

Super Efficient, All-Electric New Homes

Program Guide for Builders and HERS Raters

2024-2025

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Version 1.0 | August 2024



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1. Pilot Overview

1.1 Pilot Description

Consumers Energy offers a portfolio of programs that promote energy efficiency through rebates and energy education. The Consumers Energy Super-Efficient, All-Electric New Home Construction pilot program ("the pilot") is a market transformation initiative encouraging homebuilders to adopt the latest residential building practices and clean technologies.

The pilot provides incentives for completed homes that meet ENERGY STAR NextGen[™], U.S. Department of Energy (DOE) Zero Energy Ready Home[™], or Passive House Institute[™]/Phius[™] certification standards.

By participating in the pilot, you are differentiating yourself as a market leader by helping Michigan customers live in a comfortable, energy efficient home.

1.2 Pilot Objectives

The Super-Efficient, All-Electric New Home Construction pilot strives to support, educate and incentivize Michigan homebuilders to construct dwelling units that meet national certification program requirements within the electric and combination service (natural gas and electric) territory.

As part of the pilot learning and its continuous improvement, builders, raters and customers will be asked occasionally for feedback on their experiences.

1.3 Incentives

Site-built, single-family residential homes, duplexes or townhomes completed between April 15, 2024 and Dec. 31, 2025, are eligible for the incentives detailed in the following table. Please see Section 2. Home Eligibility Pathways of this guide for more details.

Home Certification Pathway	Incentive From Consumers Energy	Eligible for Federal Tax Credit*
ENERGY STAR NextGen	\$5,000	\$2,500
DOE Zero Energy Ready Home	\$10,000	\$5,000
Passive House Institute/Phius	\$20,000	\$5,000

^{*}Consult with a qualified tax professional on how to claim the Section 45L New Energy Efficient Home Credit.

Mobile homes and manufactured homes are not eligible for incentives. Please reach out to the Consumers Energy team at CENewHomes@icf.com for information on rebates for manufactured homes.

1.4 How To Participate

The incentive structure allows flexibility by encouraging builders to implement the highest efficiency design and equipment following a certification-based pathway. All homes submitted must use a Residential Energy Services Network (RESNET®) Home Energy Rating System (HERS) inspector or Phius consultant.

Builders interested in participating in the residential Consumers Energy Super-Efficient, All-Electric New Home Construction pilot should be aware of these steps:

- 1. Builder will need to submit a Trade Ally Participation Agreement, available at ConsumersEnergyTradeAlly.com/resources/all-electric-new-homes, for each home.
- 2. Builder should 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 the application 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 incentive reservation if program requirements are not met. If a project does not meet pilot requirements after the final inspection, the project can be processed through the standard New Home Construction program.
- 6. Builder will build the home as proposed and will obtain the HERS rating.
- 7. Builder will register the home with RESNET and submit the final HERS rating to the program portal (via HERS Rater).
- 8. Builder will submit a completed checklist for the selected incentive pathway corresponding to ENERGY STAR NextGen, DOE Zero Energy Ready Home Photovoltaic (PV)-Ready Checklist or Phius.

If all requirements are met and the home is certified to either of the three standards, the incentive will be paid to the builder. All homes must be certified to the standards of the pilot. Documentation of certifications will be required. Note: Incentives cannot be stacked.

2. Home Eligibility Pathways

The home must be in the Consumers Energy electric or combination service (natural gas and electric) territory as evidenced by town, ZIP code and Consumers Energy meter number. All qualifying homes must have Consumers Energy electric as their primary heating fuel type. Should a home fail to meet the eligibility pathways for pilot participation, it will be redirected to the standard Consumers Energy New Home Construction program at ConsumersEnergyTradeAlly.com/resources/new-home-construction. Qualifying structures must be site-built, single-family residential homes, duplexes or townhomes.

Mobile homes and manufactured homes are not eligible. Please reach out to the Consumers Energy team at CENewHomes@icf.com for information on rebates for manufactured homes.

2.1 ENERGY STAR NextGen

Single-family homes and qualified townhomes will be eligible based on the current version of ENERGY STAR certification in Michigan. All qualifying homes must have Consumers Energy electric service as their primary heating source. Homes can have a combination of all-electric measures but must go through the ENERGY STAR Single-Family New Homes certification applicable at permit date. A valid RESNET ID is required upon submission. The path to certification includes:

- ENERGY STAR Single-Family New Homes National Rater Field Checklist
- ENERGY STAR Single-Family New Homes National Rater Design Review Checklist

- ENERGY STAR Single-Family New Homes National HVAC Design Report
- ENERGY STAR Single-Family New Homes National HVAC Commissioning Checklist
- ENERGY STAR NextGen Certified Homes and Apartments National Rater Field Checklist

2.2 DOE Zero Energy Ready

Single-family homes and qualified townhomes will be eligible based on the DOE Zero Energy Ready Home National Requirements. All qualifying homes must have Consumers Energy electric service as their primary heating source. The path to certification includes:

- Mandatory requirements
- Envelope measures equal to the 2021 International Energy Conservation Code (IECC)
- Meets or exceeds **Energy Rating Index target** in comparison to the reference home
- ENERGY STAR v3.2 certification
- Electric vehicle readiness
- PV readiness/checklist
- Environmental Protection Agency (EPA) Indoor airPLUS

2.3 Passive House Institute/Phius

For more complete information on Passive Building Requirements, visit **phius.org** or **passivehousenetwork.org**.

Single-family and eligible townhomes can qualify for incentives by completing either of the following two pathways to certification. All qualifying homes must have Consumers Energy electric service as their primary heating source. Projects must be all-electric to qualify for the pilot.

• Passive House Institute/Phius Prescriptive Path

- Can be single-family home or duplex. Must be all-electric.
- Requires a Certified Passive House Consultant (CPHC) for the design submission and a Phius Rater to verify the construction and provide testing.
- No energy modeling is required.
- Design review, checklist submission and diagnostic testing are required by a certified professional.
- ENERGY STAR, DOE Zero Energy Ready Home and Indoor airPLUS are required as co-requisites.

• Standard Passive House Institute/Phius Certification

- · Can be single-family home, duplex or multifamily home.
- Requires a CPHC for the design submission and a Passive House Institute/Phius Rater to verify the construction and provide testing.
- Energy modeling is required, and certain trade-offs are allowed.
- ENERGY STAR, DOE Zero Energy Ready Home and Indoor airPLUS are required as co-requisites.

Program Support and Materials

The pilot team comprises building science professionals to assist with any questions you may have. Please reach out to CENewHomes@icf.com.

Pilot materials — including participation agreements, webinars and brochures — can be accessed through the Consumers Energy Trade Ally website: ConsumersEnergyTradeAlly.com/resources/all-electric-new-homes

3.1 Marketing

Builders shall display information about the Consumers Energy All-Electric New Home Construction pilot program in prominent locations on their websites and in their marketing materials, sales offices and model homes. Any new materials not previously approved must be reviewed and approved by Consumers Energy. For questions, please contact Rob.Murawski@icf.com.

3.2 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.

4. Terms and Conditions

4.1 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 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.

4.2 Online Data Entry

When the rater registers a home in the portal, the incentive application must include the following proposed home design set of basic home data:

- 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
- Consumers Energy natural gas 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.
- An Ekotrope or REM/Rate file for each registered home.
- A PDF of registered home plans, upon request.
- Equipment model number and/or the Air-Conditioning, Heating, and Refrigeration Institute (AHRI) certificate number, upon request.

4.3 Incentive Review

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

The 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.

4.4 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 the move-in date.