Repayment Program. Customers residing in SJG or NJNG territories must first apply through their gas utility HPwES financing program; if declined, customers may apply for HPwES financing through the other lenders.

- Energy improvement upgrades may also qualify for Federal Tax Credits. Tax issues should be directed to a qualified tax planning expert.

Table 2: Multi-family Incentive Chart

Incentive Tier	Total Estimated Energy Savings (TES) Requirement	Required Measures	Customer Incentive
Tier 1	N/A	Energy Audit only	None
Tier 2	5% to 14.99%	<ul style="list-style-type: none"> <li>• Must install air sealing and insulation in at least one location.</li> <li>• May also install duct sealing, duct insulation, and water heater measures from the Eligible Measures List.</li> </ul>	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$500 per unit.
Tier 3-Level 1	15% to 19.99%	<ul style="list-style-type: none"> <li>• Must install air sealing and insulation in at least one location.</li> <li>• May include additional measures from Measures list.</li> </ul>	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$1,000 per unit.
Tier 3 – Level 2	At least 20%	<ul style="list-style-type: none"> <li>• Must install air sealing and insulation in at least one location.</li> <li>• May include additional measures from Measures list.</li> </ul>	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$1,500 per unit.

## 9. Eligible Measures & Health/Safety

Refer to Section 3 for the link that routes to the list of eligible measures, their minimum efficiency requirements or installation requirements. The list of eligible measures is categorized into broad categories and encompasses the following list:

1. Insulation
2. Air Sealing with pre/post blower door testing
3. Duct Sealing
4. Duct Insulation
5. Exhaust Ventilation Fans
6. Heat/Energy Recovery Ventilator
7. HVAC integrated with fan control and mechanical damper
8. Heating System – Furnaces/Boilers/Heat Pumps (including Geothermal)
9. Cooling System – Central and Mini-Split Systems
10. Water Heaters – Tank, Tankless, Indirect Fired, and Heat Pump

In addition to the above list, health and safety measures are also part of the Home Performance scope of work. As part of this assessment, the first \$2,000 of costs associated with any combination of the following health and safety measures is eligible for incorporation into the work scope for Tier 2 or Tier 3 projects:

1. Smoke, Radon, or Carbon Monoxide detectors
2. Repairs/upgrades to combustion venting systems
3. Radon, Lead, or Asbestos abatement necessary to install eligible measures



4. Electrical service upgrade necessary to install new HVAC equipment
5. Vapor barriers in crawl spaces
6. Fuel line leak repairs
7. Repairs to the home due to water damage, mold, or mildew, ice dams, or other evidence of poor building performance

Ineligible measures include appliances, lighting, doors, and windows. Lastly, please be aware of the following:

- All materials and installed equipment must be new and the energy efficiency improvements must be contracted, provided, and installed by a **BPI GoldStar** contractor participating in the program.
- All installed measures must meet or exceed the minimum requirements outlined in the list of eligible measures.
- Supporting technical documentation such as AHRI Certificates, Manual J and S Calculations, pressure pan testing, pre/post blower door testing, etc. is required to be provided with the application submittal. The contractor will submit these documents on their customer's behalf.

## 10. For New or Participating Contractors

Participating contractors active in the program must be BPI GoldStar certified and have a current annual certification. Technicians performing the audits must also be designated as a BPI GoldStar contractor.

Additional requirements to become a participating HPwES contractor include:

- Have been in business for at least one year
- Be registered with the NJ Department of Revenue
- Be registered with the state of New Jersey as a business and have a NJ Home Improvement Contractor (HIC) License
- Have at least a \$1 Million general liability insurance coverage
- Have a federal tax ID number

After the above requirements are satisfied, an application must be submitted to the program and if approved, an orientation session will occur to review the details of the program. An HPwES Contractor Participation Agreement must be signed, diagnostic equipment purchased, and BPI training with exams must be completed to earn the GoldStar certification.

## 11. Program Terms and Conditions

In addition to all the information presented in this document, other terms and conditions apply and are presented below:

1. Customers replacing heating or cooling systems who receive incentives on their new HVAC systems under the Home Performance program are not eligible to receive incentives from New Jersey's Clean Energy HVAC *WARM* and *COOL* Advantage programs.
2. Insulation installations must comply with the requirements detailed in the HPwES Eligible Measures document. Insulation is not required in cases where all open, accessible areas of the home are currently at or exceed the IECC 2009 prescriptive R-values.
3. Contractors should be aware of key dates (and expiration dates) pertaining to projects. After a project has been enrolled, the contractor has 120 days to complete the project and submit completion paperwork to the program, before the project expires. If a project expires, the contractor will need to re-enroll the project, which will be eligible for the incentive levels available at the time of re-enrollment.
4. The Contractor production incentive will be eliminated if the project fails an initial quality control field inspection. In addition, the contractor will be blocked from enrolling new projects if the issues found during the inspection remain unresolved for more than 30 days from the time they are notified of the failed inspection. As soon as the issues are resolved, the contractor will once again be allowed to enroll new projects. The elimination of the contractor incentive will not be applied to new contractors for their first ten inspections.
5. Incentives are payable only upon satisfactory project completion.
6. A NJ homeowner may apply for a second HPwES project at the same site (home/townhouse) only under the following conditions: 1) The contractor must perform a new survey based on the current existing conditions of the home after the first completed HPwES project; and 2) The total incentives from both projects cannot exceed current HPwES incentives caps based on the second project's estimated total energy savings (TES). These rules only apply to a single homeowner for the length of the home ownership. A NJ homeowner may apply for a second HPwES project at a different site (home/townhouse).

## 12. Quality Assurance Inspections

The HPwES program conducts Quality Assurance inspections of at least 10% of all projects completed. If a new contractor is entering the program, the first ten projects will be inspected to ensure compliance with all program requirements. An authorized representative of the program may schedule an appointment to inspect the measures after the measures have been installed, but prior to the final submittal of documents required to process any incentives.

The inspectors use a checklist based off the guidelines to confirm that the program requirements have been met. If a project should fail the inspection, the contractor will be given a detailed report showing which items have to be remediated. After the remedial work is done and is deemed satisfactory, a report must be signed by the contractor and homeowner and submitted to the program. A second inspection may occur to ensure program compliance depending on the severity of the issues. Failed inspections result in a contractor not obtaining the production incentives that are available.

Contractors that are continually failing inspections or found not meeting program requirements will be subject to Contractor Remediation procedures and if serious enough can be terminated from participating in the program.

### 13. Program Dispute Resolution

Disputes, concerns, or complaints that arise will be addressed initially by the Program Manager or Program Staff at the point of contact. If resolution for whatever reason is not possible, there is a dispute resolution process backed by the NJ Board of Public Utilities which can be found on the following link:

<http://www.njcleanenergy.com/main/board-public-utilities/board-public-utilities-0>

For contractual disputes between a system owner and installer or registrant, the NJ Division of Consumer Affairs (DCA) is the point of contact and the agency has an online complaint form.

The program is designed to allow for participation by any third party contractor that meets the program requirements. There are BPU approved contractor remediation procedures that will be followed if a contractor is found to violate program procedures and rules or consistently violates program requirements which may include being barred from participating in the program.

### 14. Call Center Support

NJCEP operates a call center staffed weekdays between 8 AM and 7 PM. The phone number is 866-NJSMART. The call center is trained in answering general questions about the HPwES program and application processes, as well as able to provide specific information pertaining to an application.