



New Jersey ENERGY STAR® Homes 2010 Program Changes



January 21, 2010

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 a number of important changes to the *New Jersey ENERGY STAR Homes* program under *New Jersey's Clean Energy Program™* (NJCEP). *New Jersey's Clean Energy Program* is brought to you by the New Jersey Board of Public Utilities.

Please read the following details carefully. Contact the Market Manager at 866-NJSMART if you have any questions. Note that only homes/projects located in State designated "SmartGrowth" Areas (Defined as Planning Areas I & II and Designated Centers) continue to be eligible for financial incentives, unless in a specifically exempted construction category.

I. PROGRAM CHANGES - HIGHLIGHTS

- Transition to an Open Market for HERS Ratings
 - For all **NEW** projects, the HERS ratings of single family, multiple single family and multi-family low-rise project enrollments in tiers 1 and 2 will be provided by Program-qualified Rating Companies instead of the Market Manager staff. Builder incentives have been designed for cost neutrality associated with the transition.
 - Based on percentage of completion, **EXISTING** projects may utilize rating companies or continue with program services.
 - Transition to the Rating Companies is targeted for March 15, 2010 pending approvals from the State of New Jersey.
 - Raters will operate as independent contractors working directly under contract with the builder and in cooperation with the Market Manager. The program will perform quality assurance and verification checks.
 - Multi-family high-rise and NJ Climate Choice Homes pilot projects will be studied in 2010 and are expected to be transitioned into the open rating market at a later date.
- Incentives for Tiers 1 and 2 are now fixed for building type and no longer calculated on the basis of square footage. Incentives will complement the Federal Energy Tax Credit (if extended by Congress in 2010) for new home construction in Tier 2.

- The qualification for Tier 3 incentives is based upon the building type (single family, multiple single family, or multiple-family), and the HERS index, excluding the incorporation of electricity generating renewable energy measures.
- A bonus incentive of \$5,000 will be available for Tier 3 units completed and certified by the end of 2010.
- The Market Manager Team is planning meetings across the State to roll-out these changes and to be available to answer questions. You will be contacted once these meeting dates, locations, and times are set.

II. INCENTIVES

Three performance tiers will still be offered with no changes to the associated current technical requirements.

Tier 1: ENERGY STAR (the current performance level, HERS Index of 85 or less, plus all mandatory requirements);

Tier 2: ENERGY STAR with a HERS Index of 65 or less;

Tier 3: “New Jersey Climate Choice Home” (a customized high performance level at or approaching net-zero energy).

The following Tier levels, payable to the builder on certification upon the implementation effective date, are designed to help offset any additional construction costs associated with program compliance.

Building Type	2010 Tier 1 (≤ 4000 sq.ft).	2010 Tier 2	2010 Tier 3 (NJ Climate Choice Home)
Single Family	\$2,500	\$3,300	\$10,000 to achieve 50 points, plus \$800 per index point below 50 points (maximum incentive is \$26,000/unit)
Multiple Single Family (“Townhouse”)	\$1,300	\$2,200	\$7,000 to achieve 50 points, plus \$500 per index point below 50 points (maximum incentive is \$17,000/unit)
Multiple-Family Building (“Multifamily”)	\$700	\$1,500	\$4,000 to achieve 50 points, plus \$400 per index point below 50 points (maximum incentive is \$12,000/unit)

Homes over 4000 square feet of finished floor area are required to meet Tier 2 performance criteria in order to qualify for direct incentives and marketing support. If no ENERGY STAR rated HVAC equipment is available for the specific configuration, proposed equipment specifications must be submitted for approval (generally highest efficiency available alternative)

In order to maximize electric efficiency savings, the program will provide builders with the option of receiving incentives equal to the full cost of an approved list of screw-in Compact Fluorescent Lamps (CFLs). Approved CFLs will be made available through a builder portal of the NJCEP online program store (<http://www.efi.org/njcep>). Builders may order approved CFLs for installation in high use light sockets of participating homes (specific minimum and maximum limits may apply).

Builders may still opt to meet the program lighting requirement by installing at least three ENERGY STAR qualified light fixtures, but fixtures will no longer be eligible for incentives through the program. ENERGY STAR qualified light fixtures may be purchased through the NJCEP online store at significantly reduced prices.

Certification Progress Payment, per the following schedule for Tiers 1 & 2, are designed to offset the cost of obtaining the building rating through an independent contractor.

Building Type	When Commitment Letter is issued* (per model unit)	When Pre-Drywall Inspection(s)* is completed (per unit inspected)	When Final Certification is received (per unit)
Single Family	\$300	\$300	\$600
Multiple Single Family ("Townhouse")			
Multiple-Family Building ("Multifamily")			

*** Credit for passing through each progress milestone will be granted and tracked**

A maximum HERS index of 50 points, prior to the inclusion of renewables, is required in order to qualify for Tier 3 incentives. The per point incentives for HERS indices below 50 is for efficiency improvements only, not including renewables. Tier 3 incentives from the *New Jersey ENERGY STAR Homes* program will be paid according to the following schedule based on continued qualification at each stage.

Tier 3 (NJ Climate Choice Home) Progress Payment Schedule

Building Type	At Completion of Enrollment (Sign-In)*	At Completion of Pre-Drywall Inspection(s)*	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

A limited number of Tier 3 "NJ Climate Choice Home" projects will be approved in 2010.

*** Failure to complete the project, or to meet Tier 3 (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 (Tier 1 or 2) requirements. Projects that complete and are certified to the Tier 3 level by 12/31/2010 will receive a \$5,000 per unit bonus.**

2010 Lighting, HVAC and Appliance Incentives

Additional Incentives	All 2010 Tiers
ENERGY STAR Lighting	All installed CFLs purchased through the builder portal of the NJCEP online store http://www.efi.org/njcep will be rebated on a pilot basis (specific minimum and maximum limits may apply)
ENERGY STAR Appliances	N/A

III. TECHNICAL REQUIREMENTS for Tiers 1, 2 and 3 have NOT changed from those which have been in effect since April 1, 2009.

For more information please contact the program:

866-NJSMART

www.NJCleanEnergy.com/njesh

Thank you,
New Jersey ENERGY STAR Homes