HOME ENERGY REBATES & WEATHERIZATION ASSISTANCE PROGRAM

Provisions Authorized through the Inflation Reduction Act

April 2023
Mobilizing Clean Energy Investment Through IRA

- The Inflation Reduction Act represents the largest investment in US history into clean energy solutions, at over $370B.
- In combination with the Bipartisan Infrastructure Law, the federal government is deploying more than $425B to support US clean energy industries.

- **Home Energy Rebates**
  - $9B
  - U.S. DOE

- **Energy Code Assistance**
  - $1B
  - U.S. DOE

- **Clean Energy Business Loans**
  - $14B
  - U.S. DOE

- **Energy Grid & Industry**
  - $9B
  - U.S. DOE

- **Affordable Housing**
  - $1B
  - U.S. HUD

- **Clean Transportation**
  - $7B
  - U.S. EPA

- **Energy Tax Credits**
  - ~$277B*
  - U.S. Treasury

- **Greenhouse Gas Reduction Fund**
  - $27B
  - U.S. EPA

- **Enviro. Justice Block Grants**
  - $3B
  - U.S. EPA

- **Rural Energy Assistance**
  - $12B
  - USDA

- **Coastal Climate Resilience**
  - $2.6B
  - NOAA

- **+ Other Programs**
  - ~$7B
  - Various Agencies

*Congressional Budget Office (CBO), [Estimated Budgetary Effects](#)
About The Home Energy Rebates Program

Mission: DEVELOP PROGRAMS TO MAKE RESIDENTIAL ELECTRIFICATION & ENERGY EFFICIENCY PROJECTS AFFORDABLE IN U.S HOUSEHOLDS.

Amount: $8,800,000,000.00

Status: EARLY ADMIN FUNDS AVAILABLE; NO REBATES YET

Recipients: STATE ENERGY OFFICES & INDIAN TRIBES
IRA Home Energy Rebate Program Objectives

- **Help households** across the US enjoy lower energy bills and more comfortable homes
- **Make it easier** to access and implement residential energy improvements
- **Attract and retain qualified workforce** to serve both single and multifamily markets
- **Spur durable market demand** for residential efficiency and electrification by demonstrating value of energy upgrades and efficient homes to homeowners, tenants, and investors
Potentially Eligible Equipment & Housing Types

- Electric Heat Pump Clothes Dryer
- Electric Heat Pump for Heat & A/C
- Electric Heat Pump Water Heaters
- Whole Home Air Sealing
- Duct Sealing & Insulation
- Attic, Wall, or Foundation Insulation
- Ventilation Systems
- Smart, Energy-Saving Technology
- Electric Panel & Wiring Upgrades
- Electric Stove, Cooktop, Range, Oven

& Potentially Other Energy-Saving Technology!

- Single-Family Homes & Multifamily Buildings
- New Construction & Existing Housing Units
- Owner-Occupied & Rental Properties
### Eligibility By Home Energy Rebate Type

#### Home Efficiency Rebates (IRA Sec. 50121, aka HOMES)
- Rebate eligibility depends on **predicted energy savings** of home upgrade
  - Rebates are technology agnostic
  - Generally, projects will need to predict at least 20% energy savings to be rebate eligible
  - Projects estimated to save 35% of energy are eligible for higher levels of savings
- Household eligibility
  - Law does not limit eligibility based on household income
  - Households at or below 80% AMI are eligible for more funds
  - Rented, single-family, or multifamily homes
  - New construction homes are not eligible

#### Home Electrification & Appliance Rebates (IRA Sec. 50122, aka HEERP)
- Rebate eligibility depends on installation of eligible qualified electrification projects
  1. ENERGY STAR electric heat pump water heater
  2. ENERGY STAR electric space heat pump
  3. ENERGY STAR electric heat pump clothes dryer
  4. ENERGY STAR electric cooktop, range, or oven
  5. Electric load service center
  6. Electric wiring
  7. Insulation, air sealing, ventilation
- Household eligibility
  - Households above 150% AMI are not eligible
  - Households at or below 80% AMI are eligible for more funds
  - Rented, single-family, multifamily are eligible
  - New construction homes are eligible
### How Much Money is Potentially Available Per Project?

<table>
<thead>
<tr>
<th>Type of Home Energy Project</th>
<th>Households Below 80% Area Median Income (AMI)</th>
<th>Households Between 80% and 150% AMI</th>
<th>Households Above 150% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Efficiency Project with at least 20% predicted energy savings²</td>
<td>80% of project costs up to $4,000</td>
<td>50% of project costs up to $2,000 (maximum of $200k for a multifamily building)</td>
<td></td>
</tr>
<tr>
<td>Home Efficiency Project with at least 35% predicted energy savings²</td>
<td>80% of project costs up to $8,000</td>
<td>50% of project costs up to $4,000 (maximum of $400k for a multifamily building)</td>
<td></td>
</tr>
<tr>
<td>Home Electrification Project</td>
<td>100% of project costs up to $14,000</td>
<td>50% of project costs up to $14,000 (households with incomes above 150% AMI are not eligible)</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Qualified Technologies (only households with an income below 150% AMI are eligible)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENERGY STAR electric heat pump water heater</td>
<td>up to $1,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENERGY STAR electric heat pump for space heating &amp; cooling</td>
<td>up to $8,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENERGY STAR electric heat pump clothes dryer</td>
<td>up to $840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENERGY STAR electric stove, cooktop, range, or oven</td>
<td>up to $840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric load service center</td>
<td>up to $4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric wiring</td>
<td>up to $2,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insulation, air sealing, and ventilation</td>
<td>up to $1,600</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹See Area Median Income (AMI) for your area: [https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn)

²Other rebate amounts (roughly within these ranges) may be available if efficiency rebate rates are determined through measured performance.
Home Energy Rebates Program Development Timeline

U.S. DOE

- Public Webinar & Listening Sessions
  - Request for Information Live January 18

- Develop Program Guidance
  - Early Administrative Funds Application March 23

- Application Support & Technical Assistance
  - States Full Program Guidance & Application Target Date: July 1

  - Rolling: DOE Reviews & Issues Grant Awards

States & Tribes

- Provide Input to DOE

- Apply for Early Admin Funds

- Develop & Submit Program Plans

- Deploy Program Funds

- Rolling: States Submit Applications to ALRD 1 & 2
What Could Rebates + WAP Look Like?

**Example Scenario: Program Design**
- Use existing WAP income verification to determine if a household’s income is also below 80% AMI
- Use existing communication, application, worker qualification, quality assurance protocols

**Example Scenario: Installed Projects**

<table>
<thead>
<tr>
<th>Weatherization Assistance Covered Projects</th>
<th>Home Electrification Rebate Covered Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Home Energy Assessment</td>
<td>✓ Heat Pump for Space Heating &amp; Cooling</td>
</tr>
<tr>
<td>✓ Attic &amp; Foundation Insulation &amp; Air Sealing</td>
<td>✓ Heat Pump for Water Heating</td>
</tr>
<tr>
<td>✓ Broken Window Replacement</td>
<td>✓ Electrical Wiring &amp; Panel Upgrades</td>
</tr>
<tr>
<td>✓ LEDs</td>
<td>✓ Efficient Electric Stove</td>
</tr>
<tr>
<td>✓ Minor Roof Repair</td>
<td></td>
</tr>
</tbody>
</table>

Total Investment: Up to ~$20,000 retrofit delivered to low-income household; lower energy bills, improved IAQ.
What Could Make Elec. Rebates + WAP Complicated?

Home Electrification & Appliance Rebates – Program Design Issues

- Income qualification thresholds are not the same between WAP and Home Electrification Rebates
  - 200% FPL (sometimes 60% SMI) versus 80% AMI
  - General trend: in more urban areas, 80% AMI is above 200% FPL, in more rural areas it is below
- Home Energy Rebate program requirements are still being drafted
  - DOE has not completed determining array of program design requirements for rebates
  - That being said, programmatic interoperability is one goal of this work

Home Electrification & Appliance Rebates – Eligible Project Issues

- According to law, Home Electrification Rebates cannot be used with other federal grants/rebates on the same qualified electrification project (i.e., purchase and installation of a heat pump)
  - Programs will need a system to track deployment of technologies and attribution of funds
  - Different funding sources have different methods / allowances for technology qualification
  - Home Electrification Rebates have a strict list of allowable technologies for rebates, but there is no SIR requirement
What Could Make Eff. Rebates + WAP Complicated?

Given the array of energy saving, SIR, and income requirements, stacking WAP + Home Efficiency Rebates in the same home is likely very complicated.

**Home Efficiency Rebates – Program Design Issues**

- Income qualification thresholds are not the same between WAP and Home Efficiency Rebates
  - Income qualification is not required for efficiency rebates, but being below 80% AMI grants access to more funds
  - No income group is automatically eligible for 100% project funding through the efficiency rebates
- Home Energy Rebate program requirements are still being drafted
  - DOE has not completed determining array of program design requirements for rebates
  - That being said, programmatic interoperability is one goal of this work

**Home Electrification & Appliance Rebates – Eligible Project Issues**

- According to law, Home Efficiency Rebates cannot be used with other federal grants/rebates on the same home efficiency upgrade (i.e., purchase and installation of equipment that in a package is predicted to save 20% of energy)
  - Programs will need a system to track deployment of technologies and attribution of funds
  - Assessing projects that meet 20% predicted energy savings separately from WAP funded technologies may be complicated
Leveraging Rebates for Weatherization Services

Weatherization Programs could be a great vehicle for providing rebates

- All weatherization programs include
- Income qualification procedures
- Established contractor bases
- Ability to track multiple fund sources and ensure no more than one federal source is used in an upgrade
- Have waitlists of households that may qualify
Things to pay attention to

- Funding is going to State Energy Office (SEO)
  - This is not part of WAP. Talk to your SEO.

- Income qualification is set at 80% AMI for low income and 80-150% for moderate income
  - Implementers will need to be able to provide income qualification
  - Households participating in a federal benefit program with income qualification 80% AMI or below are categorically eligible
  - Need to determine if 80% AMI is lower than 200% FPL for categorical eligibility at the 80% AMI rebate level

- Energy auditing software is still yet to be determined, but is required to be open source software

- Rebates for the Home Efficiency Program are based on energy savings (measured and modeled)
Discussion Questions

From what you’ve heard today what are your concerns?

From a weatherization perspective, how do you see these rebates being leveraged?

What do you see as easy part of the program to implement? Most difficult?

What did we not discuss that you think DOE needs to be considering?
Live Now! States May Apply for Early Administrative Funds


- **ALRD for Early Administrative Funds**

These funds may be used for:

1. Building State Capacity to Administer Programs
2. Strategic Planning on Home Energy Rebate Programs
3. Workforce Assessment & Planning
4. **Coordinated & Integrated Program Delivery**
5. Consumer Outreach and Education

*States are allowed to request up to 2.5%, not to exceed $2.5 million, of the total funding from each formula allocation of Sections 50121 and 50122 under this ALRD.*
Thank You!

Questions or Comments?
IRAHomeRebates@hq.doe.gov
EEWorkforcePrograms@hq.doe.gov