

# HOME ENERGY REBATES & WEATHERIZATION ASSISTANCE PROGRAM

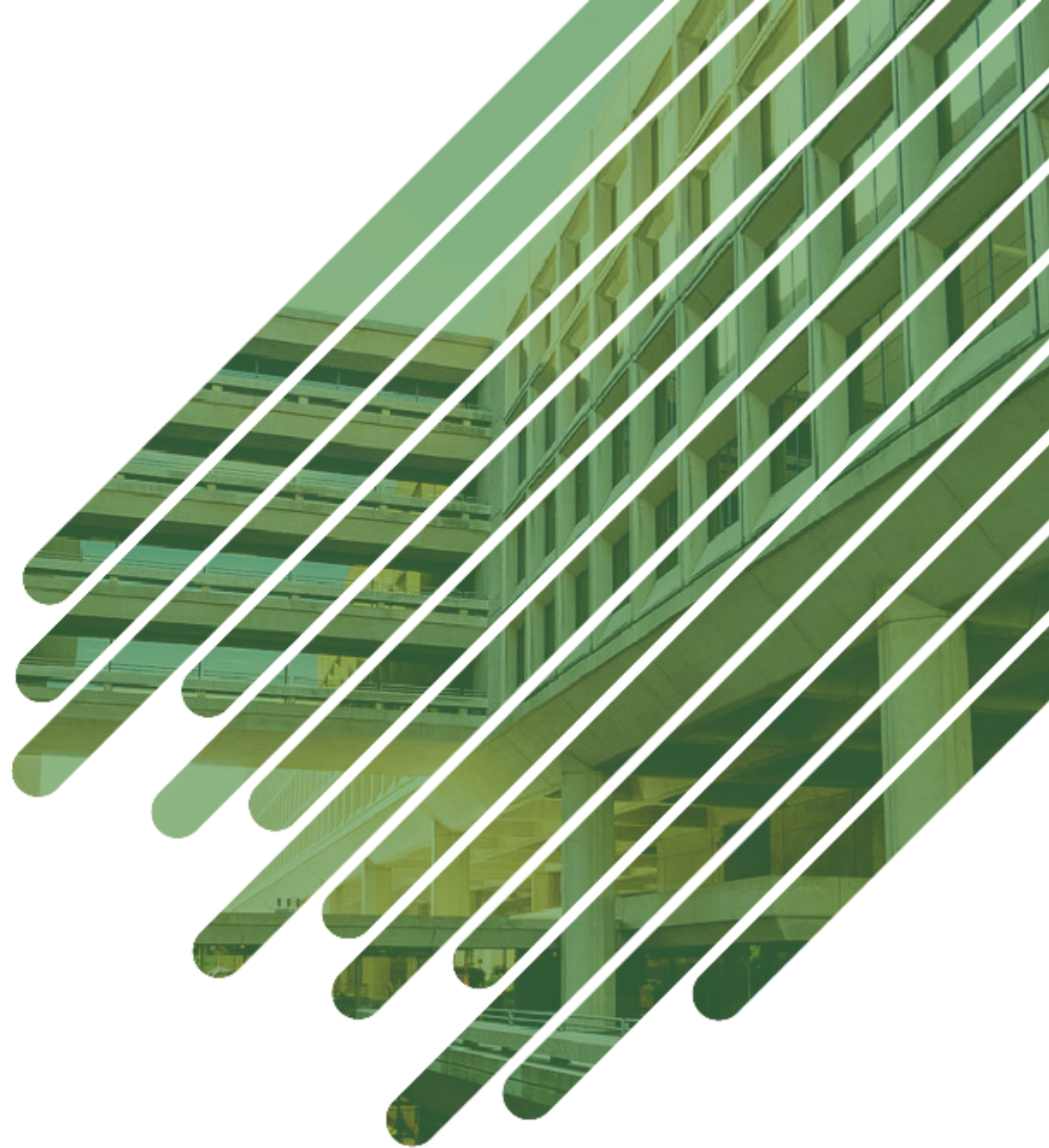
Provisions Authorized through the Inflation Reduction Act

April 2023



# SCEP

STATE & COMMUNITY ENERGY PROGRAMS



# 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



## Home Energy Rebates

SEC. 50121 & 50122

**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**



**& Potentially Other Energy-Saving Technology!**



**Attic, Wall, or Foundation Insulation**



**Ventilation Systems**



**Smart, Energy-Saving Technology**



**Electric Panel & Wiring Upgrades**



**Electric Stove, Cooktop, Range, Oven**



**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

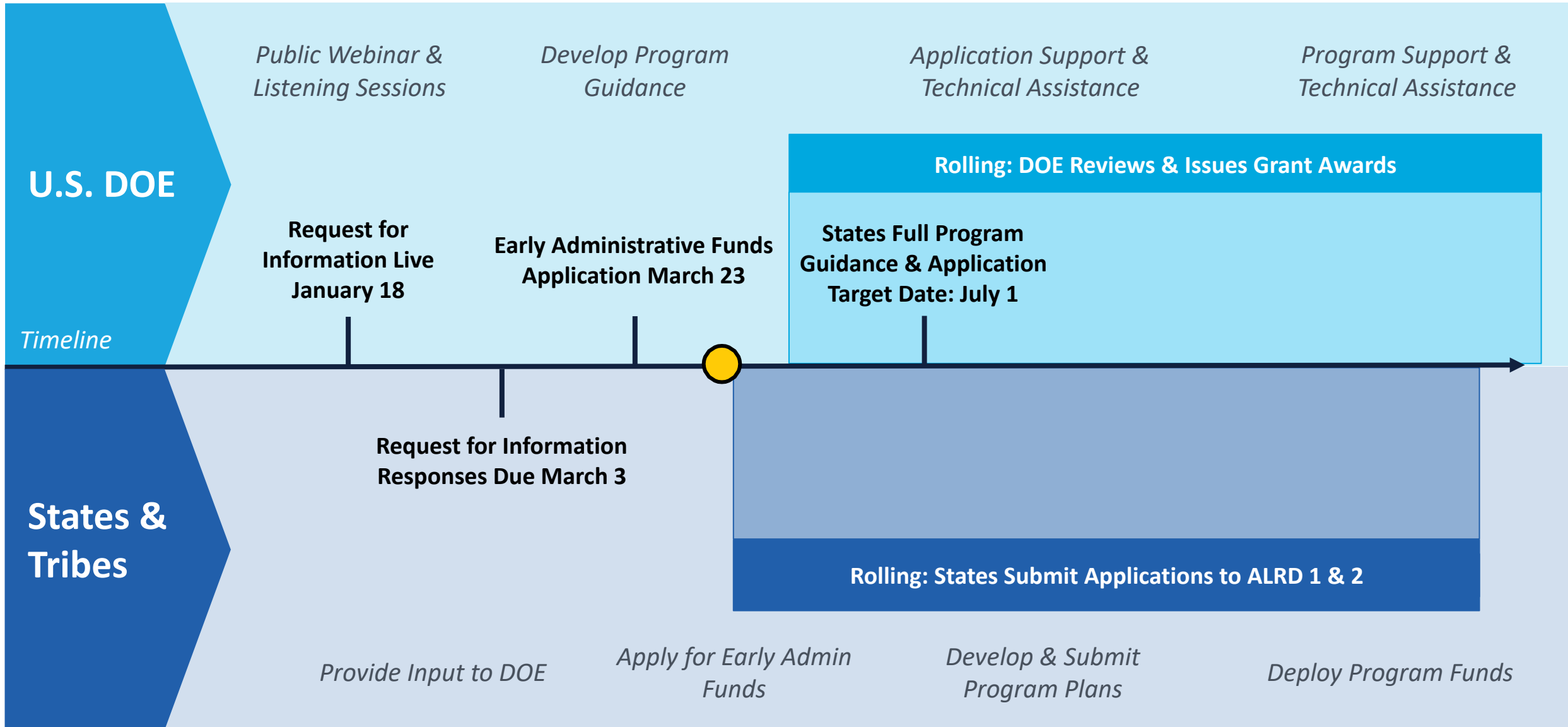
# How Much Money is Potentially Available Per Project?

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

<sup>1</sup>See 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)

<sup>2</sup>Other rebate amounts (roughly within these ranges) may be available if efficiency rebate rates are determined through measured performance.

# Home Energy Rebates Program Development Timeline





# 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

### Weatherization Assistance Covered Projects

- ✓ Home Energy Assessment
- ✓ Attic & Foundation Insulation & Air Sealing
- ✓ Broken Window Replacement
- ✓ LEDs
- ✓ Minor Roof Repair



### Home Electrification Rebate Covered Projects

- ✓ Heat Pump for Space Heating & Cooling
- ✓ Heat Pump for Water Heating
- ✓ Electrical Wiring & Panel Upgrades
- ✓ Efficient Electric Stove

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 is 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


Program Guidance Page: [www.energy.gov/scep/home-energy-rebate-programs-guidance](https://www.energy.gov/scep/home-energy-rebate-programs-guidance)

- [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.*



ADMINISTRATIVE AND LEGAL REQUIREMENTS DOCUMENT (ALRD)

U.S. Department of Energy  
State and Community Energy Program  
Golden Field Office

State and Community Energy Programs (SCEP)  
Inflation Reduction Act of 2022 Home Energy Rebate Programs  
Early Administrative Funds ALRD  
CFDA Number: 81.041

**PURPOSE**


The purpose of this ALRD is to:

- (1) provide initial guidance for the planning, administration or technical assistance portion of the \$8.8 billion Congress appropriated for the Home Energy Rebate Programs formula awards in the Inflation Reduction Act (IRA), Pub. L. 117-169 (August 16, 2022), and
- (2) alert states that all future distributions of formula awards through the Home Energy Rebate Programs will require the submission to DOE of Home Energy Rebate Program Plans that meet the requirements set out in a future Home Energy Rebate Programs funding ALRD.

DOE has determined that a state may access a portion of the planning, administration, and technical assistance funds from its IRA Sections 50121 and 50122 allocations ("early administrative funds") to allow the state to begin to hire and conduct a minimum set of planning and administration activities to prepare for submitting Home Energy Rebate Program Plans. To access this limited amount of early administrative funds, states must submit a separate application for each section detailing how these funds will be used to help prepare the state to apply for the Home Energy Rebate Programs funding and begin the early stages of setting up the state programs. This ALRD details the specific elements that each application must meet and sets out the parameters by which states may request a portion of their funds to prepare Home Energy Rebate Program Plans. DOE will issue a subsequent ALRD detailing programmatic requirements, at which point states can apply for additional funds available in their allocations. DOE anticipates providing this additional guidance in summer 2023.

**Issue Date: 3/23/2023**  
Applications will be reviewed on a rolling basis and remain open until the Home Energy Rebate Programs funding ALRD is made available.

Sign up for updates and learn more:  
[www.energy.gov/scep](https://www.energy.gov/scep)



Thank You!

Questions or Comments?  
[IRAHomeRebates@hq.doe.gov](mailto:IRAHomeRebates@hq.doe.gov)  
[EEWorkforcePrograms@hq.doe.gov](mailto:EEWorkforcePrograms@hq.doe.gov)



**SCEP**

STATE & COMMUNITY ENERGY PROGRAMS