

Window & Door Dealers Alliance



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August 4, 2010

The Honorable Jeff Bingaman
United States Senate
703 Hart Senate Office Building
Washington DC 20510

Dear Senator Bingaman:

On behalf of the thousands of independent window and door dealers nationwide, I am writing to voice concerns regarding the current version of the Home Star Retrofit Rebate Program proposed in S. 3434, the Home Star Energy Retrofit Act of 2010. While the Window & Door Dealers Alliance, and its members, supports the overall concept of the Home Star incentive program, we want to ensure the proposal factors in its job creation and energy conservation potential.

Our membership is concerned that the Home Star Retrofit Rebate Program may unintentionally discriminate against many small businesses that are otherwise capable of meeting program requirements. Coupled with this, the Home Star Retrofit Rebate Program may result in limited consumer choices, which will impact the bill's potential to create jobs and its effectiveness energy efficient renovations.

Section 103 (a)(4) of S. 3434 requires contractors "to provide the owner of a home, through a discount, the full economic value of all rebates received." This provision will force contractors to give homeowners a discount and wait for reimbursement from the approved Rebate Aggregator. Unlike the popular 25C tax credits, a homeowner's only method of accessing a Home Star rebate would be through a contractor who is financially able to offer the rebate amount to a homeowner as a short term loan.

Like most small businesses in the construction and renovation industries, WDDA members are struggling with cash flow issues in this tight economy. With potentially thousands of dollars in rebates available on each project, smaller contractors will be able to carry a limited number of projects, if any. A "contractors rebate" would be an unbearable burden for many small business owners. Larger companies with stronger financial footing will hold a competitive advantage

The WDDA and its members support the House passed version of the Home Star legislation (H.R. 5019) which required rebates to be sent directly to the homeowner. A homeowner rebate would not require the contractor to float the rebate amount and would allow for better job creation while still granting the homeowners a substantial incentive for higher efficiency improvements.

The WDDA is also concerned that under Section 103(b) qualified contractors and those who are accredited by the Building Performance Institute (or who meet requirements not yet set by the Secretary of Energy and the Administrator of the EPA) may offer homeowners the more valuable Gold Star rebates.

The accreditation requirement has the potential to limit the choices of those who want to take advantage of the Gold Star rebates. Twenty-seven states do not currently have any contractors who could offer the Gold Star rebates. Thus, the preponderance of the rebate funds would go to a limited number of states and consumers.

Gold Star rebates require a contractor to determine the simulated energy consumption of the home before and after the retrofit. Professional contractors not accredited by BPI could meet the obligations of the Gold Star rebate program by using approved modeling software, installing the eligible energy saving measures properly, and providing the homeowner with documentation of the overall energy savings.

The WDDA urges the Senate to expand opportunities for homeowners to obtain Gold Star rebates in the legislation. Without this expansion, the job creation benefits of the Home Star Retrofit Rebate Program may not materialize. We hope that changes can be made to maximize the job creation and energy conservation benefits of the bill.

Please do not hesitate to have one of your staff contact me if you have any questions or would like to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read "David Walker". The signature is fluid and cursive, with the first name "David" and last name "Walker" clearly distinguishable.

David W. Walker
Vice President
Window & Door Dealers Alliance