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# *MEMO*

**Date:** February 13, 2008
**To:** Board of Directors
**From:** Philipp Degens, Evaluation Manager
Kendall Youngblood, Residential Sector Manager
**Subject:** Staff Response to ENERGY STAR Homes Evaluation

The evaluation of the Energy Trust's ENERGY STAR homes program provides only a snapshot in time of a dynamic program operating in a very dynamic market place. The change in the Oregon energy code set to take place in April 2008 will have a major impact on the Energy Star program. As of that date, all homes built in Oregon will be built to a level comparable to the current Northwest Energy Star specification. The Program's success in builder recruitment and achieving a high market share helped support the decision to increase the Oregon residential building energy code. Improving energy code was a long-term program market transformation goal that was achieved many years earlier than anticipated.

This market transformation success comes with its own program challenges. Changes in energy codes will require new Energy Star specifications. Incorporation of a new more advanced building specification for Oregon into the Energy Star program will take time it will require negotiations with NEEA and EPA. The types and cost effectiveness of new specifications and features also need to be worked out and agreed upon by the multiple parties involved.

Energy Trust will retain the current Energy Star specification in the program to assist in the transition to the new energy code and plans to introduce the more advanced Energy Star specification in 2009 as a program requirement. The new advanced Energy Star specification will be developed and piloted during the 2008 program year. This experience will help in designing the 2009 builder support services (training, marketing etc.) as well as the builder option packages that will be offered.

The program has also been successful in aligning its program goals with many of its partners. As of 2008, Earth Advantage is requiring that all Earth Advantage homes be Energy Star compliant. In 2007 the Portland area Multiple Listing Services has also decided to include a field in its database that identifies a home as Energy Star. This MLS feature will help home buyers to identify energy efficient homes as well as enable realtors to sell homes based on Energy Star features.

Staff is in agreement that program marketing needs to be improved to increase the home buyer awareness of Energy Star and its' associated benefits. In keeping with our contractor

driven model, staff views outreach to realtors and coop advertising with and marketing support for builders to be the major channels for marketing. In the 2008 transition period marketing will focus on the 3rd party verification aspect of the program and builders building to the new advanced Energy Star specification. During this time of transition staff does not believe that the program would benefit by restricting Earth Advantage from carrying out its present roles of verifier and Builder Outreach Specialist. In 2009 the results of NEEA's impact evaluation of Energy Star homes will also be available for use in marketing. In the mean time the program is rewriting the ENERGY STAR home owner manual and updating the website.

The slow down in the housing market is affecting the ENERGY STAR homes program. Staff agrees that program goals should be supplemented with a penetration goal to reflect a percentage of the new homes market, in addition to energy savings goals.

Energy Trust is phasing out buyer incentives for Energy Star manufactured homes in 2008. The program is focusing its efforts on providing support to participating retailers and manufacturers.