

New York State - Energy Efficiency Portfolio Standard Working Group 2 – Program Summaries

Program Name: One to Four Family Homes

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Administering Entity: NYSERDA

Targeted Sector: new and existing one-to-four family homes, certain low-rise multis (new construction)

Funding years	Funding Source	Total Budget (Millions)	Cumulative Funds Spent (Millions)	Current Annual Expenditures (Year Millions)	Energy Savings		Demand Savings		Total Resource Cost (TRC) Results*
					Cumulative (MWh)	Current Annual (MWh)	Cumulative System Coincident Load Reduction (MW)	Current System Coincident Load Reduction (MW)	
2001 - 2011	SBC Energy Efficiency & Low Income funds	\$191.2	\$93.5	\$18.4	27.5 GWh 1,137,462 MMBtu	6.7 GWh 306,401 MMBtu	5.2 MW	0.3 MW	1.2
Fall 2005 – Fall 2008	NGrid gas (upstate) – low income only	3.5	2.18	1.2	Still being calculated		Still being calculated		
Fall 2004 – Fall 2008	Con Ed gas	1.5	0.18	1.2	Still being calculated, incremental savings		Still being calculated		

* Or similar measure performance (e.g. TMET). Include description of cost test(s), identify if the analysis is retrospective or prospective and include any reference or links to on-line documents on evaluation as appropriate.

Description of Total Market Effects Test (TMET-1): Compares quantifiable resource life-cycle benefits from program participants and spillover (net of free-ridership) effects against both NYSERDA and customer costs (where applicable) incurred in achieving those benefits. See [March 2007 Quarterly Evaluation Report](#), section 3. The test used here, TMET-1, is the most conservative test (does not include market price effects, non-energy benefits, and macroeconomic benefits. Does not include post-program benefits related to market transformation.

Program Description: See [SBC III Operating Plan](#), section 5.1

Home Performance with ENERGY STAR. Uses participating BPI-accredited contractors to perform comprehensive whole-house assessments, deliver services, provide low-interest financing/cash incentive to customer. Subsidy for income-eligible households below 80% SMI; supported by workforce development and QC/QA programs, multi-media advertising. Provides training, BPI accreditation & certification, diagnostic equipment & co-op advertising incentives to partners. Low income (assisted) component currently being delivered with enhanced subsidies in National Grid Gas service territory (upstate). Enhanced incentives offered in Con Edison gas service territory for high-efficiency equipment. Tiered program to be implemented that will better track participant and contractor incentives to comprehensiveness of work accomplished.

New York ENERGY STAR Labeled Homes. NYESLH provides technical assistance and financial incentives to one-to four-family home builders to encourage the adoption of energy-efficient design features and the selection and installation of more energy-efficient equipment in new construction and substantial renovation projects. The program is an enhanced version of the EPA's ENERGY STAR Qualified New Homes Program. There is also an Assisted component available to residents with up to 80% of SMI. Tiered program recently implemented helps encourage performance beyond basic ENERGY STAR level. Currently being delivered with enhanced incentives for high-efficiency equipment in Con Edison Gas territory.

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Relationship to Staff Proposal: Fast-track expansion proposed for Home Performance with ENERGY STAR - NYSERDA continue to implement. Indicates that gas system incentives could be offered as an enhancement to the program, with possible adjustments to the program to enable more near-term implementation. This is consistent with a recent modification to the program. Fast-track expansion proposed for New York ENERGY STAR Labeled Homes - NYSERDA continue to implement in coordination with NYS Builders Association; utilities do marketing

Current status:

Home Performance with ENERGY STAR – Market Transformation program - fairly well developed infrastructure in Western/Central NY; less developed Capital, Southern Tier, Hudson; "new" in North Country & Downstate. More than 16,000 homes have participated statewide; more than \$119M homeowner investments in EE; 300+ new projects per month; more than 150 BPI-accredited firms, more than 500 BPI-certified technicians. Expenditures are right on target; additional homes could be done with additional funding and increased marketing. Program is steadily ramping up and could become oversubscribed quickly due to limited funds. Some contractors have expanded their scope of services to provide all aspects of comprehensive work. Others partner with contractors of other trades to complete comprehensive work.

New York ENERGY STAR Labeled Homes – Market Transformation program - 12- 15 % of all new residential construction in NYS (SBC territory) despite declining new starts, adding up to more than 10,000 homes to since 2001; market share steadily increasing over past five years; more than 475 participating builders and HERS raters; partnering with NYS Builders Association Research Education Foundation who provides training & outreach; infrastructure fairly well-developed, but need more HERS raters in some areas. Expenditures on target; program has growth potential and could easily become oversubscribed with more marketing. Program recently went to a tiered incentive structure to encourage greater benefits. Some builders have committed to build ONLY ENERGY STAR homes.

Barriers, challenges, gaps:

Home Performance with ENERGY STAR - Need to continuously balance marketing (demand) with delivery infrastructure (supply); simple rebate programs may negatively impact infrastructure development as contractors are then hesitant to invest in training, certification and equipment needed to support MT program. Need to build downstate infrastructure quickly. Need to address mixed-use buildings more effectively in coordination with the multifamily and commercial programs, which may include need for changes to modeling software. Folding in gas incentives in some regions - but not in a consistent manner across the state – potentially leading to consumer and contractor confusion where utility service territories border each other. Need to determine role of energy programs in “green movement” by defining criteria, establishing incentives.

New York ENERGY STAR Labeled Homes - Downturn in housing market and troubled home financing industry means some homeowners may not want to pay the incremental cost needed to increase efficiency; smaller builders (who make up large percentage in NYS) may not have time & \$ to get training; need to expand rater infrastructure as a viable business model; need to engage realtors, codes officials, inspectors, insurance industry in a bigger way. Need to determine role of energy programs in “green movement” by defining criteria, establishing incentives.

Ramp-up potential, limitations, where help is needed to fulfill potential: Both programs would experience tremendous increases in homes served if marketing funds were increased, however infrastructure development also has to occur in parallel. Including investments in workforce development, and assuming appropriate increases in the marketing budget, funding of an additional \$14M per year for Home Performance with ENERGY STAR would yield approximately 4,500 additional homes through the program per year, above and beyond the expected numbers to be achieved with SBC funds. Additional funding of \$7M per year for New York ENERGY STAR Labeled Homes would yield an additional 3,000 homes per year, beyond numbers currently expected with SBC funds. Additional expansion can be achieved with support from other organizations; there are roles for utilities and others as follows:

- Marketing and outreach to consumers – messaging needs to be centrally managed statewide
- Marketing and outreach to contractors, trade organizations, etc to support recruitment of electricians, plumbers, other trades not yet well-represented
- Promotion of and incentives for contractor/rater training and certification

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- Working with the insurance industry, realty organizations, other related industries to establish value propositions for energy efficient homes
- Performing market research where needed
- Providing new financing mechanisms to support comprehensive work scopes
- Collaborative effort to define “green” and develop appropriate incentives that also support non-energy related aspects of green designation.
- Provide usage information

Co-benefits: Health & safety testing related to combustion gases; improved comfort due to reduced drafts and more consistent temperatures; improved indoor air quality; business growth in residential energy services sector.

Other issues/considerations:

Home Performance with ENERGY STAR - ACEEE Exemplary program; multiple ENERGY STAR awards; piloted in NYS, now being replicated across US; NYS looked to as the model for MT in single family homes sector; improved business development, environmental, and community impacts;

New York ENERGY STAR Labeled Homes - NYS has requirements in addition to those of federal program to address indoor air quality and increased electric savings; multiple ENERGY STAR Outstanding Achievement Awards.