

The Home Efficiency Retrofit Program

Creating Jobs and Saving Energy
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Congress should act immediately to implement a national home efficiency retrofit program to save Americans money and stimulate the economy. This program would expand the EPA Home Performance with Energy Star comprehensive retrofit program that now operates in 22 states. The untapped potential of our homes to operate efficiently is a drag on consumer spending, as dollars are wasted on energy. Tapping in to this potential puts money in pockets and creates durable, domestic jobs in home efficiency that can never be sent overseas.

The Benefits

The benefits to homeowners are significant and immediate. The average homeowner will spend around \$2,300 on energy bills this year, and a performance retrofit will likely reduce these costs by about 25%, corresponding to nearly \$6,000 in energy savings through the 10th year. This money represents extra cash for necessities or disposable income that will be injected back into the larger economy.

At a national scale, the benefits of home retrofits are enormous. If the program reaches a million homes per year the 10 year energy savings would be enough to fully power about 15 million homes for a year. Scaling up the home efficiency industry would provide about 50,000 net jobs.

The Program

Under the current program, private contractors receive certification in advanced home weatherization techniques and provide energy audits and installation services to homeowners. Marketing is done by both the private contractors and state and utility program sponsors. The current program involves no federal incentives, although some states and utilities do provide incentives. In order to “turbo charge” this program we recommend that substantial financial incentives be provided by the federal government. The whole home grant program would allow residents all over the country to begin to immediately save 10-50% on their energy bills in a matter of weeks. The program would grant approximately 20-50% of the costs for efficiency retrofits based on the energy savings achieved, with higher incentives for larger savings. The program consists of two paths, one prescriptive and one performance based.

In the prescriptive path the homeowner may elect to pursue a combination of measures from a list that has been designed to achieve 10 or 20% energy savings. The grant for 10% savings would be set at \$1000 and \$2000 for 20%. This option would be implemented quickly and would sunset after a year, or upon administrator discretion.

The performance path would provide a \$3,000 grant for a 20% improvement in energy performance of the home. The amount of the grant would increase with higher performance at a rate of \$150 for each 1% improvement. The documentation and verification of energy savings would be done utilizing and scaling up the home energy rater and home performance contractor industries, using accepted third party standards from RESNET and BPI. The grants would be available to homeowners or another party designated by the owner.

Efficiency is an untapped resource in American homes. Home efficiency combines short term, job-creating investment with long term cost reductions and environmental benefits. Homeowners simply cannot afford to continue to let up to half of their energy leak out of their homes without providing any service. Energy efficiency is the fastest, cheapest, cleanest energy source we have and tapping it in our homes is the first step we must make toward our economic recovery.