



February 16, 2011

Dear Program Participant,

Thank you for your commitment to the New Jersey ENERGY STAR Homes program. We appreciate your participation and your efforts to reduce New Jersey's energy dependence. This notice is to inform you of several important changes for 2011.

Please read the following details carefully and contact your Rating Company if you have any questions. Note that only homes located in State designated "Smart Growth" Areas (Defined as Planning Areas I & II and Designated Centers) continue to be eligible for financial incentives, unless in a specifically exempted construction category.

## PROGRAM CHANGES - HIGHLIGHTS

### 1. Transition to ENERGY STAR New Homes Version 2.5/3

The current ENERGY STAR New Homes Version 2.0 is being phased out in 2011. The transition to Version 2.5/3.0, originally scheduled for January 1, 2011, has been delayed by the EPA, and is now scheduled to begin on April 1, 2011. More specifically, homes that are permitted prior to April 1, 2011 will be able to continue to complete under Version 2.0 – effectively extending the start of Version 2.5 by 3 months. Note that *completion* deadlines remain unchanged, as does the mandatory transition date to Version 3.0 (currently January 1, 2012). For more details, please see the attached EPA revised Version 3.0 Implementation Schedule. Note that both the permit date and the completion date for your home must comply with EPA's schedule.

### 2. Technical Requirements/Tiers/Rebates

There will be two levels of participation: (1) EPA ENERGY STAR New Homes guidelines with New Jersey specific program requirements and (2) NJ Climate Choice Homes. For homes completing under ENERGY STAR New Homes Version 2.0, technical requirements have not changed. For homes completing under ENERGY STAR New Homes Version 2.5/3.0, qualifying homes must:

- Meet the EPA ENERGY STAR New Homes Standards in accordance with the published schedule (attached), which may be subject to changes made by the EPA. Multifamily buildings over three floors and up to six floors may be required to demonstrate compliance through the EPA ENERGY STAR for High-Rise Multifamily Buildings Standard (buildings over six floors may participate through New Jersey **Clean Energy Program**<sup>TM</sup>'s C&I Smart Start Buildings program);

- Comply with the EPA-mandated checklists in accordance with the published schedule as applicable (new checklists will be phased-in over the course of 2011);
- Comply with all EPA mandatory additional requirements (including proper HVAC sizing and duct leakage limits) according to the schedule as applicable;
- Install ENERGY STAR qualified HVAC equipment (or highest available alternative);
- Fully duct all HVAC supplies and returns and fully seal all duct system joints and seams with mastic compound (no tapes) as applicable;
- Install ENERGY STAR qualified mechanical ventilation with automatic 24-hour control, as required by ASHRAE 62.2 compliance as applicable;
- Install ENERGY STAR labeled CFL bulbs in at least 60% of all light sockets (including exterior fixtures) or comply with the EPA Advanced Lighting Package (ALP);
- Install only direct or power vented space heating, water heating and/or fireplace combustion appliances, when present.

Your Rating Company can assist you with understanding the new checklists, sizing and testing requirements being phased in under ENERGY STAR New Homes Version 2.5/3.0.

**Table 1: 2011 Financial Incentives per Unit**

<b>Building Type</b>	<b>2011 ENERGY STAR New Homes Version 2.0<sup>1</sup></b>	<b>2011 ENERGY STAR New Homes Version 2.5/3.0<sup>2</sup></b>	<b>2011 NJ Climate Choice Home<sup>3</sup></b>
Single Family	Tier 1: \$1,800 Tier 2: \$2,800	\$3,500	\$10,000 to achieve a HERS index of 50, plus \$800 per index point below 50 (maximum incentive is \$26,000/unit)
Multiple Single Family ("Townhouse")	Tier 1: \$1,300 Tier 2: \$1,800	\$2,625	\$7,000 to achieve a HERS index of 50, plus \$500 per index point below 50 (maximum incentive is \$17,000/unit)
Multiple-Family Building ("Multifamily")	Tier 1: \$1,000 Tier 2: \$1,200	\$1,750	\$4,000 to achieve a HERS index of 50, plus \$400 per index point below 50 (maximum incentive is \$12,000/unit)
Design Progress Payment	\$300 Per Design	\$0	\$0
Pre-Drywall Progress Payment	\$300 Per Unit	\$0	\$0
Final Progress Payment	\$600 Per Unit	\$0	\$0

Note 1: These incentives are in effect until ENERGY STAR New Homes Version 2.0 sunsets according to the EPA ENERGY STAR New Homes Version 3 implementation schedule.

Note 2: These incentives are in effect upon within 30 days of implementation date of Versions 2.5/3.0 by EPA. Progress payments will be consolidated with the incentive payment, which is paid out following

ENERGY STAR qualification of the unit/building. All 2011 ENERGY STAR New Homes Version 2.5/3.0 incentive payments will be made upon completion and certification of unit.

Note 3: These incentives are in effect as of 1/1/2011. The Climate Choice Homes program has a limited budget and the Market Manager will cease making commitments when the budget is fully expended or committed. All committed incentives will be honored.

Table 2: Climate Choice Home Staged Incentive Payment Schedule<sup>1</sup>

Building Type	At Completion of Enrollment (Sign-In) <sup>2</sup>	At Completion of Pre-Drywall Inspection(s) <sup>2</sup>	At Final Certification
Single Family	\$3,000	\$3,000	Balance
Multiple Single Family ("Townhouse")	\$2,000	\$2,000	Balance
Multiple-Family Building ("Multifamily")	\$1,000	\$1,000	Balance

Note 1: NJ Climate Choice Home incentives will be updated upon review of the forthcoming release of EPA Concept Home guidelines.

Note 2: Failure to complete the project, or to meet NJ Climate Choice Home minimum specifications and/or performance goals, will result in repayment to the Program of incentives paid, less any applicable incentives for meeting all lower tier qualifying level requirements. In this circumstance, the Market Manager will generate a letter to the appropriate party requesting any monies due.

**3. High-Rise Multi Family Projects transition to the Open Rater Market**

New Jersey ENERGY STAR Homes will continue to support the ENERGY STAR for Multifamily Building (new construction) program for eligible buildings over three floors, based on the ASHRAE 90.1 modeling methodology rather than the Home Energy Rating System. Beginning in 2011, implementation services (project review and verification) will be provided by the open market for rating services and certification. The program will provide oversight through quality assurance activities within this program area. Incentives listed in Table 1 (Version 2.0/multi-family building/tier 1 only) apply. All applicable requirements and guidelines established by EPA for this program must be met, in addition to any NJ ENERGY STAR Homes- specific requirements.

**4. CFL Lighting reimbursement program discontinued**

The program will no longer offer reimbursement for CFLs purchased through the Builder Portal, or elsewhere.

**5. Project Application and Specification Submittal Forms replaced by one simplified Site Submittal Form**

In 2011 the procedure for submittals will change. Instead of submitting a Project Application and a Specification Submittal Form for every project, Raters will now submit a Site Submittal Form for *each unit to be rebated* by its individual specific address, with the exception of multifamily buildings which may be submitted on a per-building basis, along with a complete listing of all unit addresses. Further details for submission requirements will follow in a separate update.

For more information, please contact the program: Thank you.

866-NJSMART

<http://www.NJCleanEnergy.com/njesh>