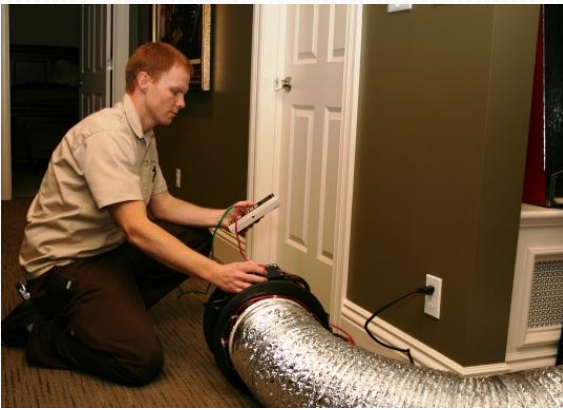


Utah Home Performance with ENERGY STAR®



State
Energy
Program
UTAH GEOLOGICAL SURVEY



What is the Home Performance with ENERGY STAR Program?

- A national program from the U.S. EPA and U.S. DOE that takes a comprehensive, whole-house approach to improving energy efficiency and comfort at home, while helping to protect the environment
- Certified contractors participate in a locally-sponsored Home Performance with ENERGY STAR (HPwES) program
- These specially-trained contractors evaluate a home using state-of-the-art equipment and recommend comprehensive improvements that will yield the best results

Why Home Performance with Energy Star?

- In 2008, the Utah residential sector consumed 20% of total energy use (surpassed the commercial sector in 2003)
 - 28.6% natural gas consumed
 - 31.1% electricity consumed
- Utah Utilities will be at a generation deficit in 2-3 years (= increasing costs to consumer)
- Efficiency is proven to be cost-effective and helps to at curb generation demand
- Helps to meet Utah's Energy Goals of improving energy efficiency by 20% by 2015

Why HPwES... continued

- Challenges

- For the homeowner:

- A home is a complex energy system
 - You can't see BTU's, kWh's
 - High upfront capital costs for some measures
 - Energy Retrofitting is dirty work
 - Unknown return on investment (counter tops or tankless water heater?)
 - Disaggregated incentives are confusing (utility rebates, tax credits)

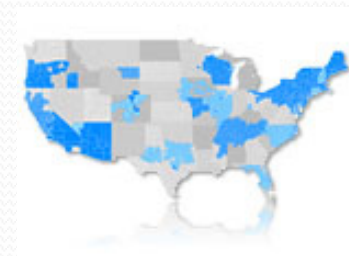
- Opportunities

- Homeowner/contractor education
 - One-stop-shopping for homeowner
 - Tangible/quantifiable results (you will save this much....this is how)
 - Very marketable (niche for building industry)
 - Financeable (niche for loan industry)
 - May increase property values



We are not the first!

- 29 states, 40 programs
- Salt Lake County
- More to come...
- If passed, Federal Home Star Legislation will drive demand of HPwES programs across the country.



Utah HPwES

- Start date July 1
- Contracted Implementers
 - Portland Energy Conservation Incorporated (PECI)
 - Nexant
- Goals
 - Develop qualified workforce to self-promote the retro-fit industry.
 - Achieve long-term energy savings from older homes (pre-2000).
 - Help Utah residents offset the cost of energy retrofits
 - Support stakeholders energy efficiency Programs, i.e. RMP, QGC, munis, and Co-ops.
 - Develop infrastructure to help ensure the program is **sustainable**.
 - **Make HPwES program label transferable after USEP funding is expended.**

Utah HPwES-program facts

- Cost to homeowner: \$100 (covers initial home energy audit)
- Estimated participating Home Performance Partners: ~50
- Home audits performed: ~2,773
- Households making energy efficiency improvements: ~758
- Rebate Amounts
 - No individual measure rebates
 - A percentage of the total job cost – after utility rebates
 - 50% or 80% depending on income
 - capped at \$2,000 (does not include federal tax credit)

Utah HPwES-the process...

- Scheduling & Screening
 - Customers schedule Assessment by calling toll-free number or choosing Analyst on-line.
 - Program and Analysts conduct pre-screening to ensure customers a good fit.
 - Aim to work with stakeholders to have them refer candidates including:
 - State Weatherization Assistance Program
 - Utilities.

Utah HPwES-the process...

- The Whole House Assessment
 - Includes:
 - Visual inspections
 - Diagnostic inspections
 - Analysis of utility bills
- Analyst provides homeowner with:
 - ***Energy Performance Score*** – visual representation of their homes energy consumption (0-100)
 - Summary of recommended improvements
 - Information about Program and utility rebates
 - Program application
 - Lists of qualified contractors
 - Information about financing
 - Box of energy saving measures and coupons
- Contractors may follow up with a more comprehensive scope of work and bid.

Utah HPwES-the process...

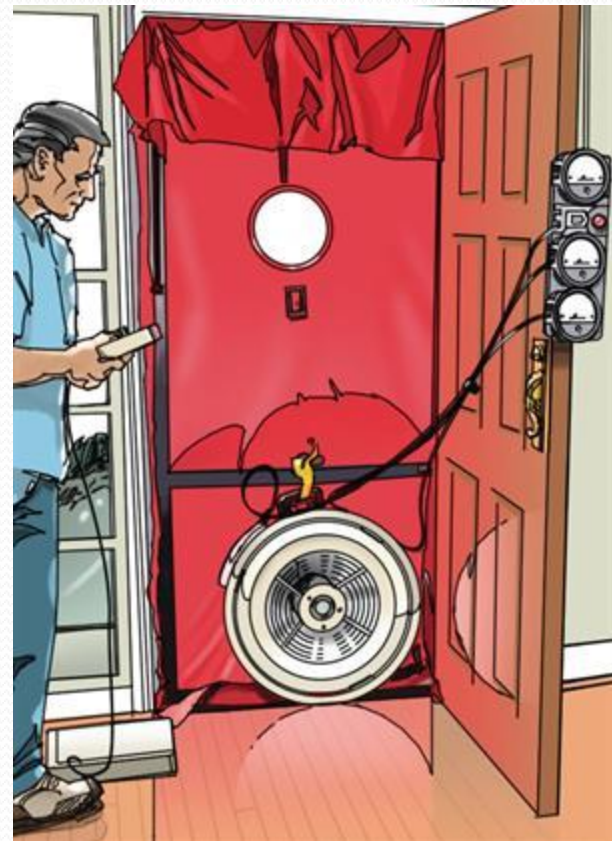
- Scheduling work
 - The Analyst can bid on work if they are qualified Home Performance Contractors
 - Homeowner can select a contractor whom they wish to contact them at the time of the Assessment
- Selected Contractors contact the homeowner to schedule a bid
- If health and safety issues are identified, they need to be resolved before other work is done

Utah HPwES-the process...

- Financing and income verification
 - Program still looking at (2) options
 - Loan Loss Reserve?
 - Leave it to the Banks for creative packages?
 - Green loans, same-as-cash loans, etc...
- Before homeowner accepts a bid, they may pursue financing (product options, TBD)
- Income verification necessary to determine homeowner's rebate level (50% or 80%)
- Program obligates money for homeowner rebates after bid acceptance

Utah HPwES-the process...

- Test out and completion
 - Upon completion, test out inspection is conducted to ensure work meets HPwES requirements
 - Program will review test out results and if satisfactory, mail homeowner a certificate and rebate check.



Utah HPwES-the process...

- Rebate Processing
 - Customer sends invoices to the Program for reimbursement
 - The Program processes invoices in aggregate
 - Customers apply for utility rebates or tax credits on their own



Utah HPwES-Measures/Specifics

- Program does not provide rebates above what is already offered by the utilities
- Rebates of either 50% or 80% (based upon income level) offset the job-cost after utility rebates
- Homeowners must install recommended measures in hierarchy to ensure the greatest savings:
 - air sealing
 - attic, floor and wall insulation
 - any additional qualified measures

Contractor Recruitment and Training

- Existing HERs raters will be recruited as first group of analysts to provide quick-start.
- HPwES contractors will be recruited through:
 - Existing relationships.
 - Outreach to local organizations including HBAs.
- Will need to be BPI certified to participate in Program.



ACCREDITED
CONTRACTOR

Technical Support

- Participating contractors will be mentored on Assessments and test-outs.
- “Paper review” of assessments also conducted.
- Program adopts Mentoring approach – help and/or re-training utilized if there are challenges.

Quality Assurance

- Random on-site QA inspections will be conducted on partner projects.
- Additional inspections will be triggered upon customer complaint.
- QA also conducted on cost proposals or bids to ensure accuracy.

Marketing Strategies

- Comprehensive Program Website
- Press and earned media efforts
- Targeted marketing activities to segments of the population or housing stock
- Participation in outreach events
- Coordinate with statewide marketing efforts of Questar, RMP and other stakeholders where possible. Could include:
 - Brochures
 - Bill inserts
 - Web links
 - PR (i.e. Therm appearing on talk shows and news appearances)
- Provide Manufacturers & distributor-sponsored discount coupons at Assessment

Caveat...some homes are just not worth it...and will not qualify!



Note: This is not a “Green” retrofit.

HOMESTAR Federal Legislation

- Creates 2-year Federal rebate program for comprehensive home energy audit and retrofit (based on HPwES)
- Passed House, Introduced in Senate (SB 3177)
- Funded at \$6 billion (House) and \$5 billion (Senate)
- Rebates up to \$8,000
 - Also increases Federal tax credit caps up to \$3,000
- Financing program included:
 - Funds available to State to create PACE, Loan Loss Reserve, Loan Buy-downs, Revolving Loans, etc.
 - State to qualify lenders.
- May pass Senate by July recess (by-partisan support/Jobs Bill)

Questions/Comments?

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