

*Residential Comprehensive and Other  
Honorable Mention*

***Home Performance with ENERGY STAR®: A New York Energy Smart<sup>SM</sup> Program  
New York State Energy Research and Development Authority***

**PROGRAM OVERVIEW**

The goal of the New York Home Performance with ENERGY STAR Program is to develop a comprehensive program for improving the energy efficiency, comfort, affordability, and safety of existing homes in New York State. The New York State Energy Research and Development Authority's (NYSERDA) wanted to create a "one-stop" shopping experience for New Yorkers who are considering energy efficiency improvements for their existing 1-4 family homes. The program was initially launched in six target markets: Albany, Buffalo, Rochester, Syracuse, Binghamton, and the Hudson Valley, with expansion into the New York City and Westchester markets planned in 2003. The program is implemented and marketed by Conservation Services Group (CSG).

Prior to 2001, there were few home improvement contractors in New York who understood and implemented the building science "house-as-a-system" approach to their work. The home performance industry, organized through the Building Performance Contractors Association in New York, was quite small. The challenge continues to be increasing the skills of the existing small core of contractors and building on existing industry participants—insulation and HVAC contractors who are making energy-related home improvements using traditional techniques. The goal is to expand these contractors' knowledge base and practical application of a "systems approach" for performance-based testing techniques and treatments. Comprehensive energy efficiency treatments include insulation, air sealing, duct sealing, high-efficiency heating and cooling equipment, thermostat controls, high-performance windows, and high-efficiency appliances and lighting.

To build an industry infrastructure of accredited firms and certified technicians, NYSERDA supports the Building Performance Institute (BPI), a national building science resource that sets the national standards for assessing and treating homes. BPI accreditation and certification are required for contractors who wish to participate in the program. The program offers training to assist contractors in preparing for the BPI certification tests. All training offered through the program is subsidized by NYSERDA.

In addition to building a well-trained, professional home performance contractor infrastructure, there was also a need to drive consumer demand for these services. Therefore, NYSERDA developed an aggressive "call-to-action" marketing campaign, which focused on two crucial areas: (1) recruiting and educating contractors to affect change in home improvement services by using a "whole house" approach for diagnosing and treating homes; and (2) increasing consumer awareness of and demand for the services offered by participating Home Performance with ENERGY STAR contractors.

The marketing program, launched in February of 2001, includes television, radio, newspaper, direct mail, co-op advertising, public relations, and special events. The spokesperson for the

campaign is Steve Thomas, host of America's favorite home improvement television show. Mr. Thomas is featured in all the advertising and sales collateral materials. Participating contractors may use this campaign to promote their own companies and are provided with 25% co-operative advertising support.

The experience over the last year has shown that the use of Steve Thomas has brought credibility and recognition to the New York Home Performance with ENERGY STAR Program. His role as a television host positioned him as an unbiased, third-party source for the best resources and information about remodeling, renovating, and building homes. The media campaign has been pivotal in increasing consumer awareness and demand for energy efficiency services. The campaign was also fueled by the concern for rising energy costs and energy supply in New York, as well as nationwide.

NYSERDA also launched the New York Assisted Home Performance with ENERGY STAR Program, which provides subsidies to income-eligible New York households, who may not qualify for the Weatherization Assistance Program, to complete energy efficiency upgrades to their homes.

## **PROGRAM PERFORMANCE**

The program is relatively new, but early results are promising. Highlights include:

- Residential customers have invested more than *\$8.8 million* of their own money in home energy improvements. NYSERDA has contributed an additional \$311,000 in subsidies to help income-eligible households pay for installation of eligible measures under the New York Assisted Home Performance with ENERGY STAR Program.
- Certification of more than 200 technicians, through the Building Performance Institute, in whole house building diagnostics and proper installation of insulation, air sealing and HVAC equipment for greater energy efficiency, health, and safety. Additionally, more than 100 technicians are in the certification process.
- Increased consumer awareness of ENERGY STAR products and services as a result of NYSERDA's marketing campaign and cooperative advertising program with contractors.

## **LESSONS LEARNED**

The New York Home Performance with ENERGY STAR Program has the stated goal of transforming the market for delivery of energy efficiency services to the existing housing market. As such, the implementation approach taken by this program is unique, differing greatly from the approach taken in the more conventional rebate-driven energy efficiency programs. This unique goal and approach has resulted in a number of interesting lessons learned. A few of those lessons are:

- Start Small: By initially launching this program in a single market, program implementers and NYSERDA were able to quickly and effectively integrate any program revisions or modifications that were needed.
- Market Big: Crucial to the success of this market-based program has been striking a balance between consumer demand and contractor infrastructure. The "call-to-action"

mass media marketing campaign, using a celebrity spokesperson (Steve Thomas), brought the program immediate credibility and recognition, which was instrumental in generating quick consumer demand. This aggressive and extensive marketing campaign also served to reinforce to potential participants in the contracting field that NYSERDA was making a long-term commitment to the program.

- Offer Technical Training: The “house-as-a-system” approach this program emphasizes was something that most contractors entering the program had little or no experience in. Therefore, it was imperative that comprehensive technical training be made available to them. This program offers basic building science training (Building Analyst I), as well as Specialist Training (currently offerings are Shell and Heating). These trainings prepare contractors to successfully complete the required BPI certification exams. Contractors can also purchase, through the program, the diagnostic equipment (blower door, duct blaster, and CO detector) they will need to do a comprehensive home assessment. The program has sought to minimize the upfront cost of entering the program by subsidizing the cost of the training and offering favorable repayment terms to contractors purchasing equipment.

## PROGRAM AT A GLANCE

**Program Name:** Home Performance with ENERGY STAR, a New York Energy Smart<sup>SM</sup> Program

**Program Start Date:** February 2001

**Program Participants to Date**—annual totals as of November 30, 2002:

# of households served (jobs completed): 1,198

# of jobs in process: 395

# of certified technicians: 212

# of accredited firms: 97

**Eligible Population or Customer Segment:** The program serves owner-occupied, one-to four-family residential buildings in the New York Energy Smart<sup>SM</sup> Program service territory (all areas of New York State except Nassau and Suffolk Counties on Long Island, and 47 municipal or electric cooperative service territories served by New York Power Authority). The total estimated number of households in one-to four-family buildings in New York Energy Smart<sup>SM</sup> Program service territory is 3.5 million.

### Annual Energy Savings

|                                    |         |
|------------------------------------|---------|
| kWh Saved to Date*                 | 690,255 |
| kWh Saved to Date per Household    | 540     |
| Btus Saved to Date (Billions Btus) | 47.27   |
| Btus Saved Per Household (MMBtus)  | 36.98   |

\*as of November 30, 2002

**Peak Demand (Summer) Savings:** 122 kW

**Budget:** NYSERDA is committing about \$16.7 million through 2003 to this program. About \$8 million of this is devoted to communications and marketing; \$2.9 million to customer financing incentives and lower-income assistance; \$2.2 million to contractor incentives; and \$3.5 million to program administration, including technical field support.

It is projected that, through 2003, customers shall have committed to over \$17.6 million total investment in eligible building performance measures. It is also projected that, through 2003, contractors shall have committed over \$750,000 of

investment (not including time spent in training) to enter the building performance industry.

Between the three sources, total investment through 2003 is projected to exceed over \$35 million.

**Funding Sources:** All New York Energy Smart<sup>SM</sup> programs are funded by a System Benefits Charge (SBC) paid by electric distribution customers of Central Hudson, Con Edison, NYSEG, Niagara Mohawk, Orange and Rockland, and Rochester Gas and Electric. NYSERDA, a public benefit corporation established by law in 1975, administers SBC funds and programs under an agreement with the Public Service Commission.

New York Energy Smart<sup>SM</sup> programs are designed to lower electricity costs by encouraging energy efficiency as the state's electric utilities move to competition. The programs are available to electric distribution customers (residential, commercial, institutional, and industrial) who pay into the SBC.

### Best Person to Contact for Information about the Program

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