



May 09, 2016

Dear Participating NY Home Performance Contractors and Interested Parties:

Thank you for your continuing partnership in NYSERDA's Home Performance with ENERGY STAR® program. Together, we have brought comfort, safety and reduced energy costs to more than 72,000 households in New York State.

The Home Performance with ENERGY STAR Program is now operating under the Clean Energy Fund (CEF), which is designed to reduce ratepayer collections, drive economic development and accelerate the use of clean energy and energy innovation in the state. Under the CEF, NYSERDA will be adjusting program strategies over time to help us achieve the market transformation that has long been the program's goal. We will also undertake new strategies to bring the residential energy efficiency market to scale by reducing barriers to participation.

In the upcoming weeks, NYSERDA will announce programmatic and incentive structure changes that will go into effect on or around September 1, 2016. We used input from our stakeholders, through a number of meetings, conference calls and interviews over the past year, to identify changes to our current program that will move us toward our goal of a self-sustaining home performance industry. Some of the changes include:



- Integration of the Home Performance with ENERGY STAR and EmPower NY Programs and streamlined administrative processes. These changes will improve the application process, reduce paperwork, and streamline the project submission process.
- A revised incentive offering for the moderate-income sector (households earning less than 80 percent of area or state median income).
- A revised incentive offering for market rate projects, including the following:
 - An increase in the current contractor incentive of 5% of eligible work to 10% of eligible work and complete flexibility in how contractors use this incentive.
 - This new 10% incentive replaces the previous 5% contractor incentive, the customer High Efficiency Measure Incentive (HEMI), and the mid-stream contractor incentives including:
 - 2% Referral Incentive
 - Electric Reduction Incentive
 - First Completion/First Year Production Incentive
 - Equipment Incentive
 - BPI Certification and Accreditation Incentive
 - Cooperative Advertising.

- Instead of submitting forms for various incentives with a set purpose, contractors are encouraged to use the 10% in any way that benefits their business.

NYSERDA will continue to provide funding for comprehensive home energy assessments under the current program design through the end of the year. This incentive will be reassessed for 2017.

Utilities may continue to offer rebates for certain energy efficient products and systems. We encourage you to check with the utilities serving your market to determine whether your customers may be eligible for one of these rebates after the HEMI from NYSERDA is no longer available. We will post relevant links to utility's websites on the Contractor Support Website within the next 2 weeks. We are currently in discussions with the utilities to develop collaborative approaches to serving the residential sector, including ways to enhance customer acquisition.

In addition, NYSERDA will continue to offer On-Bill Recovery financing and the Smart Energy Loan through Green Jobs - Green New York (GJGNY). As you know, NYSERDA planned to adjust the interest rate for the loan several months ago to maintain loan fund sustainability. NYSERDA is currently reviewing, and discussing with stakeholders and members of the GJGNY Advisory Council, loan fund interest rates and other aspects of the program that fall under GJGNY and are funded through the Regional Greenhouse Gas Initiative (RGGI). Any changes to the GJGNY initiatives will be communicated with as much advanced notice as possible.

NYSERDA will provide regular updates about the new program design and communicate to contractors via program announcements, the NY HP Portal, webinars to be scheduled within the next couple of weeks and in-person meetings to be scheduled in June. We will also continue to seek feedback from our partners and stakeholders on changes taking place in the market, and new ideas to address market barriers. A new Participation Agreement and Contractor Resource Manual, providing full details on the Program will be available in a couple of months.

Update on Low-Rise Program

At this time, NYSERDA is not accepting applications for new Low-Rise projects through Home Performance with ENERGY STAR. Please watch for information regarding NYSERDA's Multifamily Performance Program for properties with five or more units. An update is expected in the next couple of weeks. NYSERDA will send out a communication to contractors regarding the new approach to serving Low-Rise projects when information is available.

Update on Services on Long Island

Long Island customers are currently served with RGGI funds. NYSERDA, LIPA, PSEG Long Island and National Grid are reviewing future plans for serving customers on Long Island. An announcement will be made as soon as information is available about any upcoming changes.

Other Clean Energy Fund Initiatives

Over the past two years, NYSERDA has sought input from partner contractors and stakeholders regarding barriers you face in growing the residential energy efficiency

industry. In the coming months, NYSERDA will begin targeted pilot activities designed to address specific marketplace barriers and increase consumer demand. We will be seeking partners to participate in these pilots and will provide more information on the opportunities as our plans develop. In the meantime, we encourage you to continue to communicate your marketplace challenges and ideas to us through your membership organizations, regional meetings, or directly to us through e-mail.

Some of the new initiatives we have planned for 2016-2018 include:

- Incorporating the value of energy efficiency into homes, particularly as it relates to home resale
- Sponsoring public forums to share best practices and home energy improvement data
- Supporting the development of an on-line tool for consumer education and outreach
- Increasing access to efficiency financing products
- Leveraging partnerships throughout the community and business sectors to increase availability of, demand for, and access to energy services.
- Demonstrating new technologies, such as an efficiency meter, to support widespread adoption of energy efficiency

Full details about the Clean Energy Fund are available on NYSERDA's website.

<http://www.nyserdera.ny.gov/About/Clean-Energy-Fund>. Specific information about the changes expected to the Residential Programs are included in the "Clean Energy Fund Investment Plan: Resource Acquisition Transition Chapter" posted at [Clean Energy Fund Investment Plan: Resource Acquisition Transition Chapter](#).

If you have any questions about these updates, please contact Laura.Geel@nyserdera.ny.gov. We look forward to your continued support and participation.

Sincerely,

The Home Performance with ENERGY STAR Team

About NYSERDA

NYSERDA, a public benefit corporation, offers objective information and analysis, innovative programs, technical expertise, and funding to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels. NYSERDA professionals work to protect the environment and create clean-energy jobs. NYSERDA has been developing partnerships to advance innovative energy solutions in New York State since 1975. To learn more about NYSERDA's programs and funding opportunities, visit nyserdera.ny.gov or follow us on [Twitter](#), [Facebook](#), [YouTube](#), or [Instagram](#)

