



REBUILD WESTERN MASSACHUSETTS Homeowner Frequently Asked Questions (FAQ) November 21st, 2011

INTRODUCTION

Through the “ReBuild Western Massachusetts” program, the Department of Energy Resources (DOER) in partnership with the Massachusetts Clean Energy Center (MassCEC) is providing either grants or subsidizing construction loans for energy improvements to help homeowners whose homes were damaged or destroyed by the June 1st 2011 tornadoes in Western Mass. Many homes suffered damage, and are in need of either repairs or complete rebuilding. **Participants are eligible to apply if damage to their home has been documented by FEMA or other supporting state, local, and federal agencies. Those qualified are eligible to apply for one of the following program offerings: a loan, a grant or the repair program. All loans are subject to bank approval and applicants must meet bank loan eligibility requirements to qualify for loans.** The goal of this program is to help communities rebuild better and smarter for a future in which we are all less dependent on imported fossil fuels.

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General Questions:

1. What Incentives are DOER and MassCEC providing?

DOER and CEC are providing to residents to choose either home performance grants, zero interest construction loans or prescriptive energy efficient measures for each qualified unit allowing homeowners to rebuild their homes in a more energy efficient way. These grants and loans will allow energy saving improvements to these homes to be made, locking in fuel cost savings for many years to come. These incentives are available for 3 types of rebuilding projects:

- i) Repairs to existing homes;
- ii) Complete rebuild to replace demolished buildings; and
- iii) Whole house 'major' renovation of existing homes

There are additional incentives for low-income projects and to incorporate renewable electric or renewable heating systems.

2. Where is the \$8m+ in funding coming from?

In the aftermath of the June 1st tornadoes, DOER has been working to repurpose funds from other projects, to allow us provide some timely assistance to those affected by this natural disaster. The total of over \$8 million allocated to this program comes roughly equally from Federal stimulus funds from the Department of Energy, and from contributions from energy suppliers in Massachusetts to the Alternative Compliance Payment fund.

3. Does my home qualify for these incentives and are there loan eligibility requirements?

In order for a home to qualify for these incentives it must have been damaged by the June 1st, 2011 tornadoes that affected Western Massachusetts communities. In order to demonstrate eligibility we ask that homeowners or builders representing them provide FEMA documentation. In the rare instance where FEMA documentation is not available for a qualified home, it may be possible to qualify if you can provide a letter from your homeowner's insurance company that demonstrates that your home was damaged by the tornadoes. Depending on the level of repair or rebuilding of your home, most projects receiving grants or loans will require that you and your builder or construction team work with a 3rd party "Home Energy Rating System" (HERS) rater. The requirements are described more fully in the sections below.

All loans are subject to bank qualifications. Applicants must meet bank loan eligibility requirements to qualify for loans.

4. How do these funds work with existing incentives from the electric companies?

There are several incentives available to you already, through the rapid response to the tornado by your electric and gas utility providers. They have established a program that provides up to \$8,000 for new construction and up to \$2,000 for repairs and renovations, and also pays for most of the professional help and paperwork needed from "Home Energy Raters" (HERS raters) to document this work. Our ReBuild Western Mass program builds on the utility incentives program, and offers additional grant or loan funds, to help cover the costs of rebuilding in a more energy efficient way.

5. When will loan and grant funds be available?

Zero percent interest construction loans are designed to be accessed early, while grant funds are paid out once a repair or rebuilding project is complete. Zero interest construction loans are available once the HERS rater working on your team files plans for a qualified home with the building permitting office in your town or city, and notifies our program manager. Grant funds are paid out only after the construction work is completed.

Grants for Renovations and Repairs to Existing Homes

6. What repairs or improvements qualify for grants?

Homes that require repair may apply for grant funds to cover any of the following energy saving measures, that meet or exceed energy code levels, thus improving your home:

- a) Improvements to insulation in the ceiling, walls, floor or basement that bring your home up to or beyond current energy code levels.
- b) Improvements in the weatherization and air-sealing of your home.
- c) Energy efficient windows – double or triple paned windows that exceed the minimum ENERGY STAR® standards.
- d) Energy efficient doors – meet the minimum ENERGY STAR® standards
- e) Energy efficient replacement Heating, Ventilation and Cooling (HVAC) equipment – including high performance furnaces, boilers, heat recovery ventilation and air conditioners.

A separate detailed list of approved grant-eligible measures is listed in the two tables below. Some of these measures also qualify for gas or electric utility incentives. The maximum total grants for repairs/renovations available for an existing home are \$5,000, or \$7,000 for low income owner-occupied homes.

7. How much funding does each measure qualify for?

The amounts for each prescriptive measure are detailed in Table’s 1 & 2 below. To help cover costs above the grant amounts, a zero interest loan up to \$20,000 is also available in lieu of the grants for qualified work that meets a HERS index of 80-85 depending on the home size. Please refer to the Tier I loan requirements in Table 2 of the ***Grants for New Homes or Major Renovations*** section and the ***Zero Percent Interest Construction Loans*** section on page 6 of this document for further information.

Table 1: Insulation, Window & Door Grants and Loan Incentives

Door and Windows	Incentive per unit	Low Income adder per unit
Windows – U-value of 0.28 or less	\$200	\$100
Outside Doors – R-value of R-5 or more	\$100	\$50
Building Insulation	Incentive Available	Low Income adder per unit
Attic (at least R-38) Walls (as least R-20) Basement (at least R10/13) Floors (at least R-30)	\$2,000	\$2,000

Table 2: Heating, Cooling, and Ventilation Equipment

Equipment	Specifications	Incentive Available	Low Income Adder
Heat Recovery Ventilator		\$500	\$250
Central Air Conditioning Equipment	SEER \geq 16 EER \geq 13.0 TXV or EXV required	\$500	\$250
Ductless Mini-split Systems	SEER \geq 14.5 EER \geq 12.0 HSPF \geq 8.2 TXV or EXV required	\$500	\$250
Heating Oil Boiler	AFUE \geq 86%	\$1,000	\$500
Heating Oil Furnace	AFUE \geq 86%	\$800	\$400
Natural Gas Furnace	ECM AFUE \geq 96%	\$800	\$400
Natural Gas Hot Water Boiler	AFUE \geq 96%	\$1,500	\$750
Natural Gas Condensing Boiler with On-Demand Domestic Hot Water	AFUE \geq 90%	\$1,600	\$800
High Efficiency Indirect Water Heater	Attached to natural gas boiler	\$400	\$200
Natural Gas Condensing Gas Water Heater	94% thermal efficiency or greater (75 to 300 MBH)	\$500	\$250
Natural Gas On-Demand, Tank-less Water Heater	\geq .95 EF with Electric Ignition	\$800	\$400

8. What happens if I have already started to repair my house?

If you have already started repairs to your house contact the program immediately to determine program eligibility.

9. When do I have to work with a HERS rater

Energy improvement measures such as heating and cooling equipment, do not require a HERS rater. Instead your contractor can document and certify that the work was completed. If you are doing work that improves the insulation or air-sealing of your home or you are installing replacement windows, or you are applying for a 0% construction loan, we require third party documentation and demonstration that these measures were appropriately installed in your home. We are asking HERS raters to provide that role due to their training in residential energy efficiency, and their similar role with existing utility sponsored incentives. For repair and replacement grants, a full HERS rating is not required, but the HERS Rater will work with you and/or your builder to identify and certify what incentives your project can qualify for.

10. What income level is used to qualify for additional grant funds?

For owner-occupied homes, homeowners that are on lower (often fixed) incomes are eligible for up

to an additional 50% incentive on each qualifying energy measure. The income level is based on demonstrating that your annual household income is less than 60% of the Massachusetts state average annual income for your household size.

Grants for New Homes or Major Renovations

11. What are the different levels of funding available for whole house improvements?

Unlike the grants for home repairs, which are based on each measure installed in a home, the new construction and major renovation grants are based on the expected energy performance of the whole house. There are 4 performance levels, increasing in energy performance, and with increasing grant and loan eligibility. Residents are allowed to either apply for a zero percent interest loan or a home performance grant. The first and minimum level to be incentivized is meeting the Massachusetts ‘Stretch’ energy code. This requires a HERS rater to certify that a new home meets a HERS rating of not more than 65 or 70 depending on the size of the home. It also requires a completed “EPA Thermal Bypass Checklist” to check for common mistakes in insulating and sealing a home.

To qualify for additional grants or higher loan amounts homeowners and builders are encouraged to build to lower HERS ratings (Lower ratings mean lower energy bills), and the highest tier of performance incentivized is an international standard called “Passive House”. At Passive House levels homes need virtually no heating or cooling and are very comfortable to live in. However, the savings from reduced heating and cooling equipment is put into a very well insulated and sealed building and filtered air ventilation systems. Existing homes undergoing a major renovation on the same foundation’s, have slightly less stringent performance targets to meet than an entirely newly built home, as they are harder to make as energy efficient.

Table 1: New Construction – Grants and Loan Incentives

Tier Level	Energy Performance Target (before renewables)	Grant on completion	0% loan for construction. Up to
Tier I	Stretch code (HERS 65 or 70)	\$4,000	\$20,000
Tier II	HERS 50	\$8,000	\$50,000
Tier III	HERS 40	\$12,000	\$75,000
Tier IV	Passive House	\$20,000	\$100,000

Table 2: Major Renovation – Grants and Loan Incentives

Tier Level	Energy Performance Target (before renewables)	Grant on completion	0% loan for construction. Up to
Tier I	Stretch code (HERS 85 or 80)	\$4,000	\$20,000
Tier II	HERS 65	\$8,000	\$50,000
Tier III	HERS 50	\$12,000	\$75,000
Tier IV	HERS 40	\$20,000	\$100,000

Zero percent interest Construction Loans

12. How do I qualify for a zero-interest construction loan?

Construction loans are available for both repair and new construction projects. In order to qualify for a loan from one of your participating local banks, you will need to:

- 1) Show that your home was damaged by the June 1st tornadoes.
- 2) You must work with a HERS rater on the design and construction team. The HERS rater will help your builder and or architect to assess what the energy target of the improved home is planned to be, and will provide the documentation needed to qualify your home for a construction loan.

13. When can I apply for a zero-interest construction loan?

Construction loans with zero percent financing will be available beginning in November. At present DOER is working with Monson Savings Bank and Country Bank in the tornado affected area to roll out this loan product.

14. How long do I have to pay back a zero-interest loan?

The construction loans can be customized for a payback period of up to 15 years for loans up to \$100,000. This will allow monthly payments to be kept to a reasonable level, so as to allow more homeowners to qualify for the payment. Energy savings from rebuilding a more energy efficient home, and or adding solar power will also help to offset the monthly payments.

HERS Rater Questions

15. What is a HERS rating?

A HERS Rating is a way to calculate the expected energy use of a home and compare it on an index where 100 is an average 2006 new home, and 0 is a zero net energy home (highly energy efficient and using renewable energy to cover any remaining electric and heating needs). The HERS performance-based approach allows fair comparisons between homes, and provides an excellent way to ensure that homes are not only well designed, but also well built. As part of the HERS rating, the home will be tested for outside air leakage and any heating and cooling ducts may also be tested for leakage. Combined with the required Energy Star Homes Thermal Bypass Checklist, the HERS rater, builder, and building inspector can have confidence that the completed homes really are energy efficient, healthy, durable and comfortable to live in.

16. How do I find a HERS rater?

For the Western and Central Massachusetts communities affected by the June 1st tornado, there are a couple of excellent resources for finding a HERS rater to work on your rebuilding design and construction team. The North East HERS alliance is run by the Center for EcoTechnology (CET) based in Pittsfield and Northampton, MA. The Massachusetts Energy Star Homes program¹ also has created a list of HERS rater companies that have agreed to support the utility sponsored tornado response program.

17. What training and certification do HERS raters undergo?

HERS raters are typically experienced building professionals, who in addition take a week or two week-long intensive training course in residential energy efficiency. After completing the training, learning

¹ http://www.energystar.gov/index.cfm?fuseaction=new_homes_partners.showStateResults&s_code=MA

how to use HERS rating software, and passing a test,² new raters must also complete at least 5 ratings with an experienced HERS rater before being able to independently award ratings. In addition to this initial training and certification, HERS raters must be affiliated with a company that is certified as a HERS provider, and is responsible for ongoing code education and quality assurance oversight of the HERS rater's work. The HERS providers also carry liability insurance and allow builders to request a review from a second HERS rater in the rare case of disputes.

18. Are there enough HERS raters available, and what do they cost?

In 2010, over 2400 new homes in Massachusetts were built with HERS raters on the design team to do the testing and reporting required to achieve a HERS rating. The growing interest in HERS ratings has led to more building professionals going through HERS training and certification and expanded sales of blower door and duct testing equipment that they use. The Massachusetts Energy Star Homes website now lists several new HERS provider companies,¹ and many more builders as Energy Star Homes partners – familiar with the HERS rating process. Given the active market for HERS raters, we don't anticipate demand for HERS raters exceeding the supply.

Costs for HERS raters services are substantially subsidized by the utility-sponsored Tornado recover and ENERGY STAR® Homes programs. Price variations exist as builders and HERS raters negotiate differing levels of technical assistance to the builder depending on their needs and preferences.

² More information on the HERS rater test is available here:
<http://www.resnet.us/rater/tests/rater.htm>