

HOME ENERGY REBATE PROGRAM

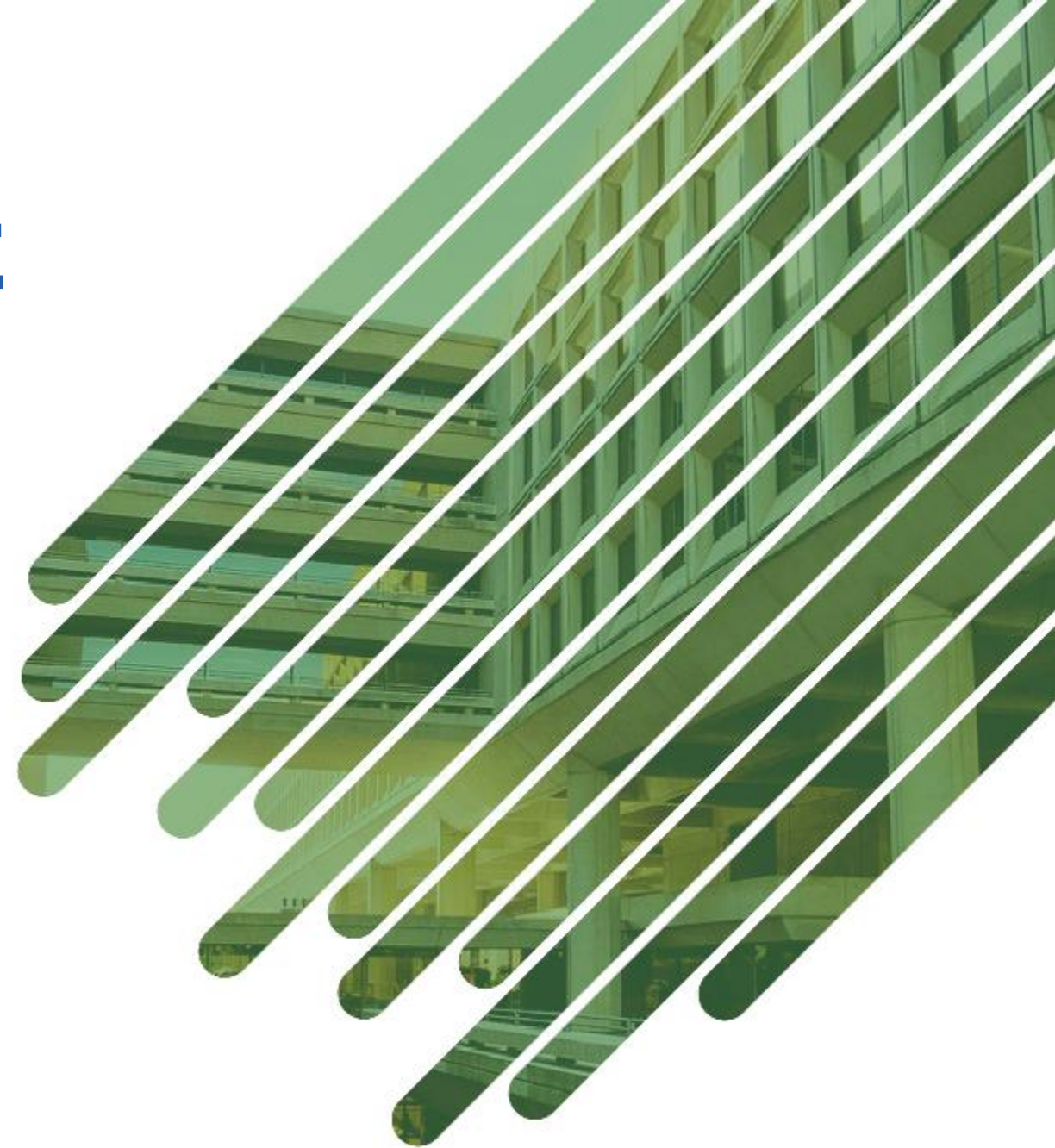
Provisions Authorized through the Inflation Reduction Act

December 2022



SCEP

STATE & COMMUNITY ENERGY PROGRAMS



What We'll Discuss Today

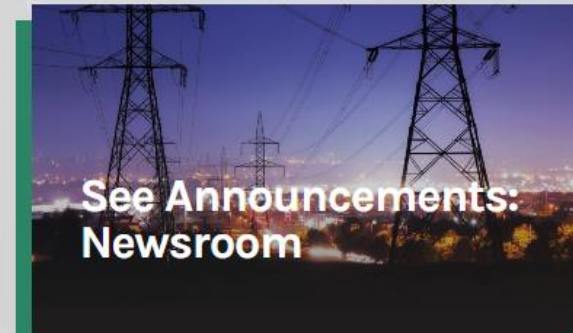
- ✓ Office of State & Community Energy Programs
- ✓ Inflation Reduction Act Highlights
- ✓ Home Energy Rebates Program
- ✓ Timeline & Next Steps



About Us



Office of
STATE AND COMMUNITY ENERGY PROGRAMS

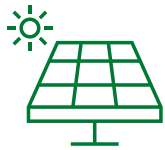


Office of State and Community Energy Programs (SCEP)

New Office created to implement nearly **\$16 billion in programs** from the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA)

SCEP works to –

- Accelerate high-impact, self-sustaining clean energy projects that improve people's lives
- Aid state & local governments, tribes, community-based organizations, & others in deployment
- Center the needs of low-income households and Disadvantaged Communities (DACs)



Deploy clean
energy
technologies



Center equity
and deliver on
J40 priorities



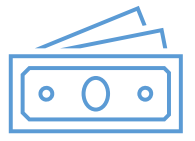
Catalyze local
economic
development



Create
jobs



Avoid pollution
through place-based
strategies



Reduce energy
costs

Programs Coming Out of SCEP

\$3.5B for
Weatherization Assistance Program

\$260M for
Building
Efficiency
Workforce
Training

\$500M for
State Energy
Program

\$500M for
Energy Efficiency
& Renewable
Energy in Public
Schools

\$250M for
Energy
Efficiency
Revolving Loan
Funds

\$50M for
Energy
Efficiency for
Non-Profits

\$550M for
Energy Efficiency
& Conservation
Block Grants
Program

\$1B for
Energy Codes
Technical Assistance

\$8.8B for Home Energy Rebates

About The Inflation Reduction Act



The Landmark Inflation Reduction Act (IRA) of 2022

Provides the largest climate investment in US history at \$369B+ to deploy clean energy, invest in clean energy businesses, and support domestic manufacturing. These efforts will:



01

Save Households Money. Reduce household energy bills through rebates and incentives for clean energy deployment.

02

Grow American Manufacturing & Clean Energy Jobs. Provide 10+ years of financial support for clean energy manufacturers & installers. Incentivize prevailing wages and apprenticeships for good jobs.

03

Fight Climate Injustice. Deliver benefits to low-income households and energy burdened communities. Reduce greenhouse gas pollution to 40% below 2005 levels by 2030.

Mobilizing Clean Energy Investment Through IRA



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](#)

DOE's Role in IRA Clean Energy Investment



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



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IRA Provisions Managed by SCEP



Home Energy Rebates

\$9B
U.S. DOE



Energy Code Assistance

\$1B
U.S. DOE

- ✓ Make efficient and low-carbon technologies affordable and available nationwide
- ✓ Grow residential energy workforce needed to decarbonize both single and multifamily homes
- ✓ Support states in adopting stretch building energy codes



About The Home Energy Rebates Program



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



Home Energy Rebate Provisions



Home Energy Rebates

SEC. 50121 & 50122

Amount: \$8,800,000,000

Through: September 30, 2031

Recipient: State Energy Offices & Indian Tribes

Goal: Develop, implement, and subsidize residential energy efficiency and electrification projects in US households.

States & Indian Tribes may use funds to:

- ✓ Provide rebates to households, contractors, and others
- ✓ Determine eligibility of households for rebates based on income
- ✓ Work with trusted contractors & retailers to streamline rebate processing for households
- ✓ Verify quality installation and document home upgrades
- ✓ Help households bundle funds & financing to further reduce upfront costs

These Funds Are Not Yet Available.



Residential Energy Contractor Training Program



Contractor Training

SEC. 50123

Amount: \$200,000,000

Through: September 30, 2031

Recipient: State Energy Offices

Goal: Develop, implement, and subsidize residential energy efficiency and electrification contractor training programs.

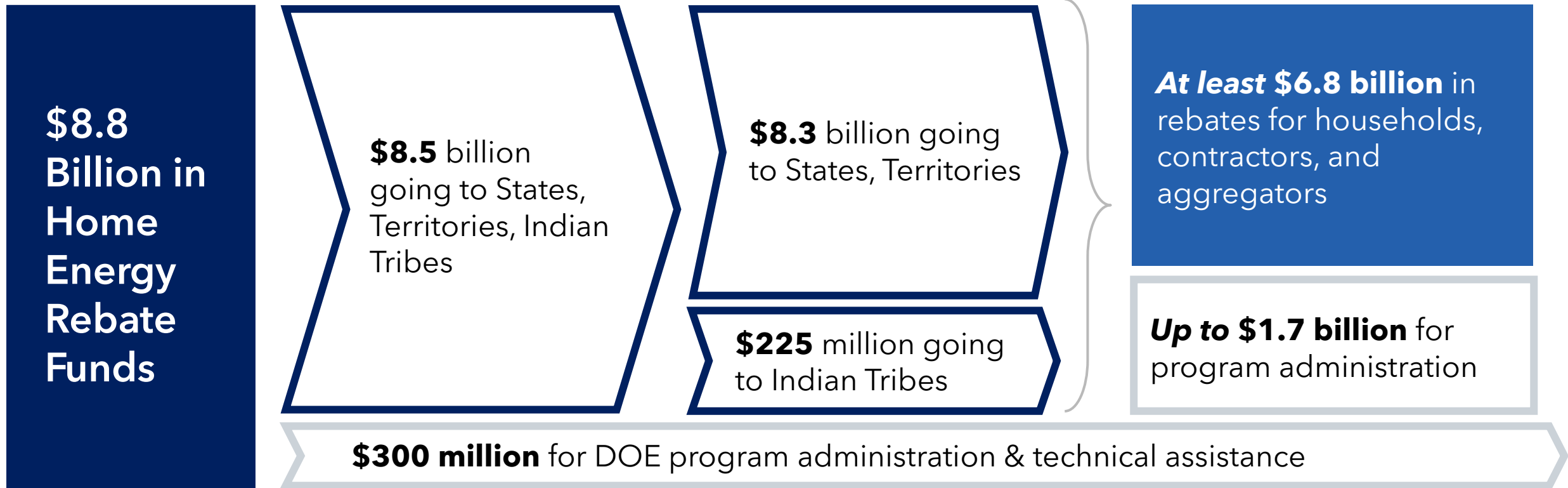
States may use funds to:

- a) Reduce the cost of training contractor employees
- b) Provide testing & certification of contractors trained and educated under a state program
- c) Partner with nonprofits on a) or b)



These Funds Are Not Yet Available.

Where Will the Home Energy Rebate Funds Go?



The law authorizes 3% of total funds for DOE program administration & technical assistance as well as up to 20% of State & Indian Tribe funds for program administration.

State & Territory Home Energy Rebate Allocations

Alabama	\$146 M	Iowa	\$121 M	New Mexico	\$88 M	Virginia	\$189 M
Alaska	\$75 M	Kansas	\$106 M	New York	\$318 M	Washington	\$166 M
Arizona	\$153 M	Kentucky	\$134 M	North Carolina	\$209 M	West Virginia	\$88 M
Arkansas	\$105 M	Louisiana	\$213 M	North Dakota	\$74 M	Wisconsin	\$149 M
American Samoa	\$50 M	Maine	\$72 M	Ohio	\$249 M	Wyoming	\$69 M
California	\$582 M	Maryland	\$137 M	Oklahoma	\$129 M	Allocation of \$225M designated for Indian Tribes has not yet been determined.	Up to 20% of these funds may be used for program administration.
Colorado	\$140 M	Massachusetts	\$146 M	Oregon	\$114 M		
Connecticut	\$99 M	Michigan	\$211 M	Pennsylvania	\$259 M		
District of Columbia	\$59 M	Minnesota	\$148 M	Puerto Rico	\$85 M		
Delaware	\$66 M	Mississippi	\$105 M	Rhode Island	\$64 M		
Florida	\$346 M	Missouri	\$151 M	South Carolina	\$137 M	NOTE: These figures are rounded. Exact amounts can be found here: https://www.energy.gov/articles/biden-harris-administration-announces-state-and-tribe-allocations-home-energy-rebate	
Georgia	\$219 M	Montana	\$71 M	South Dakota	\$69 M		
Guam	\$51 M	Northern Marianas	\$50 M	Tennessee	\$167 M		
Hawaii	\$68 M	Nebraska	\$91 M	Texas	\$690 M		
Idaho	\$81 M	Nevada	\$96 M	Utah	\$101 M		
Illinois	\$264 M	New Hampshire	\$70 M	Vermont	\$59 M		
Indiana	\$182 M	New Jersey	\$183 M	U.S. Virgin Islands	\$51 M		

How Home Energy Rebates Benefit Households



Potentially Eligible Equipment & Housing Types

Rebates may apply to the installation of -

- ✓ Electric heat pump clothes dryer
- ✓ Electric heat pump for space heating and cooling
- ✓ Electric heat pump water heaters
- ✓ Electric panel & wiring upgrades
- ✓ Electric stove, cooktop, range, or oven
- ✓ Air sealing
- ✓ Duct sealing
- ✓ Insulation
- ✓ Materials to improve ventilation
- ✓ & Potentially other energy-saving technologies

Where applicable, technologies must be certified under EPA's ENERGY STAR program.

In the following types of buildings -

- ✓ Single-family homes
- ✓ Multi-family residential buildings
- ✓ Newly constructed homes
- ✓ Rental properties

More funds are available for households below 150% Area Median Income (AMI) and below 80% AMI.

How Much Money is Potentially Available Per Household?

Households with Incomes above 80% Area Median Income ¹	Efficiency ²	Lower energy savings: 50% of project costs up to \$2,000 Higher energy savings: 50% of project costs up to \$4,000
	Electrification	50% of project costs up to \$14,000 (Household income must be below 150% AMI)
Households with Incomes Below 80% AMI ¹	Efficiency ²	Lower energy savings: 80% of project costs up to \$4,000 Higher energy savings: 80% of project costs up to \$8,000
	Electrification	100% of project costs up to \$14,000
Multifamily/Rental Housing Building Owner	Efficiency ²	Lower energy savings: \$2,000/unit up to \$200,000 Higher energy savings: \$4,000/unit up to \$400,000
	Electrification	50% of project costs up to \$14,000/unit (>50% of units must have income <150% AMI)
Multifamily/Rental Housing Building Owner with >50% of Households <80% AMI ¹	Efficiency ²	Lower energy savings: 80% of the project cost up to \$4,000/housing unit Higher energy savings: 80% of the project cost up to \$8,000/housing unit
	Electrification	Lesser of 100% of project costs or \$14,000/unit

¹See Area Median Income (AMI) for your area: 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.

Illustrative Examples of Two Households

Smith Household in Allentown, PA

The Smiths want to insulate their home to make their home more comfortable and save on energy bills.

Smith income: \$68,000
80% AMI for Allentown, PA: \$72,500
Eligible for lower-income rebate level? **Yes**

Project Scope	
Attic Insulation	\$3,000
Whole-home air sealing	\$1,000
Duct sealing & insulation	\$1,500
Smart thermostat	\$200
Gross project cost	\$5,700

Modeled energy savings from project: **24%**
Eligible Rebate: **\$4,000**
Project Cost to Smith Household: **\$1,700**

Jones Household in Columbia, SC

The Jones' want to update their home's dated electrical systems and save on their energy bills.

Jones income: \$72,000
80% AMI for Columbia, SC: \$64,500
Eligible for lower-income rebate level? **No**

Project Scope	
Electrical panel upgrade	\$3,700
Electrical wiring upgrade	\$1,800
Electric heat pump	\$6,500
Kitchen hood ventilation	\$800
Gross project cost	\$12,800

Over cost limits for technologies or total cost? **No**
Eligible Rebate: **\$6,400 (50%)**
Project Cost to Jones Household: **\$6,400**

Timeline & Next Steps



Near-Term Engagement Strategy

Stakeholder Engagement, Consultation

Informational Webinar

December 8, 2022

- ✓ DOE will present current plans for implementation of IRA home energy provisions (rebates, workforce training, codes)
- ✓ Open to all
- ✓ Webinar will be recorded and made available on DOE website

Smaller Listening Sessions

November - January

- ✓ Priority on consultation with State Energy Offices & Indian Tribes
- ✓ Additional sessions with manufacturers, labor groups, environmental organizations, and others

Other Engagements

December, January

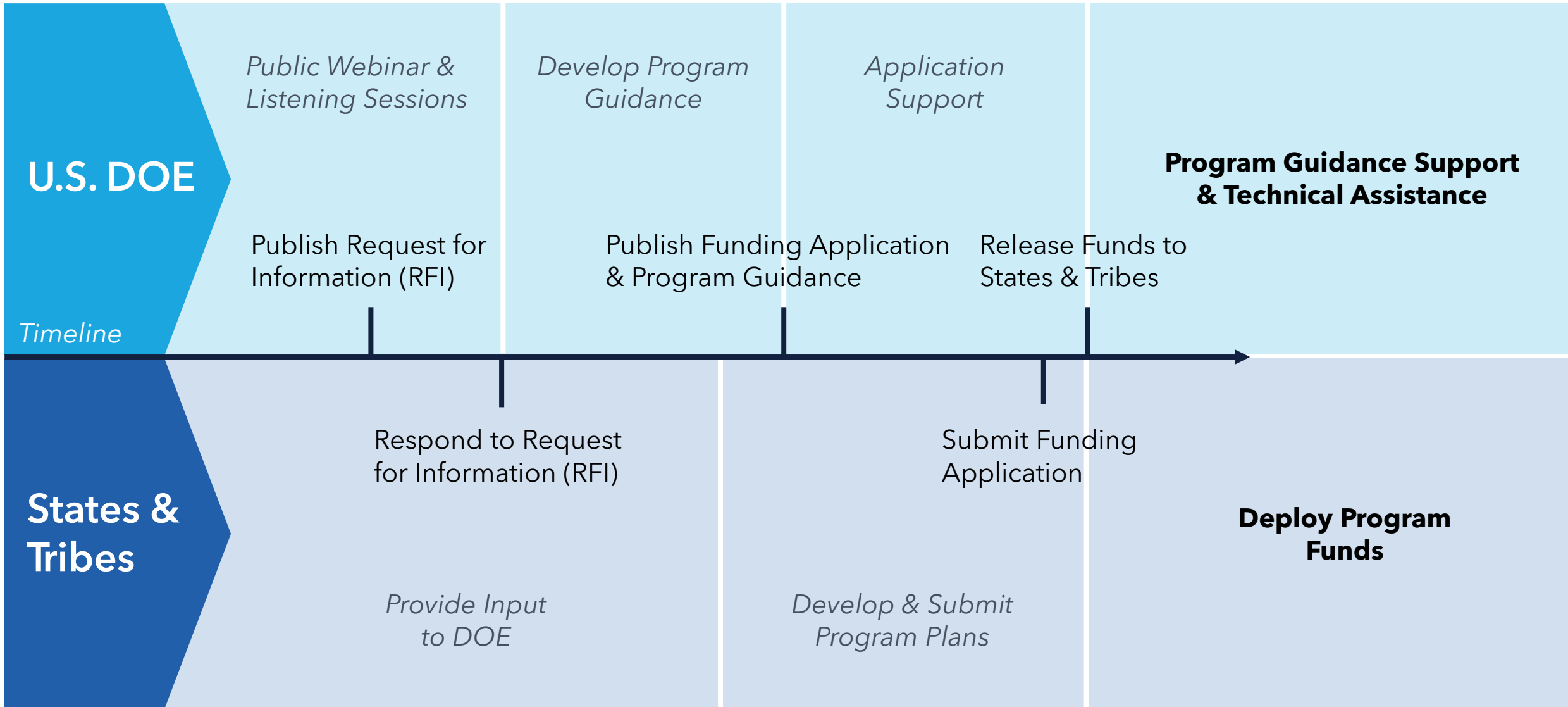
- ✓ Organizations can send questions/comments to IRAHomeRebates@hq.doe.gov and our team will follow-up with information or set up a meeting as needed
- ✓ SCEP also welcomes invitations to participating in upcoming conferences/events. Speaker requests can be made via email.

Request For Information (RFI)

Release: January / February 2023

Coming Soon: **DOE Home Energy Rebates Website** with FAQ

Home Energy Rebates Program Development Timeline



Key Questions for Assuring High Impact

Program Design	<ul style="list-style-type: none">• What elements of a rebate program would benefit from having regional or national consistency?
Application Considerations	<ul style="list-style-type: none">• Do states prefer a single consolidated application for the two home rebate provisions?• What are states' funding allotment preferences (i.e., single allotment vs. series of allotments)?• What are the benefits of having access to expedited administrative funds?
Technical Assistance	<ul style="list-style-type: none">• What program design and implementation support from DOE and national labs would be most useful to States and Tribes?
Program Administration	<ul style="list-style-type: none">• What are best practices for administering/processing the rebates (e.g., within the SEO, contracting that role to a rebate processor, managing the program through the utilities, or an outside subcontractor, etc.)?
Income Eligibility Verification	<ul style="list-style-type: none">• How can we make income eligibility verification simple and effective?• What are best practices and preferences for various point of sale rebate claiming systems and consumer payment types (e.g., discounts, check, prepaid card, etc.)?

Let's Succeed Together!

- ✓ Build on existing successful programs & resources
- ✓ Provide tailored technical assistance to support states, territories, and Indian Tribes
- ✓ Develop programs that deliver near-term benefits as well as long-term market transformation of residential energy sector
- ✓ Replicate successful approaches



We are eager to hear from you on how we can best accomplish these goals!

Stay Connected!

Stay up to date by visiting our Home Energy Rebate Website:
<https://www.energy.gov/scep/home-energy-rebate-program>.

Sign up to receive emails about news, events, and more from the Home Energy Rebate Website.

Contact us at IRAHomeRebates@hq.doe.gov or EETWorkforcePrograms@hq.doe.gov.

Thank You!

Questions or Comments?
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