

Minnesota Success Stories: *Project ReEnergize is model program*

Brenda Miller Residence

Location: Shorewood

Energy improvements: air sealing, insulation, windows

Contractor: DB Raskob Construction, Maple Plain

Energy efficiency rebates delight homeowners, contractors alike

Project ReEnergize, Minnesota's energy efficiency rebate program designed to save homeowners energy and money and create jobs in the residential construction industry, was so successful that it's been called a model for other proposed federal stimulus projects, including the Home Star program.

"I don't think I have ever seen a government-generated program that has directly assisted the building industry as Project ReEnergize has," said Pam Perri Weaver, president of the Builders Association of Minnesota (BAM). "Project ReEnergize created an environment where consumers wanted to spend money. Consumer confidence soared with the help of Project ReEnergize."

Project ReEnergize was the \$3 million program funded by the American Recovery and Reinvestment Act of 2009 and administered by BAM on behalf of the Minnesota Department of Commerce's State Energy Program (SEP). The program, which launched in the fall of 2009 with a half-day training for qualified licensed contractors, issued average rebates of \$2,200 to about 1,200 homeowners. The average cost per home improvement project was \$13,700. The program was so popular that rebates were fully committed by March 2010.

Energy efficiency measures eligible for rebate included replacement ENERGY STAR windows without attic air sealing (\$250 per window) and with attic sealing (\$300 per window), advanced air sealing of attics (\$800), exterior wall insulation (\$800), and replacing orphaned atmospherically vented water heaters (\$750). Maximum rebate was \$4,000 per home, or \$4,750 if replacing an orphaned water heater.

Construction field gets boost

"We found that for every \$1 in rebate money issued by Project ReEnergize, consumers spent \$5 upgrading their homes with energy efficient improvements and other upgrades," Perri Weaver said. "Project ReEnergize was a consumer-based

program, one in which government looked to the private market to create construction jobs and encourage homeowners to upgrade their homes."

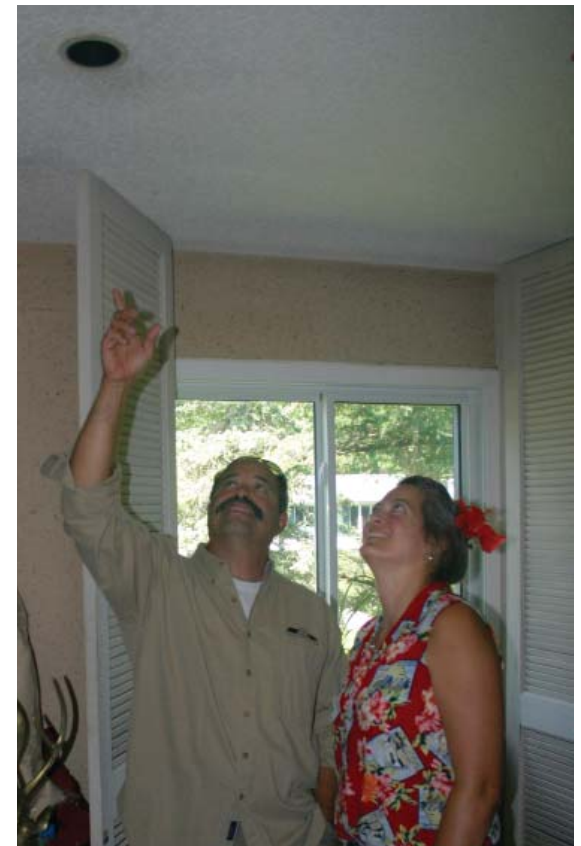
Contractors agree that the program gave a boost to their business, but they are anxious for more programs like Project ReEnergize. Eligible contractors were limited to two rebate packages each.

"I got two (rebate) packages, but I could have sold 20," said David Raskob of DB Raskob Construction in Maple Plain, Minn. "Many clients with limited funds were on the fence about doing work, but when Project ReEnergize came around they said, 'Let's do it.' Many others are still waiting for new incentives."

One of Raskob's rebate jobs went to Brenda Miller, a single mother from Shorewood, Minn., who had her attic air sealed, insulation blown in (20 inches R-44), and 12 windows replaced. Miller's home improvements cost \$10,200, but with a \$4,000 rebate she paid only \$6,200. "I did it because of the discount," she said. "I couldn't afford it otherwise. And now I look forward to significant savings on my heating bill next winter."

"Brenda's home needed the work badly," said Raskob. "It was heart warming to be able to make it happen for her."

Contractor David Raskob describes to Brenda Miller the air sealing that was done around a light fixture in her home.



Rebates spur additional construction

Project ReEnergize propelled some rebate recipients to proceed with additional home improvement work, according to contractor Shawn Nelson of New Spaces in Burnsville. For instance, one of Nelson's Project ReEnergize clients in Eagan received attic air sealing, insulation, eight new windows for the upper level, and a new water heater. The client's rebate of \$4,750 convinced the family to go ahead on a kitchen remodel.

"We had a lot of people interested in Project ReEnergize," said Nelson. "But a lot did not move forward when they couldn't get the rebate. I'd love to see more funding—I've got a long list of people waiting."



One of the dozen windows that were replaced in Brenda Miller's home as a result of a Project ReEnergize rebate.

Said Jim Barrato of Baratto Brothers Construction in Cross Lake, Minn.: "Project ReEnergize was money well spent. It made homes more energy efficient and it put people to work. However, in my opinion, it should be done on a much larger scale. If the country could spend a few billion dollars on this, it would have a huge economic impact.

"Project ReEnergize gave a great boost to our industry as a whole," added Barrato, "because it got so many different people involved—insulators, painters, HVAC installers, inspectors, manufacturers and more. It was a great idea and neat that it came from Minnesota. BAM worked hard on this and made the most of the funds it received."

Creating 'a smarter workforce'

Project ReEnergize effectively forged a partnership between contractors and consumers, said Perri Weaver. "We trained a whole group of (Minnesota-based) contractors with the intent of assisting homeowners to determine if they qualify for rebates or Fix-Up Fund home improvement loans. In essence, the training has created a smarter workforce. Project ReEnergize has become a stepping stone for working with government to improve energy efficiency and stimulate the home retrofit market."

To learn more...

For more information on BAM, call 1-800-654-7783 or visit its website at www.bamn.org. For information on energy-efficient home improvements and incentives, visit the Office Energy of Security (OES) website at www.energy.mn.gov or contact OES at 800-657-3710 or [energy.info@state.mn.us](mailto:info@state.mn.us).

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