



Home Star program proposes rebates for homeowners

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What is the Home Star program?

Follow the wind to understand why Flemming Lund supports the proposed Home Star program.

"A lot of wasted energy is blowing through houses every day, and we have the manpower to fix it," says Lund, owner of highly rated Infrared Diagnostic in Sudbury, Mass.

Home Star, nicknamed Cash for Caulkers, would give rebates to homeowners improving energy efficiency.

Supporters say the federal program will slash energy bills, lower the construction industry's nearly 25 percent unemployment rate, and reduce carbon emissions.

The Home Star Coalition, an organization of more than 700 businesses, started working in late fall to get congressional approval, but the health care debate stalled it. In late March, the bill passed the House subcommittee.

Coalition leaders say it has wide bipartisan support and can be activated quickly; however, they declined to give a timeline for the program's introduction.

"[Home Star] should get a lot of people employed and the country moving forward, especially if we focus on buying American products," Lund says.

After working as a home inspector for 15 years, Lund branched out into energy audits, which became his sole focus in 2005. His business has grown 25 to 30 percent every year since.

Audit results often surprise Lund's customers. Homeowners expect they'll need new windows because their house is drafty, he explains, but the three- to four-hour audit discovers holes throughout the home — even in new ones — and window leaks that can be simply caulked.

The Home Star program has two proposed tracks. Silver Star would be available for one year and give consumers rebates from \$1,000 to \$1,500 for adding insulation, sealing ducts, and replacing inefficient water heaters, HVAC units, doors or windows.

Comprehensive audits coupled with home retrofits that reduce energy bills at least 20 percent would be eligible for rebates worth up to \$3,000 in the Gold Star track.

When reductions top 20 percent, homeowners could get another \$1,000 for each additional 5 percent of energy savings.

Energy audits aren't cheap — the average Infrared Diagnostic audit costs \$450 — but energy savings can be significant.

Lund, who isn't part of the coalition, says customers who follow all recommendations typically reduce annual energy costs by between \$500 and \$1,000.

Home Star is estimated to save homeowners \$9.4 billion over 10 years. For the environment, that's equivalent to taking 615,000 cars off the road or four power plants offline.

In an online poll, the majority of Angie's List members supported Home Star, but 7 percent objected to spending \$6 billion on the program.

Member John Gruber of Manhattan, Kan., received tax credits for energy efficiency in 2008 but was among those opponents.

"[This is] more grandstanding by politicians who generously give away ours and our children's future tax dollars to others in order to subsidize certain behaviors that common sense tells thinking homeowners to do anyway," he says.

Congressional leaders aren't detailing how the Home Star program will be funded but it will not add a tax, says Bill Wicker, Senate Energy Committee communications director.

"A whole host of funding options are under consideration," he says, declining to give specifics. Wicker estimates participants' energy savings at \$200 to \$500 annually.

Matt Golden, a coalition member and co-founder/president of Recurve, a San Francisco energy auditing and retrofitting company, reflects the opinion of 59 percent of service providers on Angie's List who said in a February online poll that Home Star sounds like a good program.

"We're giving the industry a giant shot in the arm," he says. As proof, Golden offers that Recurve has seen 60 percent growth in the past five-and-a-half years without any incentives offered.

Angie's List member Layne Zimmerman of San Francisco hired Recurve to do a whole-house audit in 2008.

Recurve found neither the attic nor walls were insulated and the furnace was pulling cold air inside, so Zimmerman spent around \$5,600 on attic insulation and modifying the furnace. She didn't insulate the walls because it required a complete rewiring and another \$5,000.

Had Home Star been available then, she says she would have made all the changes. "People would be more likely to do these things if they knew they could get money back," she says.

For the rebates, homeowners would have to use contractors and auditors accredited by one of two construction accreditation organizations: Building Performance Institute and Residential Energy Services Network.

Both post accredited companies on their websites. "Home Star requires homeowners to use companies that carry adequate insurance, warranty their work and have proper licensing," says coalition member Mike Rogers, senior vice president of GreenHomes America.

Estimating that around 500 companies are accredited, training is needed so more companies can do the audits and retrofitting, says Golden.

He and Lund, who are both BPI and RESNET approved contractors, recognize certification is an extra step and may increase customers' costs.

"Not a lot of cost, but a little," Golden says. "It takes more time and therefore costs more money to do things correctly."

Charles Terrizzi believes the government can't make people do things the right way, but if last year's energy rebate program is proof, he thinks Home Star will work.

"The tax credits increased our revenue considerably," says the owner of Chase Air in Jacksonville, Fla. "But I'm not sure government can improve energy efficiency."

His business promotes and performs green practices, including conservation evaluations. Like Lund, Terrizzi sees a lot of energy lost — ductwork in seven out of 10 Florida homes need redoing, he says.

Terrizzi thinks cost is the bottom line. "People's bills are going through the roof."