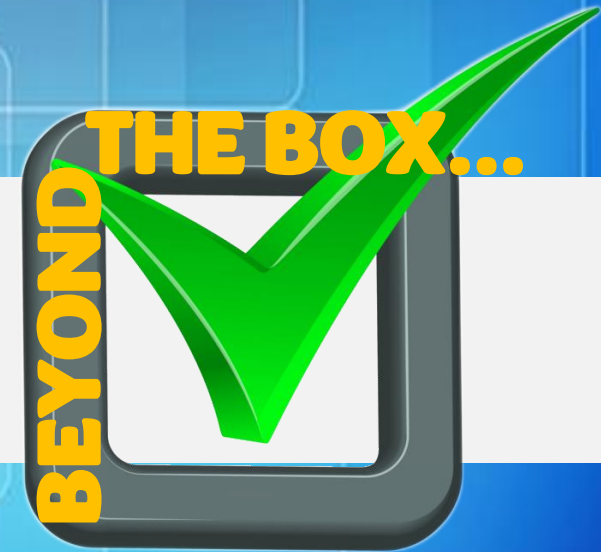




2024 National Association for State Community Services Programs Annual Training Conference

IRA Home Energy Rebates: Stacking and Maximizing Incentives

September 16 – 20 | Renasant Convention Center | Memphis, TN

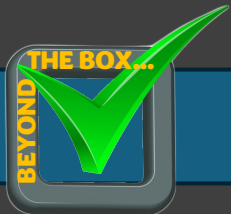


TURNING
POSSIBILITIES
INTO
REALITIES



Amanda Rains
U.S. Department of
Energy

Facilitator and Updates



IRA Home Energy Rebates: Stacking and Maximizing Incentives

NASCSP 2024 Annual Training
Conference

Skip Wiltshire-Gordon
Senior Manager, Government Affairs, AnnDyl
Policy Group

September 19, 2024



About Us



Washington, DC-based policy strategy firm that focuses on Federal and State legislative, regulatory, and administrative energy and environmental policy.



Our team brings together extensive knowledge, experience, and expertise to take a substantive approach on policy and advocacy.



We specialize in advanced grid infrastructure, energy efficiency, smart technology, demand response, clean energy financing, renewable energy, carbon and climate policy, and much more.

IRA: Key EE and Workforce Development Programs

Signed into law on **August 16, 2022**

Nearly **\$370 billion** in support of clean energy and energy efficiency

Program	Funding	Status
HEAR: Home Electrification & Appliance Rebate Program	\$4.5B	States working on applications. Several (NY, AZ, NM) have partially launched. Other states anticipate late-2024 / 2025 program availability
HOMES: Home Energy Performance-Based, Whole-House Rebates	\$4.3B	States working on applications. One (WI) has launched. Other states anticipate late-2024 / 2025 program availability
TREC: Training for Residential Energy Contractors	\$200M	\$150M available for State applications, due January 31, 2024 \$40M in competitive funding, full applications due January 13, 2025.
GGRF: Greenhouse Gas Reduction Fund	\$27B	All GGRF funding has been obligated to awardees - funding available subsequently from awardees (availability will vary)
25C Tax Credit (30% of cost)	\$12.4B <i>CBO estimate</i>	Available now ; capped at \$1,200 for envelope + \$2,000 for heat pump or HPWH

Residential Rebate Programs: HOMES & HEAR

HOMES Energy Rebates


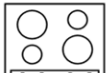




Projects must achieve a certain amount of **energy savings** to qualify for rebates.

Rebates **double** for low- and moderate-income individuals.

Larger rebates are available for retrofits that **save more energy**.

Two approaches: **modeled** savings and **measured** savings

HEAR Program

Appliance	Rebate Amount (Maximum)
 Heat Pump (for space heating and cooling)	\$8,000
 Electric Stove, Cooktop, Range, or Oven, or Clothes Dryer	\$840
 Heat Pump Water Heater	\$1,750
 Electric Wiring	\$2,500
 Electric Load Service Center (Breaker Box)	\$4,000
 Insulation, Air Sealing, and Ventilation	\$1,600

HEAR requires rebates be applied with income verification at the “point of sale”

HOMES: Modeled Savings Pathway

Contractors use approved BPI-2400 software (SF) or DOE-approved software (MF) to model homes using past utility data, assess potential improvements, and predict energy savings

Energy Savings	Single-Family	Multifamily
20 – 34 percent	\$2,000 or 50 percent of the project cost (whichever is less).	\$2,000 per dwelling unit, with a maximum of \$200,000 per multifamily building.
	DOUBLE for low-income households: \$4,000 or 80 percent of the project cost (whichever is less).	
35 percent and over	\$4,000 or 50 percent of the project cost (whichever is less).	\$4,000 per dwelling unit, with a maximum of \$400,000 per multifamily building.
	DOUBLE for low-income households: \$8,000 or 80 percent of the project cost (whichever is less).	

States may increase the low-income cap to 100% of project costs

HOMES: Measured Savings Pathway

Aggregators use approved software to measure home energy usage post-installation, providing rebates based on actual achieved energy savings

Energy Savings	Single-Family & Multifamily
15 percent and over	\$2,000 payment rate per kilowatt hour saved equal to a 20 percent reduction for the average home in the state, or 50 percent of project cost.
	DOUBLE for LMI individuals, \$4,000 payment rate per kilowatt hour saved equal to a 20 percent reduction per home or dwelling unit, or 80 percent of project cost. For multifamily buildings to qualify, at least 50 percent of residents must be LMI.

Potentially **higher rebates** for leaky & poorly insulated homes.

Aggregators can provide up-front payments to building owners, avoids waiting for rebate payments.

DOE Requirements for State Rebate Programs

- ▶ Low-income funding allocations
 - ▶ Low-Income Single-Family (~40%)
 - ▶ Low-Income Multifamily (10%)
 - ▶ States may increase these allocations
- ▶ Stacking encouraged
- ▶ Multifamily buildings can combine funds for larger projects
- ▶ Audit and cost estimate requirements
- ▶ \$200 Disadvantaged Community contractor incentive
- ▶ Stackable with tax credits and utility rebate programs



IRA Home Energy Rebate Income Verification Requirements

70%
of all U.S.
households

Income Level	HEEHR	HOMES
<80 percent Area Median Income (AMI)*	100 percent of costs covered	Doubled Incentive (up to 80 percent of costs covered).
80 percent – 150 percent AMI	50 percent of costs covered	Standard Incentive (up to 50 percent of costs covered).
>150 percent AMI	<u>Not Eligible</u>	Standard Incentive (up to 50 percent of costs covered).

*AMI as defined by the U.S. Department of Housing and Urban Development (HUD).

HOMES & HEAR Stacking Overview

Per Statute, DOE, & IRS Program Requirements

Allowed

HOMES Modeled + HEEHR
(for separate upgrades)

25C + HEEHR
25C + HOMES*
**(pro rata)*

Stacking either rebate with other federal funds
(for **SEPARATE** upgrades)

Prohibited

(as of June 2024)

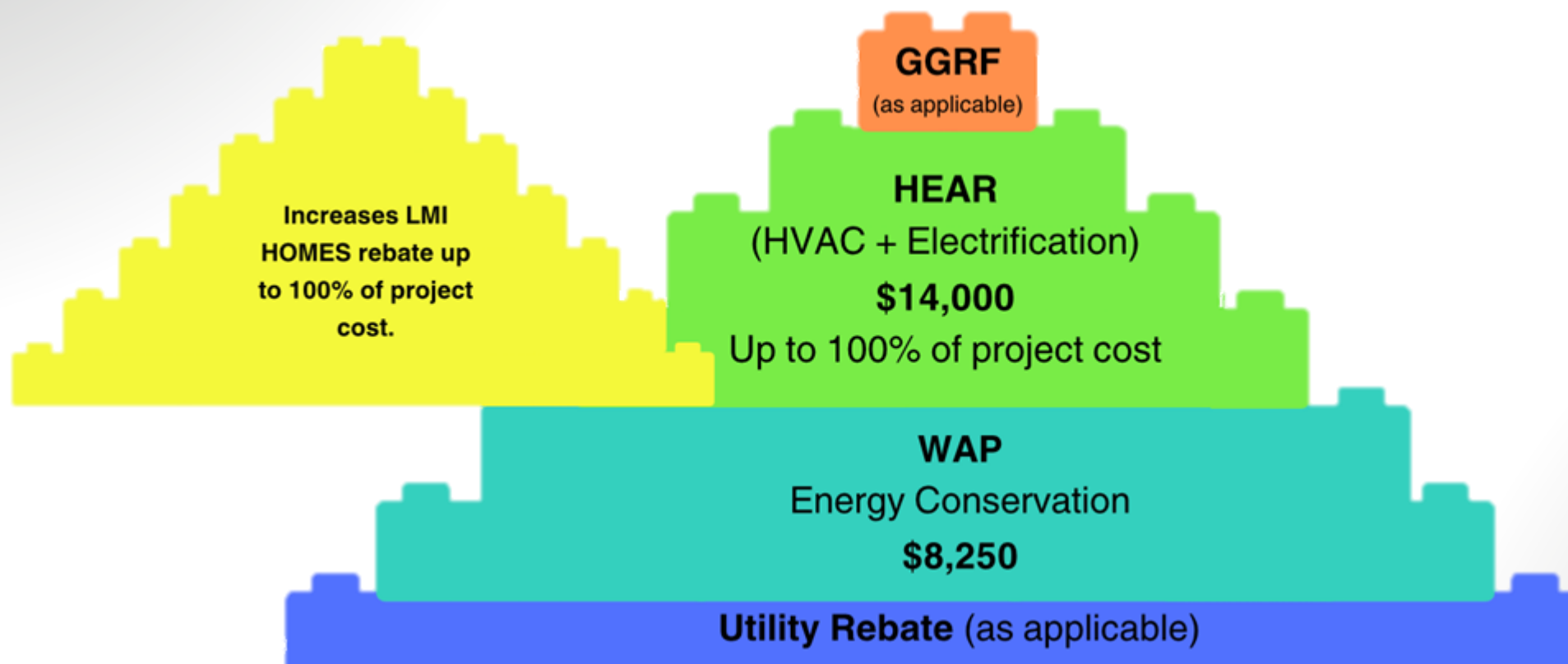
HOMES Measured + HEEHR (for HEEHR energy saving upgrades only)

HOMES Measured + HOMES Modeled

Stacking rebates with other federal funds
(for the **SAME** single upgrade)

Stacking: Low-Income Households

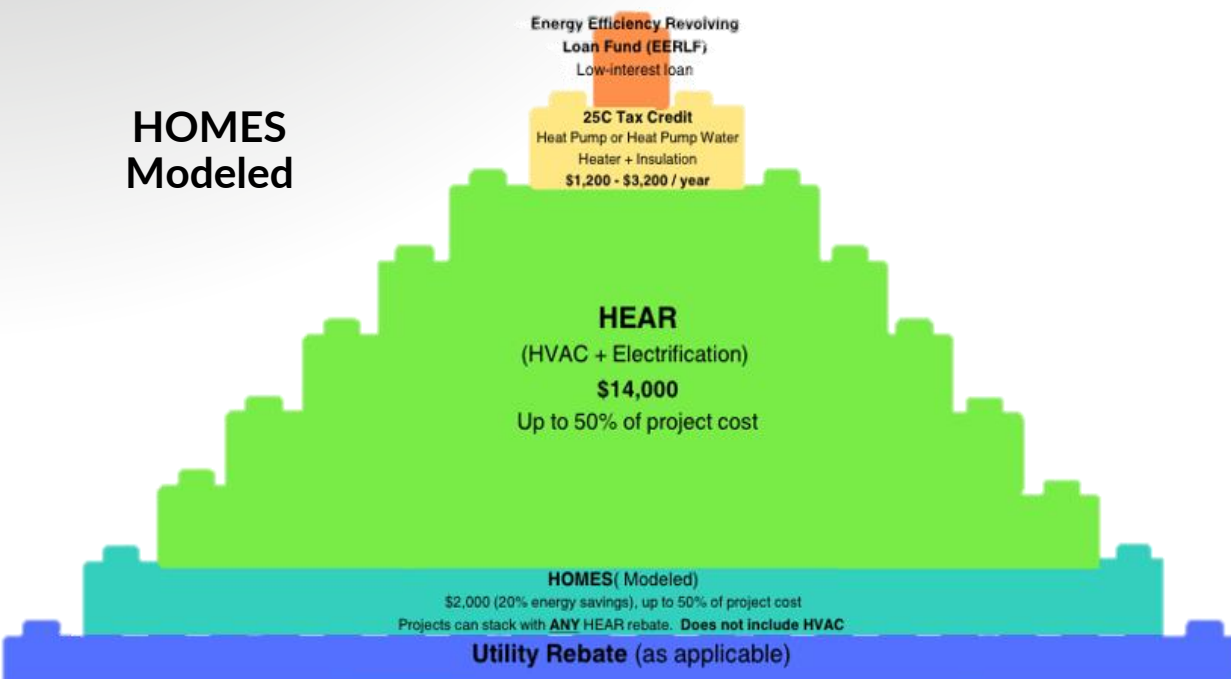
Low-Income Households Below 200% Federal Poverty Line (FPL) for WAP Eligibility and Below 80% of Area Median Income (AMI) for Maximum HOMES/HEAR Rebate Eligibility



Stacking: Moderate-Income Households

Moderate-Income Households Between 80% - 150% AMI

HOMES
Modeled

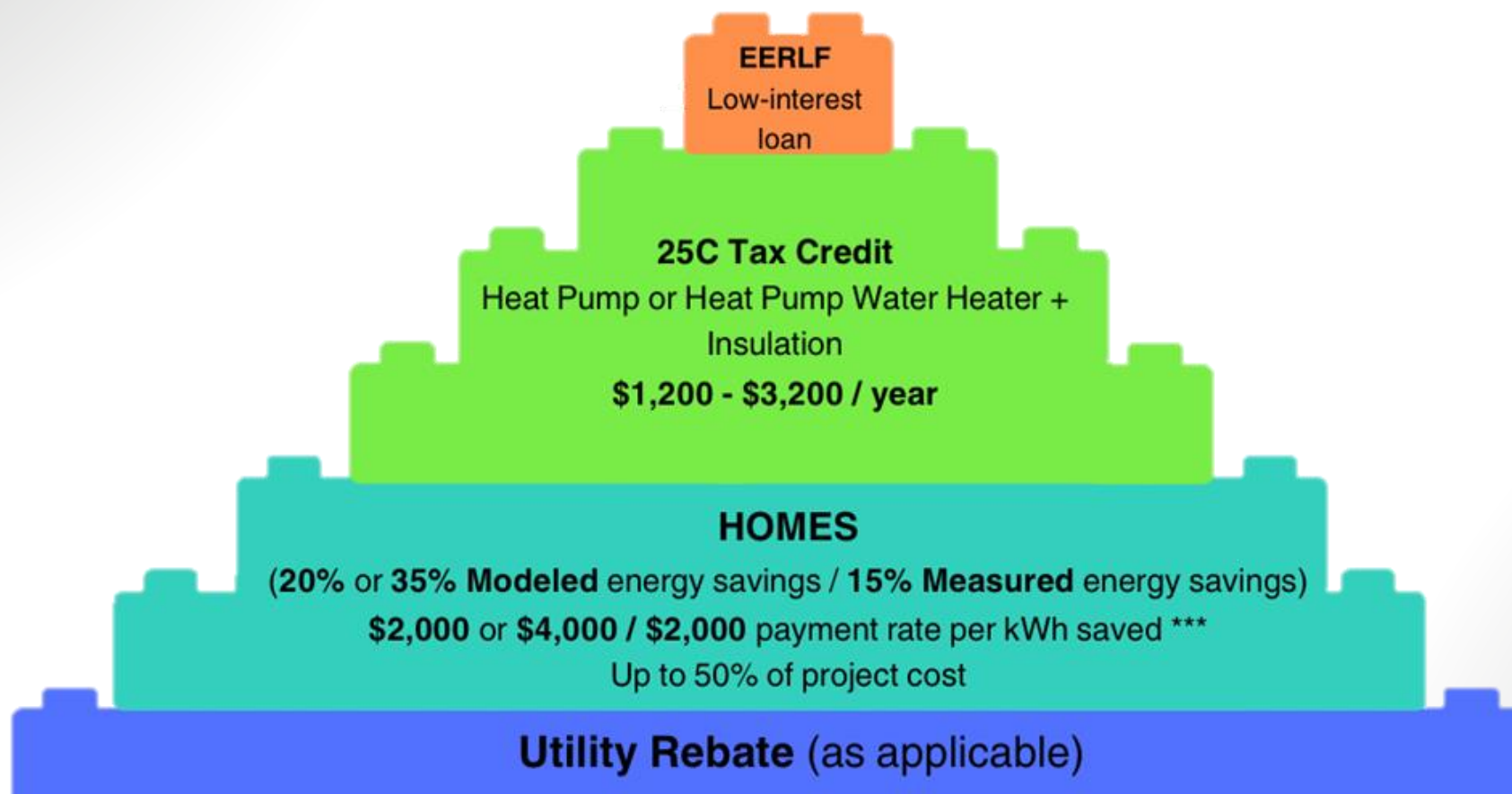


HOMES
Measured



Stacking: Market-Rate Households

Market-Rate Households Over 150% AMI / No Income Qualification



DOE Resource: Integrating the Weatherization Assistance Program (WAP) with Home Electrification and Appliance Rebates (HEAR)

Includes:

- ▶ Key HEAR Program Requirements to Consider
- ▶ Verifying Household Income Eligibility for WAP and HEAR
- ▶ Opportunities to use WAP Infrastructure to support HEAR Requirements
- ▶ Effective Braiding Strategies for WAP + HEAR Versus Actions to Avoid



In most urban areas, households that are eligible for WAP may be automatically eligible for low-income HEAR funding because in those places 200% FPL is less than 80% AML. However, in most rural areas the WAP Subgrantee or the HEAR contractor will need to verify that the income of the household receiving WAP also is below 80% AML. *Upon request from a state, DOE can share a table that compares 200% FPL and 80% AML for a state's specific income areas for categorical income eligibility for WAP and HEAR.*

Guidelines for Combining Other Funding Sources with HEAR

In general, states seeking to integrate WAP and HEAR federal funding can design their programs to allow for effective integration of other funding sources. However, efforts to combine permissible funding sources with HEAR must comply with two prohibitions:¹²

1. The aggregate value of all immediate upfront funding sources (Federal grants, Federal loans, and non-Federal funding) cannot exceed the total project cost.
2. Rebate funds from the HEAR program may **not be combined** with other Federal grants or rebates for the same single "qualified electrification project" (equipment plus labor).¹³

Figure 3 illustrates how other funds can be leveraged with the HEAR program. Other funding remains subject to requirements from the issuing authority when combined with HEAR funds.

Figure 3. Guidelines on Leveraging Other Funding Sources with Home Energy Rebates

Sources of Funding	Allowance	Requirements to Leverage Funding within Same Household	Examples
Other Federal Grants (e.g., funding from the Weatherization Assistance Program (WAP), Low Income Home Energy Assistance Program (LIHEAP))	Can Braid	Must "braid" and use other federal grants to fund distinct and separable measures from the "single upgrades" or "qualified electrification projects" (QEPs) funded by a Home Energy Rebate.	Energy efficiency (EE) measures from WAP (insulation and air sealing), appliance measures from rebate (heat pump, heat pump water heater, and associated wiring).
Federal Loans or Loan Guarantees (e.g., loan from DOE Revolving Loan Fund (RLF))	Can Co-Fund	Can co-fund any remaining costs for the same "single upgrade" or "QEP" above the value of the Home Energy Rebate.	Loan from a state's DOE RLF covers remaining upgrade costs after rebate has been applied.
Non-Federal Funding (e.g., EE utility \$, state/local \$)	Can Co-Fund	Can co-fund any remaining costs for the same "single upgrade" or "QEP" above the value of the Home Energy Rebate.	Utility incentive provides additional funding toward remaining upgrade costs after rebate has been applied.
Tax Credits (e.g., federal/state/local tax credits, may vary based on state/local law)	See IRS or Tax Authority guidance	Refer to IRS guidance on the energy efficiency home improvement tax credit, available at https://www.irs.gov/credits-deductions/home-energy-tax-credits .	

¹² DOE does not provide tax advice; please refer to IRS guidance or relevant state guidance for relevant tax laws and requirements for tax credits.

¹³ See [Program Requirements and Application Instructions](#), Section 4.3.2, Integrating with Other Programs.

¹⁴ See 42 U.S.C. 18795(c)(7) and 18795(c)(8).

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SCEP

Process and Next Steps for States

- Identify program implementers to support the application process and subsequent implementation
- States submit applications to DOE (27 thus far in 2024)
- DOE review and approval
- Program ramp up and start (Fall to Winter 2024 / Early 2025 or after)

Thank You!

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NASEO Residential Energy Efficiency and Beneficial Electrification Task Force

Home > Issues > Buildings > **NASEO Residential Energy Efficiency and Beneficial Electrification Task Force**

NASEO Resources

To join the Task Force, please contact Maddie Koewler at mkoewler@naseo.org.



SM

**CONTINUING
EDUCATION**

1.25 BPI CEUs - IRA Home Energy Rebates: Stacking & Maximizing Incentives



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