



ELIGIBLE MEASURES (For Program fiscal year July 1, 2019 to June 30, 2020)

Home Performance with ENERGY STAR® is designed to transform the way energy efficiency services are delivered to existing 1-4 family homes and low-rise multifamily buildings. To qualify for cash incentives and financing options offered through the Program, all materials and equipment must be purchased new and the energy efficiency improvements must be contracted with a BPI GoldStar contractor participating in the Program and must meet or exceed the minimum efficiency requirements as specified below. All projects must include at least attic air sealing and an attic insulation upgrade if required as defined below for each project. For FY20 HPwES incentives, see tables on page 2 (single family) and page 4 (multi-family).

Building Shell (Tier 2 or 3)		Minimum Requirements⁵
Air Sealing - Required		Attic and any attached garage air sealed, conducted by participating contractor
Attic Floor Insulation - May be Required		If existing attic floor insulation <7-inches = must install at least 6-inches
Insulation (if proposing an upgrade where no existing insulation):		Meet NJ State code and efficiency requirement
Attic floor		R-49- installed R-value of insulation material
Roof deck (may not be combined with attic floor)		R-49 installed R-value of insulation material
Walls- above grade		R-20 installed R-value of insulation material (or minimum fill enclosed cavity)
Floors		R-19 installed R-value of insulation material (R-30 climate zone 5)
Foundation walls, band joists- basement, crawl space.....		R-10 installed continuous R-value of insulation material (R-15 climate zone 5)
Ducted Distribution System⁴ (Tier 2 or 3)		Minimum Requirements⁴
Duct Sealing.....		UL 181 B Mastic; tape is disallowed
New Ductwork/ Duct Insulation		Sealed with mastic plus R-8 in attics, all other locations R-6 (except in conditioned)
Mechanical Ventilation (Tier 2 or 3)		Minimum Efficiency Requirements⁷
Exhaust Ventilation Fans		ENERGY STAR Qualified (must vent to exterior of building shell)
Heat/Energy Recovery Ventilator		No minimum efficiency requirement
HVAC integrated with fan control and mechanical damper		Installed with eligible furnace installation with ECM/ ICM motor
Public Gas / Public Electric Utility	Heating System (Tier 3 only)	
	Furnace – Natural Gas	Minimum Efficiency Requirements^{1,2} AFUE 92.0%
	Boiler – Hot Water – Natural Gas	AFUE 85.0%
	Boiler – Steam – Natural Gas.....	AFUE 82.0%
	Air Source Heat Pump (Central & Mini Split Systems) ⁸	14.5 SEER / 12.0 EER / 8.5 HSPF
	Ground Source Heat Pump ³	Open loop 21.1 EER / 4.1 COP Closed loop 17.1 EER / 3.6 COP
	Cooling Equipment (Tier 3 only)	
	Air Conditioner (Central Ducted Split System)	Minimum Efficiency Requirements^{1,2} 14.5 SEER / 12.0 EER
	Water Heater (Tier 2 or 3)	
	Tank- Natural Gas, power/direct vent (i.e. not Category I venting)	Minimum Efficiency Requirements¹ ≤55 gallons & Uniform Energy Factor - UEF 0.64
Tank- Natural Gas, power/direct vent (i.e. not Category I venting)	>55 gallons & Uniform Energy Factor UEF 0.85	
Tankless On-Demand- Natural Gas	<2 gallons & Uniform Energy Factor – UEF 0.90 (effective August 1, 2019)	
Indirect-Fired Tank (Tier 3 only with a qualifying boiler install)	≥16 gals., with a minimum of R-5 insulation	
Heat Pump Water Heaters	Energy Factor - Uniform Energy Factor – 2.0	
Oil, Propane, Municipal Electric	Heating System⁶- (Tier 3 only)	
	Furnace – Propane.....	Minimum Efficiency Requirements^{1,2} AFUE 92.0%
	Furnace – Oil	AFUE 85.0%
	Boiler – Hot Water – Propane/Oil.....	AFUE 85.0%
	Boiler – Steam – Propane/Oil	AFUE 82.0%
	Air Source Heat Pump (Central & Mini Split Systems) ⁸	14.5 SEER / 12.0 EER / 8.5 HSPF
	Ground Source Heat Pump ³	Open loop 21.1 EER / 4.1 COP Closed loop 17.1 EER / 3.6 COP
	Cooling Equipment⁶ (Tier 3 only)	
	Air Conditioner (Central Ducted Split System)	Minimum Efficiency Requirements^{1,2} 14.5 SEER / 12.0 EER
	Water Heater⁶ (Tier 2 or 3)	
Tank – Oil	Minimum Efficiency Requirements¹ Uniform Energy Factor – UEF 0.62	
Tank - Propane, power/direct vent (i.e. not Category I venting)	≤55 gallons & Uniform Energy Factor - UEF 0.64	
Tank - Propane, power/direct vent (i.e. not Category I venting) . Tankless	>55 gallons & Uniform Energy Factor UEF 0.85	
On-Demand - Propane.....	<2 gallons & Uniform Energy Factor – UEF 0.90 (effective August 1, 2019)	
Indirect-Fired Tank (Tier 3 only with a qualifying boiler install)	≥16 gals., with a minimum of R-5 insulation	
Heat Pump Water Heaters	Uniform Energy Factor – UEF 2.0, or greater	

¹ Requires submittal of AHRI Certificate, or for Cold Climate heat Pumps only the submittal of manufacturers specifications as verification of SEER/EER/HSPF and 100% of rated heating capacity at 5 degrees F
² As specified by NJ Code, system selected in accordance with ACCA Manual S based on loads calculated in accordance with ACCA Manual J.
³ Requires submittal of loop design/sizing
⁴ Duct seal of existing ducts requires pre & post pressure pan testing and verification of air flow/ New duct installs require duct pressurization testing @ <10% system airflow leakage and verification of airflow
⁵ As specified by the NJ Rehabilitation Code, where no insulation exists, installed insulation R-values must meet IECC 2015 Table R402.1.2 or fill enclosed cavities
⁶ Oil/Propane and Municipal Electric (OPM) served equipment upgrades are eligible until June 30, 2020 or until SEP funds are fully exhausted - check Portal for updates on remaining FY 2020 funding.
⁷ Mechanical ventilation must be installed in compliance with ASHRAE 62.2 2013/16
⁸ Heat pumps installed as supplementing primary heat source must be modeled for the percentage of load served not exceeding the percentage based on weighted capacity of all heating systems in the home

Eligible Measures:

The only measures that may be included in a work scope, be applied toward TES calculations and be eligible for incentives are those that are listed on and meet the requirements as specified above, approved qualified accessories or health & safety as listed below and are proposed to be newly purchased, provided and installed by a HPwES Participating Building Performance Institute (BPI) GoldStar contractor. A Participating BPI contractor may subcontract all or a portion of their contracted work scope to any licensed contractor qualified for the work being performed if the Participating BPI contractor oversees the work being performed in accordance with applicable code and Industry and BPI installation standards. The contract of the full work scope submitted to the NJ HPwES Program is required to be contracted directly with the Participating BPI contractor submitting the project to the program in order to be eligible for incentives. Any portion of a work scope that the customer has agreed to pay to a subcontractor, or any other entity directly is not eligible for Program incentives. All payments must be made to the participating HPwES contractor.

QUALIFIED ACCESSORIES

The costs associated with the installation of qualified accessories for Eligible Measures are eligible for incorporation into financing offered through the Program. These costs can also be included in the portion of the work scope being incentivized through the Home Performance work scope subsidy. Qualified Accessories are only eligible when installed as part of the installation of an associated Eligible Measure under the HPwES Program.

- **Qualified Eligible Accessories Include:** hydronic distribution parts, advanced boiler controls, ductwork, grills, diffusers, chimney liners, mechanical air cleaners, gas piping within the home, and programmable thermostats as part of an installation of an associated eligible DHW or central HVAC system installed as part of the HPwES work scope. Recessed light fixtures that are ICAT Rated and ENERGY STAR qualified are eligible as part of an eligible attic floor insulation upgrade. Service contracts, extended warranties, the initial assessment, and permits, are eligible for incorporation into financing and subsidies offered through the Program.

HEALTH & SAFETY MEASURES

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 of projects.

- Smoke, Radon, or Carbon Monoxide Detectors.
- Repairs/upgrades to combustion venting systems and power venting kits, measures to provide sufficient combustion air and prevent Combustion Appliance Zone (CAZ) depressurization, spillage or inadequate draft.
- Radon, lead, or asbestos abatement necessary to install eligible measures.
- Electrical service upgrade necessary to replace a heating/cooling unit included in the work scope.
- Upgrade of knob and tube wiring in order to install insulation in the area where knob & tube is present only.
- Crawlspace vapor barriers - installed in accordance with IECC 2015 R402.2.11, grading around foundation and gutter repairs to address water intrusion; and attic passive ventilation.
- Fuel line leak repairs - Permanent repairs, does not include oil tank leak repairs or replacement. The cost of an oil tank replacement when included with an eligible oil heater replacement.
- Exhaust fan and clothes dryer semi-rigid or rigid metal vented to outdoors, R7 insulation in unheated spaces & pitched up to outdoors.
- ENERGY STAR dehumidifier to control source moisture.

FY2020 HPwES INCENTIVES - Single Family & Townhouse Projects:

INCENTIVE TIER	MINIMUM REQUIREMENTS	CUSTOMER INCENTIVES	URBAN ENTERPRISE ZONE (UEZ) LOW TO MODERATE INCOME (LMI) AFFORDABLE HOUSING BONUS INCENTIVES ¹
Tier 1	Energy audit only	No incentives	No incentives
Tier 2	<p>Estimated total energy savings from all work must total at least 5% but less than 20%. Must install air sealing, must add ≥6 inches insulation to existing attic insulation when <7 inches³ and must address any health/safety issues.</p> <p>May also install additional insulation, duct sealing, duct insulation and water heater measures from the Eligible Measures List.</p> <p>Heating and A/C equipment is not eligible.</p>	<p>Cash rebate of 50% of the costs of the measures used to calculate TES up to \$2,000.</p> <p>0% financing, 7-year term, up to \$5,000²</p> <p>For projects financed with EFS, loans under \$5,000 have a 3-year term</p>	<p>Requires verification of one of the following.</p> <p>Low to Moderate Income (LMI).</p> <p>Or the dwelling is located within Urban Enterprise Zone (UEZ)</p> <p>Or the dwelling is designated as Affordable Housing.</p> <p>An additional incentive of \$500 (Total incentive may not exceed 80% of total project cost)</p>
Tier 3	<p>Level 1.</p> <p>Estimated total energy savings from all work must total at least 20% but less than 25%. Must install air sealing, must add ≥6 inches insulation to existing attic insulation when <7 inches³ and must address any health/safety issues.</p> <p>May include additional measures from the Eligible Measures List.</p>	<p>Cash rebate of 50% of the costs of the measures used to calculate TES up to \$3,000.</p> <p>Either 0% financing, 7-year term, up to \$10,000 or 0.99% financing, 9-year term, up to \$15,000²</p>	<p>Requires verification of one of the following.</p> <p>Low to Moderate Income (LMI).</p> <p>Or the dwelling is located within Urban Enterprise Zone (UEZ)</p> <p>Or the dwelling is designated as Affordable Housing.</p> <p>An additional incentive of \$750 (Total incentive may not exceed 80% of total project cost)</p>
	<p>Level 2.</p> <p>Estimated total energy savings from all work must total at least 25%. Must install air sealing, must add ≥6 inches to existing attic insulation when <7 inches³ and must address any health/safety issues.</p>	<p>Cash rebate of 50% of the costs of the measures used to calculate TES up to \$4,000.</p> <p>Either 0% financing, 7-year term, up to \$10,000 or 0.99% financing, 9-year term, up to \$15,000²</p>	<p>Requires verification of one of the following.</p> <p>Low to Moderate Income (LMI).</p> <p>Or the dwelling is located within Urban Enterprise Zone (UEZ)</p>

	May include additional measures from the Eligible Measures List.		Or the dwelling is designated as Affordable Housing. An additional incentive of \$1,000 (Total incentive may not exceed 80% of total project cost)
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¹ Required to submit screen shot of home's address verified as being located in a UEZ. Submit documentation of household income to EFS for LMI. Visit <http://www.energyfinancesolutions.com/forhomeowners-nj-lmi-income-verification> to download a screening application. Customers eligible for the Affordable Housing, means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This includes, by way of example only, the New Jersey Department of Community Affairs listing of Affordable Housing available here <https://www.state.nj.us/dca/divisions/codes/publications/developments.html> as well as official documents showing identification by the documents regarding New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

² In some cases, utility companies offer an On-bill financing arrangement. Refer to the website for more details.

³ Including filling the gap when attic area is floored and gap between existing insulation and flooring >2 inches, all installations must follow code.

New Jersey Home Performance with ENERGY STAR® Program Customer Eligibility

All customers and projects must meet all applicable requirements as listed below for Program and incentive eligibility.

○ **Eligibility by Fuel Type**

Each fiscal year a portion of the State Energy Program (SEP) funds are allocated for oil/propane/municipal electric (OPM) customers under the NJ HPwES program. When/if these funds are depleted, the SEP-funded Home Performance with ENERGY STAR incentives are no longer available; contractors need to check the Clean Energy Program (CEP) website for funding availability. When SEP funds are depleted, only customers serviced by a natural gas or electric investor-owned utility (IOU) or are converting the heat fuel to an electric investor-owned utility** are eligible to participate in the Program for cash-back incentives and 0% interest financing.

Investor-Owned Utility (IOU) Natural Gas or Electric Eligibility Requirements

Customers are required to have an IOU account to validate Program eligibility of the project. Please reference the table below of scenarios for customer funding eligibility depending on their heating fuel and electric provider.

Existing Heat Fuel	New Heat Fuel	Electric Provider	Funding Source
Electric/ Oil/Propane/Nat gas	Natural Gas	IOU or Municipal	CEP
Electric/ Oil/Propane/Nat gas	Electric	IOU	CEP
Oil/Propane	Oil/Propane- no new equipment	IOU with existing Central Air	CEP
Oil/Propane	Oil/Propane– new equipment	IOU with or <u>without</u> existing Central Air	SEP
Oil/Propane	Oil/Propane	Municipal	SEP
Electric/Oil/Propane	Electric	Municipal	SEP

When SEP funding is depleted, the following SEP funded measures are not eligible within the Program; these measures are only eligible when SEP funding is available. When SEP funding is depleted, the measures and any cost associated with the measures listed below may not be entered into Program software, cannot be included in energy savings calculations, cannot be included within the project cost and are not eligible for cash-back incentives and/or program financing. Please refer to the updated **FY 2020 NJ HPwES Eligible Measures List** on page 1 of this document.

● **SEP Funded Measures:**

<u>Oil or Propane</u>	<u>Municipal Electric</u>
<ul style="list-style-type: none"> - Heating Equipment - Heat-Only duct system upgrades - DHW Equipment 	<ul style="list-style-type: none"> - Central Air Conditioning Equipment - Air Conditioning or heat pump Only Duct system upgrades - Air Source Heat Pump - Ground Source Heat Pump - Heat Pump DHW

** Investor Owned Utilities (IOU):

- | | | |
|--|---|---------------------------------|
| ○ Atlantic City Electric (ACE) | ○ Public Service Electric & Gas (PSE&G) | ○ New Jersey Natural Gas (NJNG) |
| ○ Jersey Central Power & Light (JCP&L) | ○ South Jersey Gas (SJG) | ○ Elizabethtown Gas |
| ○ Rockland Electric Company | | |

○ **Eligibility by Housing Type**

○ **Single Family Home Eligibility Requirements**

Single family homes and townhouses¹, and residential buildings of 2 to 4 dwelling units (individual living spaces) are eligible for the Home Performance with ENERGY STAR Program, which have a primary heating fuel of natural gas, electric, oil, or propane. All NJ HPwES 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

¹ NJ IRC R202: Townhouse: A single-family dwelling unit constructed in a group of three or more attached units in which each unit extends from foundation to roof and with open space on at least two sides

preclude blower door testing, the issue must be resolved before project is eligible for participation. Each single-family unit may include a 25% cfm50 reduction from initial blower door test, up to 1,000 cfm50 reduction towards the total energy savings calculations.

- 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 DHW 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 or tank, HVAC, or DHW system, or cannot be separately tested with pre & post blower door are eligible for participation as one combined unit. The whole building is eligible to include up to 1,000 cfm50 toward total energy savings calculations. If a dwelling unit is done as separate project, the dwelling may include a maximum reduction of 1,000 cfm50 divided by number of dwelling units in the building. For example: a building of 4 units with two units sharing a heating system, with the other two units meeting the separate requirements above, the project is eligible as 3 projects and the infiltration reductions would be 500 cfm50 for the shared units and 250 cfm50 for each of the other two.

FY2020 HPwES INCENTIVES - Multi-Family Projects:

Note: During FY20 the NJCEP will launch the Whole Building Path C of the new NJCEP Multifamily Program, at that time, multifamily buildings of 5 or more dwelling units must apply for participation under that program.

- **Multi-Family Eligibility Requirements**

For the purposes of the New Jersey Home Performance with ENERGY STAR program, a multi-family 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 at the building level. Multi-family facilities that do not meet these criteria fall into the Commercial & Industrial (C&I) program. Each unit is eligible to include a reduction in air leakage toward the total energy savings calculations based on 1,000 cfm50 x the number of units with an attic space directly above, divided equally by the number of units in the building. For example: a building with 6 units with an attic space and a total of 14 dwelling units: 6,000/ 14 = 429 cfm50 per unit.

INCENTIVE TIER	MINIMUM REQUIREMENTS	CUSTOMER INCENTIVES	URBAN ENTERPRISE ZONE (UEZ) OR AFFORDABLE HOUSING ³ BONUS INCENTIVES ¹
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 add ≥6 inches insulation to existing attic insulation when <7 inches ² , 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.	Cash rebate of 50% of the costs of the measures used to calculate TES up to \$500 per unit.	Confirmed building located within a designated Urban Enterprise Zone (UEZ) or designated as Affordable Housing. An additional incentive of \$500 (Total incentive may not exceed 80% of total project cost)
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 add ≥6 inches insulation to existing attic insulation when <7 inches ² , must install mechanical ventilation, and must address all health & safety issues. 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.	Confirmed building located within a UEZ or Affordable Housing. An additional incentive of \$750 (Total incentive may not exceed 80% of total project cost)
	Level 2. Estimated total energy savings from all work must total at least 20%. Must install air sealing, must add ≥6 inches insulation to existing attic insulation when <7 inches ² , must install mechanical ventilation, and must address all health & safety issues. 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.	Confirmed building located within a UEZ or Affordable Housing. An additional incentive of \$1,000 (Total incentive may not exceed 80% of total project cost)

1 Required to submit screen shot of home's address verified as being located in a UEZ.

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

3 "Affordable Housing" means any housing that an official document identifies as participating in a federal, state, or local affordable housing program. This includes, by way of example only, the New Jersey Department of Community Affairs listing of Affordable Housing available here <https://www.state.nj.us/dca/divisions/codes/publications/developments.html>, as well as official documents showing identification by the documents regarding New Jersey Housing and Mortgage Finance Agency, United States Low Income Housing Tax Credit (LIHTC), and United States Housing and Urban Development (HUD).

New Jersey Home Performance with ENERGY STAR®

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