



HOME STAR FAQ

HOME STAR seems like a good way to get people to weatherize their homes, but you're talking about spending billions of dollars. Is this a good investment?

HOME STAR is different. It's a market-driven, low-bureaucracy program that will use rebates to spur more Americans to start making their homes more energy efficient. At the same time, it will kick-start the comeback of our country's hard-hit construction industry. By driving millions of home improvement projects, HOME STAR will create as many as 168,000 new jobs.

HOME STAR will also stimulate economic development. Over \$9.4 billion in energy cost savings will flow back into our economy because of HOME STAR, so the overall economic savings of the program will far exceed its direct federal investment. And, the beauty of HOME STAR is that once it picks up momentum, it's not dependent on big federal government subsidies to keep it going. It will create a home retrofit industry that becomes self-sustaining as more and more consumers see energy bill savings from quality work done right the first time.

It sounds good, but how do you keep it from getting tangled up in red tape?

HOME STAR is designed to be streamlined. It's built around homeowners and contractors, not government bureaucracy. And, it's designed to create construction jobs fast by leveraging existing programs and a sector of the economy that is currently underutilized. While HOME STAR includes strong safeguards against waste, fraud and abuse, it is also designed to be rolled out quickly and provide timely payments through a centralized system designed to knock down geographic, program and bureaucratic barriers.

Ultimately, HOME STAR will be driven by simple market transactions, with consumers encouraged by instant time-of-sale rebates for investing in energy efficiency products and systems. Consumers nationwide will find HOME STAR simple, accessible and a real money saver.

So how is this different from the weatherization program that was part of the stimulus package?

HOME STAR will be able to build upon investments that are being made in workforce training as a result of the stimulus package. It will make home energy efficiency accessible to a much wider range of homeowners and do so through existing market channels. And unlike the weatherization program, HOME STAR is a time-limited program designed to work quickly through existing market channels and with a minimum amount of red tape.

This has been compared to Cash for Clunkers and part of the success of that program was due to its promotion by car dealers. Anything like that planned for Home Star?

The analogy holds in terms of the streamlined system to deliver money directly to consumers through private industry. The design of the program will also encourage retailers, like Lowe's and Home Depot, to use the marketplace to raise awareness about the program.

But this is a business where people sometimes have concerns about reliability. How do you make sure that people get quality work?

HOME STAR creates a standards-based industry with strong quality assurance so that when people invest in an energy-efficiency home retrofit, they'll know they will be saving money and energy. Gold Star work will require appropriate licensing and certification for all participating contractors and third-party inspections on a percentage of all jobs. Incentives will also be provided to contractors who invest in a trained and certified work force.

Won't this just drive up demand for more products made in China?

Actually, no. Over 90% of the products that will be used in HOME STAR retrofits, such as insulation, heating systems and replacement windows, are made in the USA. Or take the case of insulation. It's made almost entirely in America, with companies such as Owens Corning employing workers in manufacturing plants spread from upstate New York to South Carolina to Texas to Oregon. The other bonus is that because of the local nature of construction, retrofit jobs are jobs that can't be outsourced to China or Mexico.

Isn't this just another handout to big business?

Actually, most of the jobs created by HOME STAR will go to small businesses. Over 90% of the companies involved in energy efficiency retrofits employ less than 20 people. (5) 85% of insulation installers are small businesses. Windows are manufactured and installed by over 130,000 companies, over 80% of which are small businesses. And, while nearly 850,000 people manufacture and install lighting equipment, 90% of those people work for firms with less than 20 employees.

I've heard that it will be hard for homeowners, contractors and "mom-and-pop" hardware stores in small, rural communities to take advantage of HOME STAR, is that true?

No. HOME STAR is as good for rural America as it is for cities and suburbs. Energy efficiency upgrades benefit homeowners in both hot and cold climates. Rebates flow directly to consumers when they hire a contractor, upgrade mechanical systems, or purchase insulation to install themselves, so small local contractors, community hardware stores, and lumber yards can participate equally in rebuilding America for improved energy efficiency.

Not everyone has \$3,000 in his or her pocket to invest in a home retrofit. Will loans be made available to help people make the move?

HOME STAR will allocate up to \$200 million to states to be used as credit supports or interest buy-downs. That will help make low-interest financing available to homeowners to cover their part of the retrofit costs.

How do they do an energy audit?

Just to be clear, under HOME STAR, energy audits will only be required for the Gold Star jobs. An audit typically examines a home's construction, heating system, insulation, showerheads, light bulbs, and how well doors are sealed, with the goal of making recommendations about the changes that are likely to have the biggest impact on the homeowner's utility bills and estimating projected savings for Gold Star incentives. Professional auditor and home retrofitting companies are already established across the country and poised for rapid growth.

Given the logjam in Washington these days, what chance does HOME STAR actually have of moving forward?

HOME STAR has a wide range of support, and it was originally proposed by a coalition of business leaders as a cost-effective way to create jobs quickly and scale up a sustainable market for home energy retrofits. Since then it has gained widespread support from construction contractors, building products and mechanical manufacturers, retail sales businesses, environmental and energy efficiency groups and labor advocates (over 700 supporters from all 50 states).