



## Energy & Management Resources

EAM Associates (“EAM”), a New Jersey based business, accredited by the Residential Energy Services Network (“RESNET”), appreciates the opportunity to provide industry comments on the Federal Environmental Protection Agency’s (“EPA”) “Proposed Revised Guidelines for Energy Star Qualified Homes in 2006”. EAM’s technical program implementation services for the New Jersey Energy Star Homes (“NJESH”) program in the State of New Jersey to both the investor owned gas, and electric companies is a strong experience base, and foundation for our joint comments.

Based on the material contained in the “July 2005 Update: EPA Proposes Revised Specifications for ENERGY STAR Qualified Homes”, we see that there are two areas of concern for the New Jersey ENERGY STAR residential new construction program as follows:

1. Implementation timeline – July 1, 2006: Assumed to cover new enrollment, and not the issue of a building permit or certification date.

This is of major concern for the NJESH program in that current executed NJESH agreements in place, and in various stages of execution have a two-year term. Builders who have enrolled their projects into the Program this calendar year have until 2007 to complete construction under the current Programs requirements, standards, and incentives. New Jersey Office of Clean Energy, New Jersey Utilities, and their Program implementation contractors have a “contractual” obligation to provide enrolled participants with previously prescribed Program services under which their agreements are executed. To modify these agreements with new terms and conditions such as the proposed specifications will have a direct negative impact on current and future NJESH activity.

As of July 31, 2005, the NJESH has enrolled over 4,000 homes to be certified to the current NJESH program standards, requirements, and incentives. By year-end we could see approximately, 8,000+ homes enrolled. These homes will have until 2007 to complete construction under current Program guidelines. In addition, there are approximately 1,300 units enrolled into the Program from August 1 2004 to December 31 2004. The magnitude is high if New Jersey is faced with having this population of up to 9,000 homes re-committed to the proposed specifications by July 1, 2006.

This also creates additional questions such as – can the NJESH provide ENERGY STAR labels to certified homes after July 1, 2006 if the homes are certified to the current NJESH Program standards and not the proposed revised specifications.

In addition, the full menu of State based programs is undergoing a governance change, and a transition in management/administration. Of course, this transition will be transparent to the marketplace, and program evolution, yet it should be in place for program changes of this nature.

We would suggest that a meeting occur with EPA and responsible New Jersey (such as New Jersey Office of Clean Energy, State Investor Owned gas and electric utilities, Program Implementation Contractors, and other interested parties) to determine what would be the proper NJESH transition timetable to the proposed revised specifications. This can occur with the aforementioned stakeholders in New Jersey during the month of September 2005 to reach consensus on an implementation timetable for the revised specification to begin, and “grandfathering” of the enrolled participants with an existing agreement that expires after July 1, 2006. If agreeable, EAM will facilitate this stakeholder meeting for September 2005.

2. Performance Path Footnote Number 5 – Duct Sealing & Testing: There is still considerable concern regarding the duct leakage proposed specifications. The HVAC professional contractor base in New Jersey has been in a positive transition to include proper sizing of equipment, manufacture specified airflow, and system charging. This was a major undertaking, and is still moving in a direction of positive change on the part of the HVAC contractor. To add the proposed duct leakage specifications to the Program absent a “transition & education period” could negatively affect participation, and raise dropout rates.

The “transition period” is envisioned to be one of a gradual ramp up to the proposed duct leakage specification, and training opportunities for professional HVAC contractors to be allies in the new specification, rather than a barrier. Having the Eastern Heating and Cooling Council based in, and functioning as an agent of professional change for the HVAC contractors in New Jersey, an educational training outreach initiative can be developed, and implemented in coordination with a ramping up over a specified period of an increasing duct leakage requirement.

EAM appreciate the opportunity to provide comments on an important evolution of the Program to continue to provide value and savings.

If there are any questions, concerns or need for clarification, please do not hesitate to contact the undersigned directly.

Sincerely,

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