



U.S. DEPARTMENT
of ENERGY

Office of Critical Minerals
and Energy Innovation

HOME ENERGY
REBATES
U.S. DEPARTMENT OF ENERGY



Home Energy Rebates Program Notice 26-1

Home Owner Managing Energy Savings (HOMES) Rebate Program

Effective Date: May 29, 2026

SUBJECT: Changes to Program Guidance for the Home Owner Managing Energy Savings (HOMES) Rebate Program under the Inflation Reduction Act (IRA) Section 50121

INTENDED AUDIENCE: State and Territory Energy Office HOMES Grantees (Grantees)

INTENDED USE: The Department of Energy (DOE) is issuing this Program Notice to notify grantees of program guidance changes for the HOMES Rebate Program only. This document provides information on how to proceed with a HOMES Rebate Program, whether already launched, not yet launched or in conditional award status. All other program requirements for HOMES Rebate Program awards remain in effect with the exception of those identified in this document.

DOE intends to publish revised program guidance documents to further detail these changes in the near future. Grantees should work with their assigned DOE Project Officer on next steps for their specific award.

The following sections in this Program Notice address:

- 1. Purpose**
- 2. Legal Authority**
- 3. Program Guidance Changes**
- 4. Data & Tools Reporting**

1 PURPOSE

To revise grant guidance and program management information for HOMES Rebate Program Grantees superseding the items identified below in the HOMES Rebate Program portion only of the following documents:

- Administrative and Legal Requirements Document (ALRD) Version 2.1 issued on 12/16/2024
- Program Requirements & Application Instructions Version 2.1 issued on 12/16/2024
- Data & Tools Requirements Guide Version 2.0 issued on 1/7/2025

All other program requirements for HOMES Rebate Program awards remain in effect with the exception of those identified in this notice.

1.1 SCOPE

The provisions of this Program Notice apply **only** to the HOMES Rebate Program.

1.2 BACKGROUND

The program guidance changes in this Program Notice align the HOMES programmatic requirements more closely with the statutory requirements in section 50121 of the IRA¹, further expand consumer choice, ensure good stewardship of taxpayer dollars, as well as streamline and empower grantees to tailor their HOMES rebate programs based on their local context and residents' needs.

2 LEGAL AUTHORITY

Section 50121 of the Inflation Reduction Act (IRA) authorizes the Department of Energy to administer the HOMES Rebate Program through the Home Energy Rebates Program. Section 50121 specifies that a portion of the federal financial assistance made available to a state energy office may be used for planning, administration, or technical assistance related to the state's programs.² All grant awards made under the HOMES Rebate Program must comply with DOE and other federal regulations and procedures governing financial awards as outlined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 as amended by 2 CFR Part 910 and other procedures applicable to this regulation as DOE may, from time-to-time, prescribe for the administration of financial assistance.

3 PROGRAM GUIDANCE CHANGES

DOE undertakes continuous improvement of the HOMES Rebate Program operations and effectiveness. The following sections inform grantees of programmatic guidance changes. These revisions should be considered program policy changes. DOE's Home Energy Rebates adopts these changes to align the HOMES programmatic requirements more closely with the statutory requirements in section 50121 of the IRA, ensure full alignment with Administration priorities, including the policies set in Executive Order 14173 and DOE Secretarial priorities on affordability and consumer choice, ensure good stewardship of taxpayer dollars, as well as streamline and empower grantees to tailor their HOMES rebate programs based on their local context and residents' needs.

To implement the programmatic guidance changes:

- Launched programs are required to make changes within three months of the publication of this Program Notice unless there are extenuating circumstances that require DOE approval beyond this time period.
 - Any existing, approved rebate reservations under the previous program guidance are allowed to be executed, but no new rebate reservations are

¹ 42 U.S.C. § 18795.

² *Id.* § 18795(c)(4).

allowed or can be approved for projects that do not conform to the new program strategy.

- Grantee programs that have not yet launched are required to align with new program requirements prior to launching.

3.1 PROGRAM NAME

DOE is changing the program name from “Home Efficiency Rebates” to “Home Owner Managing Energy Savings” (HOMES) to align with the statutory name in section 50121 of the IRA.³

3.2 DIVERSITY, EQUITY AND INCLUSION (DEI)

DOE is removing all program requirements not required by statute related to diversity, equity, and inclusion, Justice40 per rescinded Executive Order 14008, and disadvantaged communities. These actions include:

- Removing the Justice40 Initiative requirements for Community Benefits Plans
- Removing the Justice40 Initiative disadvantaged community mapping requirements related to the Climate and Economic Justice Screening Tool (CEJST) and alternate tools or maps
- Removing the Justice40 Initiative requirement for reserved allocations of 40% funding for low-income households
- Removing disadvantaged community requirements that were not directly established in statute. Going forward, the only disadvantaged community requirements for 50121 are as follows:
 - Grantees must provide either a contractor or aggregator \$200 for each dwelling unit located in a disadvantaged community upon completion and verification of the installation.⁴
 - A grantee must identify how its HOMES rebate program will define and determine whether a home is located in a disadvantaged community, and provide contractors and other interested parties the ability to determine whether a home is located in a disadvantaged community.⁵
- Increasing flexibility for grantees in meeting the related statutory requirements:

³ *Id.* § 18795(d)(2); the term “HOMES” means a Home Owner Managing Energy Savings rebate program.

⁴ *Id.* § 18795(b)(5): Grantee applications are to include a plan “(5) to provide a contractor performing a home energy efficiency retrofit or an aggregator who has the right to claim a rebate \$200 for each home located in a disadvantaged community that receives a home energy efficiency retrofit for which a rebate is provided under the program[.]”

⁵ *Id.* § 18795(b)(5) and § 18795(d)(1).

- Updating the definition of disadvantaged community to be consistent with the requirement outlined in statute: “a community that the Secretary [of Energy] determines, based on appropriate data, indices, and screening tools, is economically, socially, or environmentally disadvantaged.”⁶
- Grantees may choose one, two, or all three of the statutory factors of “economically, socially, or environmentally” disadvantaged to include in their plan on how to define a disadvantaged community, along with any appropriate data, indices and screening tools the grantee will use as their basis for determining disadvantaged community status.⁷
- For multifamily properties receiving central system upgrades (e.g., variable refrigerant flow heat pumps, central heat pump water heaters), grantees may propose providing a single disadvantaged community incentive per building.

3.3 EXPANDING CONSUMER CHOICE

DOE is expanding consumer choice in the HOMES Rebate Program by:

- Allowing usage of rebate funds to cover product shipping and contractor travel costs for territories, AK, and HI to provide access to products not locally available
- Allowing usage of rebate funds to include warranties or accessories necessary for the base installation and operation of the retrofits
- Allowing Grantees to use rebate funds to cover appropriate state or local taxes
- Making the ENERGY STAR requirement optional

3.4 ENSURING GOOD STEWARDSHIP OF TAXPAYER FUNDS

DOE continues to prioritize stewardship of taxpayer funds but has identified areas of unnecessary duplication for oversight. Improvements include:

Replacing the Consumer Protection Plan with a Fraud, Waste, and Abuse Mitigation Plan and removing requirements for:

- Internal review plans
- Consumer satisfaction survey
- Dispute resolution procedures beyond existing state laws and regulations

⁶ *Id.* § 18795(d)(1).

⁷ *Id.*

- Proof of commissioning testing
- Onsite post-install inspection

Additionally:

- Grantees will apply to access the U.S. Department of Treasury’s “Do Not Pay” database, per President Trump’s Executive Order 14249, OMB Memorandum M-25-32 and program policy at the direction of the DOE Office of Inspector General Special Report DOE-OIG-24-31. Grantees must use this resource to vet potential contractors to be added to their Qualified Contractor List in order to reduce fraud, waste, and abuse.
- DOE is removing the post-install geotagged photo requirement.

3.5 STREAMLINING & EMPOWERING GRANTEES

DOE is streamlining and empowering grantees to tailor their HOMES rebate programs based on their local context and residents’ needs.

3.5.1 OVERALL HOMES REBATE PROGRAM STREAMLINING IMPROVEMENTS

Overall HOMES Rebate Program streamlining improvements include:

- DOE is making the below State Implementation Blueprint Plans **optional**:
 - Education and Outreach Strategy
 - Utility Data Access Plan
 - Privacy and Security Risk Assessment
- In order to streamline grantee program launches, should the Grantee not receive a written notification of approval to launch from the Project Officer within calendar 30 days of DOE feedback on the submission of final State Implementation Blueprint documents, the Grantee may proceed to launch. In addition to specified requirements, a State Implementation Blueprint must include:
 - Fraud, Waste, and Abuse Mitigation Plan
- Additionally, grantees may request approval from DOE to issue partial payments for both multifamily and single-family home retrofits under the HOMES Rebate Program. Grantees must work with their DOE Project Officer to obtain approval to do so.
- A homeowner or multifamily building owner that would otherwise receive the rebate value may direct that payment to an aggregator, such as a third-party lender, after completion of a related transaction (e.g., equipment

purchase/installation for a modeled pathway retrofit, or upon verification of energy savings achieved for a measured pathway retrofit). In this situation, the homeowner would not receive any additional rebate payment for that transaction. To facilitate this action, the Grantee or implementer would remit payment to the aggregator once the aggregator submits all required data and documentation regarding the rebated project. Aggregators would be subject to all programmatic requirements and may facilitate other permissible actions as described in the program requirements.

3.5.2 STREAMLINING MULTIFAMILY

DOE recognizes that the multifamily sector is especially challenging for HOMES program implementation. As such, DOE is streamlining requirements and providing the following new multifamily flexibility:

- Expanding the definition of multifamily buildings to also include multiple buildings.
- Grantees must ensure that a majority of the benefit resulting from central system upgrades completed within a mixed-use building, including energy savings, cost savings, or other health and safety benefits, is to the residential portion of the building.
- Grantees may allow multifamily common area upgrades as eligible for their program, but grantees must ensure that upgrades to common areas in multifamily buildings benefit occupants in individual units in the following ways: energy savings, cost savings, or other health and safety benefits.

3.5.3 ADDITIONAL FLEXIBILITY

Introduce additional flexibility to further empower grantees to tailor their HOMES rebate programs based on their local context and residents' needs, and help grantees save money and move faster in administering the rebate program that include:

- Expanding categorical eligibility flexibility for tenant-based assistance for single-family and multifamily rental properties.
- Clarifying the definition of a “new” contractor to refer to contractors who are newly certified, qualified, or licensed to perform work.
- Expanding flexibility for exceptions to modeled energy savings calculations to include a home with onsite generation technologies that has net metering and the energy consumption data that cannot be separated from the energy produced due to the metering infrastructure of a utility.
- Expanding flexibility for single-family home modeling exceptions and alternative approach proposals:

- For single-family homes, in the limited circumstances outlined in the Program Requirements and Application Instructions, grantees may conduct uncalibrated modeling consistent with BPI-2400 Annex E. Grantees may propose to DOE an alternative approach that provides reliable savings estimates. Grantees must specify and apply a realization rate at the time of program launch, by leveraging existing data or evaluation results. The proposed alternative approach must be reviewed and approved by DOE and, if approved, it would require a state-led impact evaluation.
- Grantees have expanded flexibility for how to implement independent program evaluations. Grantees may work with their DOE Project Officer on additional details.
- Grantees may allow the implementer to provide the third-party post-installation project certificate, but only if there is no conflict of interest with the installer of the project that is being certified. The HOMES Rebate Program prioritizes the use of the statutory required, third-party certification⁸ as an important element of market transformation in connection with accurate valuation of the retrofit in the real estate industry.

4 DATA & TOOLS REPORTING

The Home Energy Rebates Program Data and Tools Requirements Guide delineates the data and information that grantees must collect, retain, and/or report to DOE prior to launch as well as throughout the course of the HOMES Rebate Program. Grantees should work with DOE and the Pacific Northwest National Laboratory to implement additional improvements and streamlining efforts for rebate transaction data reporting. These include:

- Updates to rebate transaction data elements, including removals, changes, and clarifications to align the Rebate Tracking and Reporting Tool (API) with the above program guidance changes.

Additionally, DOE is adding flexibility for grantees that do not utilize the real-time API to request a reduced reporting cadence from once monthly to once quarterly, after DOE determines the Grantee has successfully completed one full year of monthly reporting after the official state program launch date. Grantees may work with their DOE Project Officer to submit these requests.

CONCLUSION: On behalf of DOE, we thank the State and Territory Energy Offices for your dedication to the American households we serve across the country. We applaud

⁸ *Id.* § 18795(b)(4).

the work of the states and territories for being a part of reducing energy costs for Americans. Thank you for being a part of this effort.

Michael Li
Director
State and Community Energy Programs
Office of Critical Minerals and Energy Innovation
U.S. Department of Energy

May 2026



U.S. DEPARTMENT
of **ENERGY**

Office of Critical Minerals
and Energy Innovation