



## HOME STAR Talking Points

### What is HOME STAR?

- HOME STAR is proposed federal legislation (House= H.R. 5019, Senate= S.3434) that will create good living-wage jobs in construction and related industries by providing strong short-term incentives for home energy efficiency improvements.
- HOME STAR rewards homeowners for investing in insulation and weatherization, high-efficiency heating and air conditioning equipment, replacement windows, and other cost-effective home improvements that can permanently reduce household energy bills.
- HOME STAR was originally proposed by a coalition of business leaders as a cost-effective way to stimulate rapid job creation and jump-start a sustainable market for home energy retrofits. This growing industry will provide good jobs for American workers long after the incentive program has been phased out.
- HOME STAR jobs cannot be outsourced, and materials used in these jobs are on average 90% or more domestically produced.

### Why \$6 billion?

- The size of the need for bringing unemployed construction workers back to work is substantial. An estimated 1.3 million residential construction workers and 186,000 retail building supply workers out of work since 2006. Home Star is expected to restore more than 12% of all lost residential construction jobs.
- The size of the replacement market for homes qualifying under Home Star is approximately \$19 Billion dollars per year. Approximately 30% of this market involves measures qualifying for Home Star standards or slightly less than \$6 Billion dollars per year.
- The infrastructure can be expanded and deployed with sufficient speed to provide support to all 50 states and allow for a reasonably fast but not overheated market expansion.

### Why delay makes matters worse

- Now that the country is aware of the HOME STAR legislation, some homeowners have stopped their retrofit plans, hoping for federal support. Ironically, while Home Star is in process, it is having a negative impact on the very industry we are hoping to help.
- Delays in moving the bill are making a bad situation worse. Contractors are reporting a further 10-15% drop-off in customers directly related to their anticipation of Home Star incentives.

### Good living-wage jobs for American workers

- HOME STAR is expected to create 168,000 high-quality building jobs over the next two years.
- 1.6 million construction jobs disappeared during the recession, and the unemployment rate for American construction workers is still over 20% (one in five workers are unemployed). If we

don't find ways to put these people back to work, continued unemployment in construction and related industries threatens to derail our economic recovery.

- Construction materials manufacturing is at 62% of its capacity.
- Stimulating consumer demand for home energy improvements also will create jobs in construction-related manufacturing and retail. The sheet metal, caulking, insulation products and other manufactured goods used in energy retrofits are overwhelmingly made by American mills and factories.

### **Lower energy bills and reduced greenhouse gas emissions**

- Household energy use accounts for more than one-fifth of U.S. carbon emissions – roughly twice the emissions produced by passenger cars. Basic efficiency improvements can reduce energy waste and greenhouse gas emissions in most American homes by 20% to 40%.
- Retrofitting is the most cost-effective way to reduce household energy costs, and smart investments in energy efficiency will eventually pay for themselves through long-term energy bill savings.

### **How HOME STAR Works**

- The HOME STAR proposal calls for the creation of a national program to provide direct rebates to homeowners who invest in qualifying home energy efficiency improvements. At the request of the homeowner, rebate amounts can be deducted from overall job costs at the time of sale and paid directly to the contractor or product retailer after the retrofit work has been completed.
- The plan gives homeowners a choice of two types of incentives. The SILVER STAR incentive prioritizes easy and rapid deployment. The GOLD STAR incentive incentivizes deeper energy savings by offering higher rebate amounts for consumers who choose this path.
- SILVER STAR provides rebates for specific energy-saving measures such as air sealing; attic, wall or crawl space insulation; duct sealing or replacement; and replacement of existing windows, doors, water heaters, household appliances or heating and air conditioning equipment. Rebate amounts are up to \$1500 per qualified installed measure, capped at 50 percent of project costs or \$3,000 (whichever is less).
- The performance-based GOLD STAR incentive is based on predicted energy savings as determined by a thorough energy audit performed before the work begins. Using proven building science methods, the auditor tests the home's energy performance, designs a customized retrofit plan in consultation with the homeowner, and calculates the energy savings that will result from the recommended measures. Homeowners can receive \$3,000 for modeled savings of 20%, plus \$1,500 for each additional 5% of modeled energy savings, with incentives not to exceed 50% of total project costs.
- To prevent fraud and assure quality, 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