



HOMESTAR 101

Creating Jobs, Cutting Energy Costs, Increasing Property Values, and Reducing Emissions

The HOMESTAR program is a new initiative to create jobs in the construction industry and make it easy for every American homeowner to quickly and immediately cut their rising monthly energy bills by improving the energy efficiency of their homes. HOMESTAR will empower homeowners to seize control of skyrocketing energy costs, create good living-wage jobs, and drive economic recovery in the United States.

The program is designed to jumpstart construction and manufacturing jobs by offering rebates to consumers who invest in home energy improvements and energy efficient products and services. HOMESTAR will simplify and lower the cost of home improvements such as fixing drafty windows and leaking ducts, installing insulation and high-efficiency heating and air conditioning equipment, replacing inefficient hot water heaters, or undertaking a whole-home energy efficiency retrofit to cut energy bills by 20 percent or more. HOMESTAR delivers a triple dividend to the American economy in the process:

- American workers in industries hit hard by the economic downturn benefit from new demand for their essential skills and experience.
- U.S. businesses benefit from increased demand for advanced manufactured products and building materials.
- Consumers benefit from reduced energy bills and more comfortable homes.

Why we need a HOMESTAR program

There is an urgent need in every region of the country to generate high-paying, long-term construction and manufacturing jobs to grow our economy. The recession continues nationwide with unemployment holding steady at just under 10 percent, but fully one in four construction workers remains unemployed. The Bureau of Labor Statistics estimates that construction employment has dropped by 2.1 million jobs since 2006, with residential construction alone down by 1.3 million. That's a 38 percent job loss for that workforce. Every unemployed and underemployed worker in the construction and manufacturing industries represents a squandered resource that our economy and our nation can ill afford.

The HOME STAR program will work through existing businesses to leverage investment in energy efficiency and create strong market demand for home energy retrofits that will put approximately 168,000 Americans back to work over the next two years and stimulate demand for building materials almost entirely produced and sold in the United States by U.S. workers. These are construction, manufacturing, and retail jobs in the heart of our communities that cannot be outsourced overseas.

HOME STAR has other benefits, as well. It will help over 3 million American families retrofit their homes for energy efficiency and save them as much as \$9.5 billion over 10 years. Better use of energy in our homes raises the resale value of property in a recovering real estate market, and offers an opportunity to confront climate change as it continues to threaten our environment and our national security. Household energy use accounts for more than one-fifth of U.S. carbon emissions—roughly twice the emissions produced by passenger cars. HOME STAR will remove the equivalent of 615,000 cars from the road, or four 300-megawatt power plants from operation.

Basic efficiency improvements can reduce energy waste and greenhouse gas emissions in most American homes by 20 percent to 40 percent. Smart investments in energy efficiency made today will pay for themselves through long-term energy bill savings.

How it works

HOME STAR would establish a \$6 billion rebate program to encourage immediate investment in cost-effective energy efficient products and services as well as whole-home energy efficiency retrofits. The program is now before Congress and is designed to minimize government involvement by taking advantage of existing institutions and markets. The program will be facilitated and coordinated through existing state programs, using federal standards and incentives as a common platform to keep program costs as low as possible.

HOME STAR gives homeowners a choice of two types of incentives: the SILVER STAR and GOLD STAR incentive paths.

The SILVER STAR incentive provides rebates for the purchase and proper installation of specific energy-saving equipment such as furnaces and water heaters or changes to a building's structural envelope such as insulation and duct sealing. Rebate amounts range from up to \$1,500 per qualified installed measure, capped at 50 percent of project costs, or \$3,000—whichever is less.

The GOLD STAR incentive goes a step further and rewards whole-home or office building retrofits. This performance-based incentive is based on predicted energy savings as determined by a thorough energy audit performed before the work begins. The auditor uses proven building science methods to test the home's energy performance, design a customized retrofit plan in consultation with the homeowner, and calculate the energy

savings that will result from the recommended measures. Homeowners can receive \$3,000 for modeled savings of 20 percent, plus \$1,000 for each additional 5 percent of modeled energy savings, with incentives up to \$8,000, not to exceed 50 percent of total project costs. This will encourage homeowners to invest in the most cost-effective technologies—innovations that are often the simplest and most labor-intensive investments.

HOME STAR will ensure verifiable work and energy savings. The installation of energy efficient measures in homes and commercial properties is backed by a quality assurance program that will guarantee good work and offer an additional incentive to contractors that invest in a trained and certified workforce. HOME STAR requires appropriate licensing and certification for all participating contractors, and a percentage of all jobs will be inspected by a third party within 30 days of completion to verify proper installation. These safeguards will eliminate fraud and raise consumer confidence that a HOME STAR seal is backed by high-quality work.

The quality assurance program will deliver lasting benefits. It will encourage a well-trained workforce by engaging labor unions and other training providers. It will ensure that retrofit financing is backed by the highest home improvement standards. And in the long term HOME STAR will create a standards-based industry that will ensure quality throughout the supply chain so that when people invest in a home energy retrofit, they will know that they are saving money, using less energy, and reducing global warming pollution.

How it would help

HOME STAR will create jobs, cut energy costs, and reduce greenhouse gas emissions today. The program will be simple to join and implement, and will help Americans pay for cost-effective home improvements that will deliver permanent reductions in household energy bills and higher home values.

HOME STAR puts Americans back to work now. Demand will rise for skilled construction labor and for advanced building materials as homeowners make new energy efficient investments in their homes. Manufacturing inventories will be restocked and assembly lines for advanced materials and U.S. technology will begin rolling again. Investment and capital will begin to flow to millions of idled construction and manufacturing workers and create new demand to retrofit homes for energy performance and for the future.

HOME STAR is a timely program that creates good, well-paying jobs immediately in the hardest-hit parts of our economy. The program lowers home energy bills and pays for itself in cost savings. It unites every region in the nation around the common goals of job creation, economic recovery, and a healthier planet. Now is the time for HOME STAR.