

Income-Qualified Builder Trade Ally Participation Agreement



Program Overview

Consumers Energy offers a portfolio of programs and pilots that promote energy efficiency, incorporating rebates and energy education. The residential Consumers Energy All-Electric New Home Construction Pilot program encourages the residential new construction industry to build homes within the Consumers Energy electric and combination (natural gas and electric) service territories that meet the following specifications:

1. Net-zero ready or PV installed on-site.
2. All-electric home with cold climate heat pump installed.
3. Proposed energy modeling completed to verify that the project is designed to meet a Home Energy Rating System® (HERS®) score of 40 or less prior to PV installation.

To achieve these goals, the program provides participating builders with technical, marketing and training support in addition to financial incentives.

Builders interested in participating in the residential Consumers Energy All-Electric New Home Construction Pilot program must complete this Trade Ally Participation Agreement.

Getting Started

To participate in this program, builders must follow these steps:

1. Submit this Trade Ally Participation Agreement. You will need to do this for each submitted home.
2. Work with a local HERS rater. Your HERS rater will submit rebate applications on your behalf.
3. Applicant must submit proposed home design(s) to the program portal (via HERS rater) within seven days of submitting this Trade Ally Participation Agreement.
4. Consumers Energy will review application, income-qualified eligibility and home design(s) to ensure all program requirements are met.
5. If Consumers Energy approves the application and home design(s), incentives will be reserved based on the proposed home design(s) registered to the program. Note: Consumers Energy has the right to withhold or discount incentive reservation if program requirements are not met.
6. Builder will build the home as proposed and will obtain the HERS rating.
7. Builder will register the home with the Residential Energy Services Network (RESNET®) and submit the final HERS rating to the program portal (via HERS rater).
8. Builder will submit a completed [U.S. Department of Energy's \(DOE\) Zero Energy Ready Home PV-Ready Checklist](#).
9. **If all requirements are met, the incentive will be paid to the builder, based on the home's final HERS rating.**

Important

The information completed in the “Builder and Rater Information” section of the Trade Ally Participation Agreement will be the information included in the Trade Ally Directory. By signing this Trade Ally Agreement, you are agreeing that you have been trained on the program and will offer it to your customer. Trade Allies will be removed from the program for noncompliance.

Home Eligibility

- Home must be in the Consumers Energy electric or combination (natural gas and electric) service territory as evidenced by town, ZIP code and Consumers Energy meter number.
- Qualifying structures must be site-built single-family residential homes, duplexes or townhomes.
 - **Mobile homes and manufactured homes are not eligible.**
- Home must show proof of being net-zero energy ready with completion of DOE's Zero Energy Ready Home PV-Ready Checklist or have PV installed on-site.
- Home must have Consumers Energy electric for the primary heating and water heating fuel type.
- Home must utilize a cold climate heat pump for heating and cooling.
 - **Program highly encourages builders to utilize cold climate heat pumps listed on [Northeast Energy Efficiency Partnerships Cold Climate Air Source Heat Pump \(ccASHP\) Product List](#).**
- Proposed energy modeling must implement a highly efficient building envelope to achieve a HERS score of 40 or less.
 - **This HERS score must be achieved before the addition of solar PV, if applicable.**
 - **This HERS score is determined by Ekotrope HERS Rating Software.**
- Home must be permitted on or after Oct. 1, 2020.
- Home must receive a HERS rating, rough/pre-drywall inspection and final inspection.
- Home construction, PV-Ready Checklist and final HERS rating must be completed by June 30, 2022.
- Incentive application must be updated to include the final HERS rating and be resubmitted to the portal by June 30, 2022.
- Builder must certify that the program's financial assistance will be used to offset the costs associated with the registered home's energy efficiency upgrades.

Income-Qualified Eligibility

Homes may be eligible to participate under the Consumers Energy Income-Qualified All-Electric New Home Construction Pilot program if they meet any of the following requirements:

- 1. Participation in an affordable housing program.** Automatic qualification for any property that can provide evidence of participation in a federal, state or local affordable housing program; for example, LIHTC, HUD, USDA, MSHDA, local tax abatement for income-qualified properties.
- 2. Location in an income-qualified census tract.** Location within the U.S. Department of Housing and Urban Development's (HUD) annually published "Qualified Census Tracts." More information can be found at huduser.gov/portal/sadda/sadda_qct.html.
- 3. Rent roll documentation.** Submission of rent rolls documenting that the average rents charged by a particular property are affordable to households meeting HUD's definition of income qualified. Properties with average rental rates at or below 80% of local "Fair Market Rent," as published annually by HUD, will be eligible to participate in the income-qualified incentives.
- 4. Resident income information.** Submission of resident income information showing that at least 50% of apartment units are rented to households meeting one of the following criteria:
 - **At or below 200% of the federal poverty level**
 - **At or below 80% of area median income**

Performance Milestones

Homes must be registered in the portal within seven days of Program Application submission so the program can approve and track the homes for quality assurance purposes.

Home construction and final HERS rating must be completed and submitted to the program by June 30, 2022.

If the builder fails to meet the performance milestone requirements listed above, Consumers Energy reserves the right to withdraw or discount potential incentive payments. Consumers Energy may, at its sole discretion, allow for Consumers Energy to reclaim a portion of any withdrawn incentive.

Financial Incentives

For income-qualified homes that meet all the program requirements (as detailed in the “Home Eligibility” section above), have received the necessary and applicable permits, have been submitted in the program’s online incentive system (portal) and have been permitted on or after Oct. 1, 2020, Consumers Energy will provide incentives to builders.

How Incentive Structure Works

All qualifying homes must have Consumers Energy electric as their primary heating fuel type, complete DOE’s PV-Ready Checklist or have PV installed, install a cold climate heat pump and meet a minimum HERS score of 40 prior to any installation of on-site generation of PV systems.

The incentive structure allows flexibility by encouraging builders to implement the highest efficiency design and equipment without a specified building pathway – instead, the program measures the overall home efficiency using a HERS score.

Builders can earn bonus incentives for homes that are built to a HERS score of 35 (or less) prior to any installation of PV systems. Additionally, builders can earn a bonus incentive for the installation of a Level 2 electric vehicle (EV) charging station, which shall be modeled and submitted with the final application.

Note: Builders who do not meet HERS 40 requirement will be subject to a discounted incentive. Final projects submitted with a HERS score of 41–45 will be eligible for 75% of the Zero Energy Ready, All-Electric New Home Incentive. Final projects submitted with a HERS score of 46–50 will be eligible for 50% of the Zero Energy Ready, All-Electric New Home Incentive.

Consumers Energy All-Electric New Homes Rebate Offering	Rebate Amount
Zero Energy Ready, All-Electric New Home	\$20,000
Consumers Energy New Home Electrification (NHE) Bonus Rebate Offering	Bonus Rebate Amount
HERS score of 35 or less (before PV is added on-site)	\$5,000
Level 2 EV Charging Station	\$500

Incentive Example

- Completion and submission of DOE’s Zero Energy Ready Home PV-Ready Checklist
- HERS score of 40 or less
- Cold climate air-source heat pump and electric water heater installed
- **Total Builder Incentive = \$20,000**

Maximum Incentives

20,500		\$25,500
For a House With HERS Score of 36–40 & EV Charging Station		For a House With HERS Score of 35 or Less & EV Charging Station to Desired Location

Use of RESNET- and Program-Approved HERS Rater

Builders must use a RESNET-approved HERS rater to provide testing (rough/pre-drywall inspection and final inspection) and certification of program homes. The builder’s chosen rater must be registered with — and approved by — the program in order to be eligible to submit program Incentive Applications (Incentive Applications) on behalf of the builder. **If the builder is working with a rater that is not already on the program’s list of participating raters, the builder’s rater must submit the online Rater Program Participation Application.**

The builder must work with a HERS Rater to develop a proposed home design. Home design must achieve a HERS score of 40 or less (before the addition of solar PV, if applicable). Below is a list of suggested measures encouraged by the Pilot team in order to help builders achieve their desired HERS target score. If builders encounter issues achieving a HERS score of 40 prior to PV installation, please reach out to the program team for technical support.

Home Component	Recommended Measure
Air-Source Heat Pump or Mini-Split Heat Pump*	Selected from NEEP’s ccASHP Product List
Whole-Home Ventilation	HRV or ERV
Heat Pump Water Heater	UEF 2.00+
Infiltration	1.50 ACH @ 50 Pa. or Less
Insulation	Ceiling/Attic Insulation R-Value: 60+ Wall Insulation R-Value: 30+ Basement or Slab Insulation R-Value: 20+
ENERGY STAR® Certified Windows	U-Value: 0.20 or Less
Cooktop	Induction
ENERGY STAR Certified Appliances†	CEE Tier II
ENERGY STAR LED	100% LED

* For Non-Ducted systems: HSPF > 10, For Ducted systems: HSPF > 9, COP @5°F > 1.75 (at maximum capacity operation), SEER > 15

†Tier II – This level signifies energy efficiency at 25% above government mandate

Incentive Reservation

Home design/Incentive Application must be registered in the portal and be pre-approved by the program. Upon approval, allocations will be reserved for the home(s). Any modifications to the home design may result in a gain or loss of allocation.

Online Data Entry

When the rater registers a home in the portal, it will be required in the Incentive Application to provide the proposed home design set of basic home data, including:

- Lot Number
- Street Address
- City
- ZIP Code
- County
- Permit Date
- Expected Start Date
- Expected Completion Date
- Expected Close-In Date
- House Type
- House Plan/Name
- Project, Community or Building Name
- Home Square Footage
- Consumers Energy Electric Meter Number

As the home moves through the construction process and into the Consumers Energy system, the remainder of the Incentive Application must be completed in its entirety by the rater. Completed Incentive Applications will be processed by the program on a twice-monthly basis. If there is a construction delay greater than 30 days that affects the completion date of a registered home, the expected completion date must be updated in the builder's Incentive Application in the portal. Raters must perform data entry on behalf of the builder.

For online Incentive Applications to be considered complete, the rater must upload the following supporting documentation:

- Completed PV-Ready Checklist or verification of PV installation on-site.
- An Ekotrope or REM/Rate file for each registered home.
- A PDF of registered home plans, upon request.
- Equipment model number and/or AHRI certificate number, upon request.

Incentive Review

Upon completion, the builder's requested incentive will be verified using the confirmed HERS rater-submitted report.

- Final HERS score will be determined in accordance with the confirmed Ekotrope HERS rating.

The HERS rater and Consumers Energy will validate the fuel service(s) provided at the premises. Additionally, the builder must allow access to third-party (ICF) field quality assurance/quality control, upon request.

Training

Builders may be required to participate in the technical training provided under the program. This training can occur at the builder's site and may be done on homes that are under construction. Training will be offered in a combination of online and in-person settings.

Marketing

Builders shall make available information concerning the Consumers Energy All-Electric New Home Construction Pilot program by displaying such information in prominent locations on their websites and in their marketing materials, sales offices and model homes. Displayed information must be reviewed and approved by Consumers Energy.

Case Study Requirements

Builders must agree to facilitate follow-up activities pertaining to customer satisfaction and living experience within the Consumers Energy participating home. Follow-up activities may include an online or over-the-phone survey three, six and 12 months after move-in date.

Builder and Rater Information

Please provide the following information about your company.

Building Company Name:	
Primary Contact:	Primary Contact Phone:
Primary Contact Email:	
Production Contact:	Production Contact Phone:
Production Contact Email:	
Website:	
HERS Rating Company:	
Rater Name:	Rater Email:

Mechanical/HVAC Provider Information

Company Name of Primary HVAC Provider:		Michigan Mechanical License #:
Address:		Email:
State:	ZIP:	Primary Contact Name:
Phone:	Fax:	Does this company carry ENERGY STAR for New Homes credentials? Yes No [†] Not Sure [†] <i>[†]If you select No or Not Sure, we may reach out with resources to help you become accredited.</i>

Incentive Request Worksheet

Based on annual pilot production

Consumers Energy Electric-Only Service Territory Home Count:	Consumers Energy Combo-Service Territory Home Count:
Count of Homes Projected With HERS Score of 35 or Less:	Count of Homes Projected Without Gas Use:
Count of Homes With HERS Score of 40 or Less:	

Home Details

Home Address(es):	
Estimated Home Square Footage:	
Do you have a preferred insulation supplier? Yes No	If yes, please provide company name:

Trade Ally Participation Terms and Conditions

This Trade Ally Participation Agreement is between the listed Trade Ally and Consumers Energy. This agreement defines the terms under which the Trade Ally agrees to participate in the All-Electric New Home Construction Pilot program.

Consumers Energy agrees to offer the following:

- Information sessions for participating Trade Allies on program procedures, requirements and qualifying equipment specifications.
- Rebates to eligible Trade Allies as filed with the Michigan Public Service Commission (and as funds are available).

Through a Consumers Energy sponsored website, consumersenergyeed.com, Trade Allies can have their company name and certain information linked to an approved website directory of residential builders. This is subject to the terms and conditions herein. Therefore, in consideration of the mutual promises contained and the mutual benefit to be obtained, the parties agree as follows:

- Trade Allies' contact information will be placed on the participating Trade Ally list on the Consumers Energy All-Electric New Home Construction Pilot program website for customers once the Trade Ally Participation Agreement is complete.
- All Trade Allies acknowledge and agree that Consumers Energy provides the list of ENERGY STAR providers solely for informational purposes. Consumers Energy makes no warranty of any kind whatsoever, including, without limitation, the warranty of merchantability or fitness for a particular purpose.
- Under no circumstance or legal theory, whether as a result of a breach of contract, warranty or tort (including negligence, strict liability or otherwise), will Consumers Energy be liable to any Trade Allies for any indirect, special, consequential, punitive or exemplary damages. License, insurance and bonding shall remain the sole responsibility of the Trade Allies.
- The relationship between Consumers Energy and the Trade Ally shall be that of owner and independent contractor, and all Trade Allies agree that nothing shall operate to change or alter such relationship. Trade Allies shall have no actual or apparent authority to bind, represent or work on behalf of Consumers Energy and may not represent or imply such authority verbally or through use of any Consumers Energy logo, trademark or service mark (including logos, trademarks or service marks of Consumers Energy's parent or affiliates).
- Trade Allies shall comply with all applicable laws and codes. Failure of any Trade Ally to comply with applicable laws, codes or Consumers Energy guidelines or any failure to resolve customer concerns may (in the sole discretion of Consumers Energy) lead to such Trade Ally's removal from the program.

Trade Ally status does not imply a utility endorsement of the contractor in any way; rather, it simply provides a way to identify those contractors who have completed the required program training and are committed to offer high efficiency homes to their customers as well as actively promote the program.

Trade Ally agrees to perform the following:

- Follow all directives as outlined in the Trade Ally Participation Agreement.
- Hold and maintain required licenses and insurance coverage while participating in the program.
- Install all qualifying equipment for which incentives are provided in a professional manner, consistent with industry standards and in accordance with all applicable building codes, zoning laws, local, state and federal requirements and other relevant requirements.
- Certify that the Consumers Energy All-Electric New Home Construction Pilot program assistance is the only way that the builder can afford to increase the efficiency of each home submitted for a rebate. The builder must increase the efficiency of participating homes above and beyond what would have taken place without the support of the Consumers Energy All-Electric New Home Construction Pilot program.
- Maintain and retain accurate business records relating to the installation of qualifying equipment according to customary industry practice for at least one year following home completion.
- Contractor may not use the Consumers Energy All-Electric New Home Construction Pilot program promotional materials (including the Consumers Energy logo) without the express written consent of Consumers Energy.
- Use a RESNET approved HERS rater(s) to provide testing and certification of program homes. Trade Ally's chosen rater(s) must be registered with – and approved by – the program in order to be eligible to submit rebate applications on behalf of the builder. If the builder is working with a rater that is not already on the program's list of participating raters, the builder's rater must complete the rater Program Participation Agreement.
- Prior to any payment of builder incentives, Consumers Energy reserves the right to verify the completion of homes for the requested incentive, as well as other applicable program requirements.

Confidentiality Agreement

All information, including invoicing data to Consumers Energy, will be kept confidential within the Consumers Energy All-Electric New Home Construction Pilot program and will only be used in aggregate form, as required, by the Michigan Public Service Commission and for associated evaluation, measurement and verification purposes.

Trade Ally Signature

Trade Ally has read, understood and agreed to all the definitions, terms and conditions that are part of this Trade Ally Participation Agreement.

By signing below, Trade Ally agrees: (1) It has been trained on the program and will offer the program to its customers; (2) Consumers Energy reserves the right to end Trade Ally participation in this Pilot program at any time; (3) Trade Ally does not have any unresolved or outstanding complaints before the Michigan Department of Licensing and Regulatory Affairs or any other applicable regulatory agency, or a pattern of outstanding litigation that involves their work; and (4) It shall indemnify and hold harmless Consumers Energy from and against losses, liabilities, expenses, attorney fees, damages and injury (including death) to persons arising out of or in any manner connected with its participation in this Pilot program.

Trade Allies found in violation of any of the terms of the agreement and/or policies and procedures will be subject to removal or restricted Pilot program participation.

Company Representative

Printed Name:	
Title:	
Signature:	Date:

Please email this agreement to energysavers@icf.com or Ross.lgoe@icf.com

For questions, please contact:

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