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MEDIA RELEASE

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FOR IMMEDIATE RELEASE

U.S. Secretary of Energy awards grant to Indiana

INDIANAPOLIS -- United States Secretary of Energy Hazel O'Leary today announced a \$200,000 grant for the state during a meeting with Lt. Governor Frank O'Bannon at an Energy Rated Home at Eagle's Landing Housing Development in Indianapolis. The grant will be used by the Energy Policy Division of the Indiana Department of Commerce and the Indiana Department of Fire and Building Services to introduce the use of home energy ratings as an alternative form of residential energy code compliances.

"We will make a grant that exemplifies a collaborative partnership between DOE, the Indiana Department of Commerce and a coalition of housing industries to benefit homeowners by producing more affordable, comfortable and marketable homes in an improved environment," said O'Leary.

"Indiana is truly honored to receive a grant that will help our Energy Rated Homes of Indiana (ERHI) program expand its capabilities," said O'Bannon. "Because of the program, Hoosiers will be able to lower their energy bills and possibly help others qualify for mortgages they might not otherwise be able to get."

There are other advantages to ERHI. The use of home energy rating systems will reduce the amount of time required by code officials and offer marketing and quality-control benefits to builders. ERHI is also expected to increase energy code compliance throughout the state.

ERHI is a voluntary, market-driven, and fuel-neutral program. It is operated by the Energy Policy Division of the Indiana Department of Commerce in partnership with more than 20 organizations in the Indiana housing industry.

The funds provided by the grant will be used to train builders and code officials on both the traditional and the new methods of code compliance. Funds will also be used to encourage builders to purchase home energy ratings in order to demonstrate compliance.

The new method of compliance will use the energy rating system

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developed by ERHI. At the request of a homebuyer, seller, builder or lender, this system will assign a rating of one to five stars to a new or existing single- or multi-family home, with five stars being the most efficient. A rating of four stars or greater demonstrates compliance with the 1992 Indiana Energy Conservation Code. The rating will also provide an estimate of utility costs and may include recommendations for specific energy improvements.

To rate a home, an ERHI certified rater (acting as an independent contractor) will make a site visit to examine the home's insulation, airtightness, and the efficiency of its energy-consuming equipment among other items. The data is analyzed and a report is issued.

Homes that rate four stars and above are eligible for energy efficient mortgages (EEM) available through most lenders. With an EEM, a lender can stretch a buyer's debt-to-income ratio used in the loan qualification procedure. Because an efficient home will have lower energy bills, the homeowner will be able to afford a larger mortgage payment.

For more information on ERHI, contact Mark Jansen at the Indiana Department of Commerce, Energy Policy Division, One North Capitol, Suite 700, Indianapolis, Indiana, 46204-2288; or call the Indiana Energy Information Center at (800) 382-4631.

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Contact: Mark Jansen (800) 382-4631

Note: Eagle's Landing is being built by C.P. Morgan and the house was rated by TSI Inc.