



FY2016 Notice of Changes

Home Performance with ENERGY STAR® Program

The New Jersey Board of Public Utilities, at its' June 17, 2015 Board Agenda meeting, approved the New Jersey Clean Energy Program's [Fiscal Year 2016 \(FY2016\) compliance filings](#) which run from July 1, 2015 through June 30, 2016.

The filing contained significant program changes to the Home Performance with ENERGY STAR (HPwES) Program as outlined below. New incentive levels and requirements for Single Family and Townhouse projects will go into effect on August 1, 2015. New incentive levels and requirements for Multi-Family projects will go into effect on July 1, 2015.

The following tables present the new HPwES incentives structure for FY2016.

NJ HPwES FY2016 Single-Family Incentives and Requirements – Effective Date August 1, 2015:

INCENTIVE TIER	REQUIREMENTS	CUSTOMER INCENTIVE	CONTRACTOR INCENTIVE
Tier 1	Energy audit only	No incentives	No incentives
Tier 2	Estimated total energy savings from all work must total at least 5% but less than 20%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the home. May also install duct sealing, duct insulation, and water heater measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$2,000. 0% financing with a 7-year maximum term up to \$5,000 where a utility financing offer is unavailable.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, a \$500 production incentive will be paid to the contractor.
Tier 3	Level 1. Estimated total energy savings from all work must total at least 20but less than 25%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the home. May include additional measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$3,000. Either 0% financing with a 7-year maximum term up to \$10,000 or 4.99% financing with a 10-year maximum term up to \$15,000, where a utility financing offer is unavailable.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, a \$500 production incentive will be paid to the contractor.
	Level 2. Estimated total energy savings from all work must total at least 25%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the home. May include additional measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$4,000. Either 0% financing with a 7-year maximum term up to \$10,000 or 4.99% financing with a 10-year maximum term up to \$15,000, where a utility financing offer is unavailable.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, a \$500 production incentive will be paid to the contractor.



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NJ HPwES FY2016 Multi-Family Incentives and Requirements – Effective Date July 1, 2015:

INCENTIVE TIER	REQUIREMENTS	CUSTOMER INCENTIVE	CONTRACTOR INCENTIVE
Tier 1	Energy audit only	No incentives	No incentives
Tier 2	Estimated total energy savings from all work must total at least 5% but less than 15%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the building. May also install duct sealing, duct insulation, and water heater measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$500 per unit.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, the contractor will be paid a \$50 production incentive per unit.
Tier 3	Level 1. Estimated total energy savings from all work must total at least 15% but less than 20%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the building. May include additional measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$1,000 per unit.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, the contractor will be paid a \$50 production incentive per unit.
	Level 2. Estimated total energy savings from all work must total at least 20%. Must install air sealing. Must install insulation in at least one, open accessible area of the thermal boundary of the building. May include additional measures from the Eligible Measures List.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$1,500 per unit.	Upon satisfactory project completion, including meeting program guidelines for quality work and addressing health/safety issues, the contractor will be paid a \$50 production incentive per unit.

NJ HPwES Incentives and Requirements Notes (referring to charts above):

- Customers replacing heating and/or central cooling systems who receive incentives on their new HVAC systems under the NJCEP HPwES Program may not apply for or receive additional incentives from the NJCEP WARM/COOL Advantage program.
- Insulation installations must comply with the requirements detailed in the NJ HPwES Eligible Measures document.
- NJ utilities may offer a 0% loan or on-bill repayment plan up to \$10,000 for Tier 3 projects or a 4.99% loan or on-bill repayment plan up to \$15,000 for Tier 3 projects; and/or a 0% loan or on-bill repayment plan up to \$5,000 for Tier 2 projects to underwrite the non-rebated portion of the customer cost for HPwES projects in their service territories. NJCEP will offer a 0% or 4.99% loan for HPwES work for any participants where a utility loan or on-bill repayment program is not in place or in instances where a utility customer has been denied through the utility program.

4. NJ utilities may fund HPwES incentives for Tier 3 and/or Tier 2 projects in their service territories. NJCEP will continue to provide incentives for any project where a utility incentive program is not in place or does not cover the full incentive amount due as noted in the table above.
5. The Market Manager will coordinate with the Program Coordinator and the Office of Clean Energy to process and pay incentives from funds supplied by other sources as they may become available.
6. Appliances, lighting, doors, and windows are not measures eligible for Program incentives.
7. The measures used to calculate TES may also include health & safety measures and qualified accessories, as listed on the NJ HPwES Eligible Measures document, as a component to the installations of Eligible Measures.
8. To accelerate consumer awareness while leveraging private investment through program marketing, the Market Manager has set the co-op marketing percentage at 50% of qualifying advertising with a cap of \$75,000 per contractor. Details regarding co-op advertising requirements can be found in the HPwES contractor portal.
9. Projects will continue to have expiration dates. The contractor will need to re-enroll projects to the program following the Auto Proceed process for projects not completed and submitted to the program prior to their expiration date, and will be eligible for the incentive levels available at the time of re-enrollment.
10. The Contractor production incentive will be eliminated if the project fails an initial quality control field inspection. In addition, the contractor will be locked out of the Auto Proceed process if project issues 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 be unlocked from the software. The elimination of the contractor incentive will not be applied to new contractors for their first ten inspections.
11. Incentives are payable only upon satisfactory project completion.
12. 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 audit based on the 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).

If you have questions regarding program changes or effective dates, contact the Home Performance with ENERGY STAR Program at 866-NJSMART (657-6278).