



Home Performance with ENERGY STAR®
Program Guide

For Fiscal Year 2019
(7/1/2018 through 6/30/2019)

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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 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 a home’s 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 multi-family buildings.

The EPA expanded the definition of buildings eligible to participate in Home Performance programs nationally to include low-rise multi-family buildings, no more than 3-stories high (not counting garages). New Jersey has many large developments consisting of low-rise multi-family buildings and several 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. Those served by municipal electric companies (ex. Vineland Electric) or own a property heated by oil or propane may also participate, pending funding availability.

The funding for customers served by oil/propane/or municipal electric companies is provided by DOE State Energy Program (SEP) funds, which is limited and subject to changes. If SEP funding is exhausted, incentives are no longer available and language will be updated on the NJCEP website on the HPwES Program page. 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 using NJCEP funding per incentives available at that time (rebates and financing).

In general, *New Jersey's 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 with the program 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 is eligible for participation as a single unit/project. Estimated Total Energy Savings (TES) is calculated per 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, with TES calculated for the one unit/building.
- Multi-Family Eligibility Requirements
 1. Small multi-family (MF) building developments may participate in HPwES. 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 modeling available at the individual unit or at a building level (as

- opposed to two or more buildings heated by a central heating plant). Estimated TES is calculated for the entire building, not by unit.
2. Multi-family buildings that do not meet these criteria may fall into the Commercial & Industrial (C&I) program.
 3. A [decision tree](#) is available on the NJCEP website to help identify which program is most appropriate for a specific multi-family building.

4. 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
- 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 link routes to the Eligible Measures PDF document:
[http://www.njcleanenergy.com/files/file/Residential%20Programs/HP/Contractor%20Portal%20Documents/FY2019/2019%20FY%20NJ%20HPwES%20Eligible%20Measures%20and%20Cust%20Eligibility%20final\(1\).pdf](http://www.njcleanenergy.com/files/file/Residential%20Programs/HP/Contractor%20Portal%20Documents/FY2019/2019%20FY%20NJ%20HPwES%20Eligible%20Measures%20and%20Cust%20Eligibility%20final(1).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>
- The below link routes to information on the Direct Install and Building Envelope pilots, including eligibility, incentives, and participating contractors:
<http://njcleanenergy.com/residential/programs/home-performance-energy-star/home-performance-pilots>

5. Locating a Contractor

As stated above, Home Performance is a “whole-house” solution to evaluating, analyzing, and improving a home’s energy usage 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.

6. HPwES Energy Audit/Assessment

The selected contractor will conduct an energy assessment, documenting the home in its current state. The assessment 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 assessment 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 their recommended measures, as agreed to by the customer, to determine the project’s estimated Total Energy Savings (TES). To help offset the cost of these upgrades, the program offers rebates and low interest financing, the amount of which is based on the estimated TES achieved by installing the package of measures.

7. Incentives & Financing Options

The program does not offer any rebates for having the home energy assessment 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, attic air sealing 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 Comprehensive projects	5% to 19.9%	<ul style="list-style-type: none"> Must install air sealing, must add ≥6-inches insulation to existing attic insulation when < 7 inches** and must address any health/safety issues. May also install additional insulation, duct sealing, duct insulation and water heater measures from the eligible measures list. Heating and A/C equipment is not eligible. 	\$2,000 rebate, not to exceed 50% of the costs of the eligible measures used to calculate TES, and up to a \$5,000 loan at 0%, 7-year term, if utility financing is unavailable.*
Tier 3-Level 1 Comprehensive projects	20% to 24.99%	<ul style="list-style-type: none"> Must install air sealing, must add ≥6-inches insulation to existing attic insulation when < 7 inches** and must address any health/safety issues. May include additional measures (see list). 	\$3,000 rebate, not to exceed 50% of the costs of the measures used to calculate TES, and either up to a \$10,000 loan at 0%, 7-year term, or up to a \$15,000 loan at 4.99% financing up to a 10-year term, if utility financing offer is unavailable.*
Tier 3 – Level 2 Comprehensive projects	At least 25%	<ul style="list-style-type: none"> Must install air sealing, must add to existing attic insulation when <7 inches** and must address any health/safety issues. May include additional measures (see list). 	\$4,000 rebate, not to exceed 50% of the costs of the measures used to calculate TES, and either up to a \$10,000 loan at 0%, 7-year term, or up to a \$15,000 loan at 4.99% financing up to a 10-year term, if utility financing is unavailable.*
Direct Install (DI) Pilot***	Can be included with any above qualifying comprehensive project	<ul style="list-style-type: none"> Contractor must provide and install a total of 9 direct install items from below list: <ul style="list-style-type: none"> 6 to 9 ENERGY STAR LED screw in lightbulbs replacing same number of ≥60-watt incandescent bulbs 1 EPA WaterSense 1.5 gpm shower head to replace ≥2.5 gpm unit 1 to 2 EPA WaterSense 1.5 gpm faucet aerators replacing ≥2.2 gpm units (1 kitchen, 1 bathroom) 	At no cost to the homeowner
Building Envelope Pilot***	N/A	<ul style="list-style-type: none"> Attic air sealing of ≥500 sq. ft. of attic space Insulation of ≥500 sq. ft. in attics (requires air sealing), walls or floors (existing attic insulation must not be ≥7-inches, walls and floors must have no existing insulation) <ul style="list-style-type: none"> All projects require installation of mechanical ventilation 	\$500 for attic air sealing and/or \$500 for an insulation installation, (max rebate of \$1,000 per home, not to exceed 50% of cost)

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

**Including filling the gap when attic area is floored and gap between existing insulation and flooring >2-inches, all installations must follow code.

***Direct Install and Building Envelope pilots requires use of a participating contractor, see the list of contractors at <http://njcleanenergy.com/residential/programs/home-performance-energy-star/home-performance-pilots>.

- 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 each lender's 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.

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 Comprehensive project	5% to 14.99%	<ul style="list-style-type: none"> • Must install air sealing, must add ≥6-inches insulation to existing attic insulation when <7-inches**, must install mechanical ventilation, and address all health & safety issues. • May also install duct sealing, duct insulation, and water heater measures from the Eligible Measures List. • Heating and A/C equipment is not eligible. 	Rebate of 50% of the costs of the measures used to calculate TES up to \$500 per unit.
Tier 3-Level 1 Comprehensive project	15% to 19.99%	<ul style="list-style-type: none"> • Must install air sealing, must add ≥6-inches insulation to existing attic insulation when <7-inches**, must install mechanical ventilation, and must address all health & safety issues. • May include additional measures from Measures list. 	Rebate of 50% of the costs of the measures used to calculate TES up to \$1,000 per unit.
Tier 3 – Level 2 Comprehensive project	At least 20%	<ul style="list-style-type: none"> • Must install air sealing, must add ≥6-inches insulation to existing attic insulation when <7-inches**, must install mechanical ventilation, and must address all health & safety issues. • May include additional measures from Measures list. 	Rebate of 50% of the costs of the measures used to calculate TES up to \$1,500 per unit.
Direct Install (DI) Pilot	Can be included with any above qualifying comprehensive project	<ul style="list-style-type: none"> • Contractor must provide and install a total of 9 direct install items from below list: <ul style="list-style-type: none"> • 6 to 9 ENERGY STAR LED screw in lightbulbs replacing same number of ≥60-watt incandescent bulbs • 1 EPA WaterSense 1.5 gpm shower head to replace ≥2.5 gpm unit • 1 to 2 EPA WaterSense 1.5 gpm faucet aerators replacing ≥2.2 gpm units (1 kitchen, 1 bathroom) 	At no cost to building owner

**Including filling the gap when attic area is floored and gap between existing insulation and flooring >2-inches, all installations must follow code.

8. Eligible Measures & Health/Safety

Refer to Section 3 for the link that routes to the list of eligible measures for comprehensive projects, 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, Heat Pump and Solar

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 comprehensive 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. Upgrade of Knob and tube wiring necessary to install insulation
6. Vapor barriers in crawl spaces
7. Fuel line leak repairs
8. Clothes dryer semi-rigid or rigid metal vented to outdoors. Exhaust ducts R7 insulation in unheated spaces & pitched up to outdoors.
9. ENERGY STAR dehumidifier to control source moisture.

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 with 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.

- Appropriate supporting technical documentation such as AHRI Certificates, heating and cooling load calculations (e.g. ACCA Manual J) and selecting correctly sized equipment in accordance with ACCA Manual S, 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.

9. For New or Participating Contractors

Participating Contractors active in the program must be designated as a BPI GoldStar Contractor and have at least one person on staff that holds a current Building Analyst (BA) certification. BPI training with exams must be completed to earn the GoldStar designation and BA certification. The Building Envelope pilot is open to non-BPI GoldStar contractors that are licensed and attend a full-day program training class and pass a quiz.

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 all work scope applicable required licenses, such as a NJ Home Improvement Contractor (HIC) License, Master HVACR, Master Plumber, or Electrical Contractor license
- Have at least a \$1 Million general liability insurance coverage policy
- Have a federal tax ID number

When the above requirements are satisfied and after attending an orientation session to review basic details of the program, an application must be submitted to the program. If approved, a Program Overview Training will be scheduled to review in depth all details of the program. An HPwES Contractor Participation Agreement must be signed, diagnostic equipment purchased, access to program software granted, and a listing on the Trade Ally Database will be posted to complete the process of becoming a participating contractor.

10. 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 or the Building Envelope pilot Guide if participating in the pilot. An insulation upgrade is not required to be included in comprehensive projects in cases where all open, accessible areas of the attic are currently at or exceed 7-inches of insulation. Attics with existing insulation of ≥ 7 -inches or walls and floors with any existing insulation are not eligible for insulation incentives under the Building Envelope pilot.
3. After a Tier 2 or 3 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 will not receive their production incentive for a specific Tier 2 or 3 project if it fails a 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. Contractors new to the program will receive a production incentive for each of their first ten projects, whether they fail inspection or not.
5. Incentives are payable only upon satisfactory project completion.
6. A NJ homeowner may apply for a second Tier 3 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). A home that has participated under a Tier 2 or 3 project previously is not eligible for incentives under the Building Envelope pilot. 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).

11. 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 and the final completion documents required to process incentives have been submitted to the program by the contractor.

The inspectors confirm that the program requirements have been met. If a project does not pass the inspection, the contractor will be given a detailed report showing which items must be remediated; minor quality of install issues may be given a conditional status while projects with multiple and/or health & safety issues are given a failed status. 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; photos of non-health

& safety repairs may be accepted in lieu of re-inspections. A second inspection may occur to ensure program compliance depending on the severity of the issues. A failed inspection results in a contractor not obtaining the production incentive for that Tier 2 or 3 project.

Contractors that repeatedly fail inspections or are found not meeting program requirements will be subject to Contractor Remediation procedures. If serious enough, a contractor may be barred from participating in the program.

12. 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 the customer and contractor, the NJ Division of Consumer Affairs (DCA) is the point of contact; the agency has an online complaint form.

The program is designed to allow HPwES contractors to use subcontractors who are not GoldStar Certified, but the HPwES contractor is responsible for ensuring that the installation meets program requirements. BPU approved contractor remediation procedures 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.

13. 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.