INFLATION REDUCTION ACT
HOME ENERGY REBATES

Home Efficiency Rebates Program (Sec. 50121)

Home Electrification and Appliance Rebates Program (Sec. 50122)

PROGRAM REQUIREMENTS & APPLICATION INSTRUCTIONS

Applications Due by January 31, 2025

U.S. Department of Energy
Office of State and Community Energy Programs
1000 Independence Avenue, SW Washington, DC 20585

July 27, 2023

1.0 Overview

The Inflation Reduction Act (IRA), Pub. L. 117-169 (August 16, 2022), authorized the U.S. Department of Energy (DOE) to carry out two Home Energy Rebate programs. Specifically, IRA Section 50121 established the Home Efficiency Rebates, and IRA Section 50122 established the IRA Home Electrification and Appliance Rebates (collectively, the Home Energy Rebates). The Home Energy Rebates together authorize $8.8 billion in funds for the benefit of U.S. households and home upgrades, to be distributed to households by State Energy Offices and Indian Tribes.[1]

Table 1. Home Energy Rebate Programs

IRA Provision Number	Home Energy Rebates	Authorized Funds	Authorized Recipients
Section 50121	Home Efficiency Rebates	$4,300,000,000.00	State Energy Offices
Section 50122	Home Electrification and Appliance Rebates	$4,275,000,000.00	State Energy Offices
Section 50122	Home Electrification and Appliance Rebates	$225,000,000.00	Indian Tribes

These funds will be made available to the authorized recipients through formula grants. DOE is responsible for providing oversight and guidance, and the States[2] are responsible for the administration of rebate programs at the state level.

This document provides the **program requirements, application requirements,** and **application instructions** for both Home Energy Rebate programs available to State Energy Offices. To participate, States must submit applications describing state plans for their proposed rebate programs. States must follow the Administrative and Legal Requirements Document (ALRD) for their application submission. Each application requirements section is designed to assist applicants in ensuring that their applications fully address components required to demonstrate compliance with corresponding programmatic requirements. State applications will be reviewed and approved by the DOE based on compliance with these programmatic requirements.

State and territory funding allocations can be found in Appendix A of this document. Funding allocations for Indian Tribes will be made available through a separate ALRD with program requirements and application instructions based on feedback from consultations with the Tribes.

[1] DOE will issue separate application instructions to be used by eligible Indian Tribes when applying for formula grant financial assistance with appropriations provided by the IRA under Section 50122(a)(1)(B).
[2] In this document "States" means "States and U.S. territories" unless otherwise indicated.

A State that chooses not to apply for this program and therefore refuses its allocated formula funding under IRA Section 50121 and/or Section 50122 must sign and send a letter for declining funds to its respective Project Officer indicating this decision to the DOE by the application due date of August 16, 2024. By signing this document, the State Energy Office signifies its understanding that its allocation will be redistributed to other State Energy Offices that applied for allocated funds. If the State does not sign the document or convey to the DOE project officer that it plans to submit an application by August 16, 2024,[3] the State's funding will be reallocated to other States.

1.1. Introduction

The DOE is establishing grant application instructions and management information for the Home Energy Rebates, including (1) ALRD, (2) Formula Allocations to States and Territories[4], (3) Application Checklist, (4) Home Energy Rebates Pre-Award Information Sheet, and (5) Home Energy Rebates Application Templates. Items 3, 4 and 5 can be found at the Home Energy Rebates Guidance Home Page.

The Home Energy Rebates will help American households save money on energy bills, upgrade to clean energy equipment, improve energy efficiency, improve their comfort, support a stable power grid, and reduce indoor and outdoor air pollution. Additionally, these rebates provide specific opportunities to increase the installations of efficient, clean energy equipment in underserved and underrepresented communities.

DOE has identified the following overarching outcomes for the Home Energy Rebate programs:

- Well-established exemplary and innovative efficiency and electrification programs.
- Widespread access and uptake for disadvantaged communities.
- Proven value streams and roles for sustained investments to continue market transformation.
- Reduced pollution from buildings in support of the clean energy economy.

These stated outcomes describe the overall intent of the Home Energy Rebates. States may take various approaches in developing their implementation plans to emphasize these outcomes.

In the development, submission, and review of grant applications, the provisions of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the DOE Implementing Order (10 CFR 1005) remain unchanged.

Applications must be submitted through the **Performance and Accountability for Grants in Energy (PAGE)** online system to be considered for an award through IRA Section 50121 and Section 50122. If you have questions regarding the Application Instructions in PAGE, please refer to the Help Menu or contact the PAGE hotline at PAGE-Hotline@ee.doe.gov or 1-866-492-4546. As allowable, States may use funds made available through the Home Energy Rebate Programs Early Administrative Funds ALRD to support application completion for this ALRD.

[3] Section 50121(a)(B) and Section 50122 (a)(C)
[4] Located in Appendix A

1.2. Document Contents and Structure

This document provides the program requirements as determined by the DOE to meet the statutory requirements of IRA Section 50121 and Section 50122. States must develop programs that comply with the programmatic requirements presented in this document.

States must address the application requirements specified in this document. All requirements must be addressed to receive Federal funding and to launch State programs. However, DOE recognizes that the State may not be equipped to adequately respond to all requirements and plans within this document without program funds and support from program implementers and experts.

States are required to submit their responses to DOE through two documents:

1. State Application. States may submit a single package of responses for all application requirements.
2. State Implementation Blueprint. For specific requirements identified by DOE within this document, States may elect to defer submission of those responses to their State Implementation Blueprint.

A State Implementation Blueprint must be submitted after receipt of the award and a minimum of **60 days** prior to planned program launch. DOE will provide the State feedback and approval to proceed. States must receive DOE approval on the State Implementation Blueprint before launching their program. In addition to specified requirements, a State Implementation Blueprint must include:

a. Community Benefits Plan
b. Education and Outreach Strategy
c. Consumer Protection Plan
d. Utility Data Access Plan
e. Privacy and Security Risk Assessment for State Systems
f. Market Transformation Plan[5]

Requirements that can be deferred to the State Implementation Blueprint are marked with an "X" within the application requirements tables.

States may rely on existing programs and infrastructure that meet these programmatic requirements and may outline how changes or modifications to existing programs will comply with these requirements. Accordingly, States may reference existing program materials in their applications to simplify their plan development. This document should be reviewed in conjunction with the ALRD for the Home Energy Rebates Funds and the Data & Tools Requirements Guide. The Data and Tools Requirements Guide provides detailed information regarding data collection and reporting requirements and the tools DOE will make available to States to facilitate various aspects of the Home Energy Rebate programs.

Section 1 of this document provides a brief overview of the appropriations and legal authorities. Section 2 provides definitions and acronyms that will be used throughout the document. Section 3 provides the requirements specific to a Home Efficiency Rebates State program (Section 50121). Section 4 provides the requirements specific to the Home Electrification and Appliance Rebate

[5] Market Transformation Plan can be submitted up to 1 year after award date.

State program (Section 50122). **Each state rebate program will require a separate application**. If a State cannot comply with a requirement because of a conflict with State law, contact the State's Project Officer who will work with the cognizant contracting officer and the DOE legal team to address the issue.

The design and implementation of these rebate programs will be complex. To support States, DOE will provide the following resources and support:

- Technical assistance to States in designing programs that fulfill these requirements.
- Templates that States can tailor to effectively describe their approach to each of the requirements.
- For rebate processing and tracking, a centralized system that States can use to facilitate these processes as well as reporting.
- Sample frameworks that States can provide to program implementers who can then tailor the information to reflect individual State programs and priorities.

Technical information, best practices, and implementation recommendations will be made available at https://www.energy.gov/scep/recommendations-program-administrators.

1.3. Scope

The application instructions are to be used by all States and Territories when applying for formula grant financial assistance under DOE's IRA Home Energy Rebates with appropriations provided by the IRA under Section 50121 and Section 50122. For the purposes of the Home Efficiency Rebates and the Home Electrification and Appliance Rebates, there are 56 entities eligible for State formula grants. These are the 50 States, the District of Columbia, and the following five U.S. Territories: The Commonwealth of Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. As stated, the funding for Indian Tribes will be made available through a separate ALRD with programmatic and application requirements designed based on feedback from consultations with the Tribes.

1.4. Legal Authority

The Home Efficiency Rebates are authorized under Section 50121 of the IRA, as signed into Public Law (PL 117-169) on August 16, 2022.[6] The Home Electrification and Appliance Rebates are authorized under Section 50122 of the IRA.[7] Together, both provisions provide home energy savings across a variety of households and income levels, and specifically enable energy improvements within underserved and underrepresented communities.

Grantees must comply with all applicable laws and regulations including, but not limited to, the DOE financial assistance regulations at 2 CFR Part 200 as amended by 2 CFR Part 910, and other regulations and procedures applicable to these funds, as DOE may, from time to time, prescribe for the administration of financial assistance. Any potential discrepancies between information contained in this document and DOE regulations shall be resolved in favor of DOE regulations.

---

[6] 42 U.S.C. 18795.
[7] 42 U.S.C. 18795a.

1.5. Overarching Goals

The IRA Home Energy Rebates provide a once-in-a-generation opportunity to deliver innovative efficiency and electrification programs to households across the United States. The overarching goal of the Home Energy Rebate programs is to accelerate the transition to more affordable, efficient, resilient, and low carbon homes through the following long-term outcomes:

- **Well-established exemplary and innovative efficiency and electrification programs.** The program will achieve this through increased awareness and effective marketing to homeowners, adoption of innovative tools that streamline program experience, an expanded and sustained workforce that meets consumer demand, and effective integration of existing programs.
- **Lower energy burden for low-income households and disadvantaged communities.** State programs will evolve and expand to meet the needs of all homes across the United States, with significant use of rebates by low-income households and disadvantaged communities.
- **Proven value streams and roles for sustained investments to continue market transformation.** A successful program will prove the business case and catalyze a sustained increase in supplier participation and consumer demand for energy efficient and efficient electrification upgrades, including ongoing access to upgrades for low-income households and disadvantaged communities, while showcasing how a combination of Federal, utility, private, and public funds provide value to households and local communities during the transition to a clean energy economy.
- **Reduced pollution from buildings and support for the clean energy economy.** The program will reduce pollution from building energy use, including harmful indoor air pollution, and support the clean energy economy through energy efficiency.

States are encouraged to develop their own additional goals, outcomes, and objectives for their programs based on each State's priorities, climate zone, utility costs, etc.

2.0 Definitions and Acronyms

2.1. Definitions

- **80% and 150% Area Median Income (AMI).** Values calculated by household size of the median income of the area in which the individual or family resides, as reported by the Department of Housing and Urban Development.[8]
- **Administrative costs**. Costs related to planning, administration, and technical assistance of Home Energy Rebate programs. Allowable costs include the following types of activities:
    - Program planning and design
    - State program staff
    - Development of tools and systems, including websites, applications, rebate processing, and reporting
    - Program evaluation and consumer satisfaction surveys
    - Program monitoring and audits
    - Consumer protection functions including resolution procedures, data review, contractor management, installation standards, continuous improvement
    - Marketing, education, and outreach, including the funding of local governments and place-based organizations to assist with these activities
    - Implementation contract costs not including rebates and costs for activities directly related to delivery of rebates
    - Contractor training
    - Activities to improve access to rebates, facilitating leverage of private funds and financing mechanisms (e.g., loan loss reserves, interest rate reductions) where beneficial to efficiency and/or electrification projects
    - Technical assistance
- **Aggregator**. An entity that engages with multiple single-family homes and/or multifamily buildings for the purpose of combining or streamlining projects as allowed by the State.
- **Baseline energy consumption**. The whole-home energy usage in a kWh or kWh equivalent prior to the upgrade.
- **BPI-2400**. BPI-2400-S-2015 (or a subsequent version approved by DOE for use in 50121) is the standard of Building Performance Institute (BPI) that specifies the requirements and process for the calculation of standardized predicted energy savings for a building.[9]
- **Building**. The structure where the rebated improvements will be made including single and multifamily buildings. For multifamily buildings, building refers to the entire building and not an individual dwelling unit within that building.
- **Categorical eligibility**. The determination that a household meets income requirements by verifying household participation in another state or Federal program that (1) includes income qualification thresholds at least as stringent as the relevant Home Energy

[8] HUD publishes income limit information annually at https://www.huduser.gov/portal/datasets/il.html#2023_faq. DOE intends to make the data table available electronically for state reference via an application programming interface (API).
[9] BPI 2400 Standard: Standard Practice for Standardized Qualification of Whole-House Energy Savings Predictions by Calibration to Energy Use History.

Rebates threshold and (2) updates participant lists through income verification at least every two years.

- **Claimant**. The entity requesting a Home Energy Rebate for a home upgrade.
- **Contractor**. An entity hired to perform assessments and install upgrades as allowed by the State.
- **Disadvantaged community**. A group of households characterized by the State. By default, the definition of a disadvantaged community for the Home Energy Rebates is a low-income household located within an area identified by the Climate and Economic Justice Screening Tool (CEJST).[10]
- **Dwelling unit**. A building structure wherein a single household resides. Examples of a dwelling unit may include a single-family home, an apartment, or condominium unit in a multifamily building.
- **Eligible entity**. For 50122, a low-income household (less than 80% AMI), a moderate-income household (80%-150% AMI), or an individual or entity that owns a multifamily building not less than 50% of the residents of which are low- or moderate-income (LMI).
- **Eligible entity representative**. A governmental, commercial, or nonprofit entity carrying out a qualified electrification project on behalf of an eligible entity for 50122.
- Eligible rebate recipient.
    1. **50121:** Homeowner, aggregator, or multifamily building owner.
    2. **50122:** For each dwelling unit or multifamily building, either an eligible entity or an eligible entity representative.
- **Energy savings**. Post-retrofit energy consumption subtracted from the baseline energy consumption.
- **Generation technologies**. Onsite solar photovoltaic, combined heat and power, or other renewable energy system.
- **Household**. The occupant(s) living in a dwelling unit.
- **Implementer**. A state-selected entity that works on behalf of the State to provide efficiency and/or electrification programs.
- **KWh equivalent**. A metric that reflects the energy savings of all fuels in the project using the energy conversion of non-electric fuels to kWh on a BTU-equivalent basis as defined in section 4.3.2 of BPI 2400-2015.
- **Low-income household**. A household below 80% AMI.[11]
- **Moderate-income household**. A household between 80% and 150% AMI.
- **Low-income multifamily building**. A building with at least 50% of households with incomes less than 80% AMI (<80%).
- **Major upgrade**. Energy usage, equipment, technologies, and services related to heating and cooling, envelope, and water heating end uses.
- **Moderate-income multifamily building**. A building with at least 50% of households with incomes less than 150% AMI (<150%).

---

[10] Available at https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5.

[11] Section 50121 of the IRA defines "low- or moderate-income household" to mean an individual or family the total annual income of which is less than 80% of the AMI. 42 U.S.C. 18795(d)(3). Section 50122 of the IRA defines "low- or moderate-income household" to mean an individual or family the total annual income of which is less than 150% of the AMI. 42 U.S.C. 18795a(d)(4). For clarity and consistency, DOE is using the terminology and definitions provided in section 2.1 throughout the document.

- **Multifamily building**. A single building containing at least two dwelling units used for residential purposes. Commercial uses that are not eligible include but are not limited to hotels/motels, dormitories, assisted living facilities that include hospital amenities, and correctional facilities. For mixed-use buildings, a State may elect to treat the residential portion of the building as a multifamily building.
- **Payment rate**. For the Section 50121 measured path, the method for calculating the amount of rebate as described in section 3.1.2.
- **Point of sale**. The provision of a Section 50122 rebate as an instant discount when the recipient of the rebate pays (or authorizes an entity to access a rebate on their behalf) for the qualified upgrade, improvement, and/or service (e.g., when purchasing in-store, through a distributor, at wholesale onsite, or online, or when invoiced by a contractor for services rendered).
- **Post-retrofit energy consumption**. The whole-home energy usage in a kWh or kWh equivalent after the upgrade is complete.
- **Portfolio of Homes**. A group of two or more homes considered collectively for purposes of the 50121 measured program path.
- **Program participants**. Aggregators, claimants, contractors, eligible rebate recipients, and implementers.
- **Qualified electrification project**. A project funded by an IRA Section 50122 rebate that meets the requirements of section 4.2.2 of this document.
- **Rebate funds**. Federal dollars used for:
    1. Reimbursement or providing a cost discount for eligible upgrades based on a) energy savings, b) pre-determined qualified upgrade amounts, or c) total project costs.
    2. Activities directly related to delivery of rebates to eligible rebate recipients including:
        - Equipment, tools, models, and procedures used to assess a home and estimate energy savings
        - Equipment, tools, models, and procedures used to verify installations and perform quality control (QC) including inspections and reporting
        - Customer service support
        - Consumer protection functions including consumer feedback, project verification and inspections
        - Income eligibility
        - Disadvantage community delivery, including targeted marketing and outreach
        - Disadvantaged community incentives (see sections 3.1.4 and 4.1.4)
        - Integration with existing programs, home energy assessments, and project scoping.
- **Rebate program launch**. The point at which the State begins accepting rebate claims.
- **Single-family home**. A detached one-family dwelling or multiple single-family dwellings (townhouses) that have independent mechanical systems (e.g., heating, cooling, water heating, and ventilation) for each dwelling unit. Buildings with two or more units are considered multifamily. States may request DOE approval to apply different designations if the State's jurisdiction has a significant number of buildings with unique characteristics.
- **State**. For the purposes of this document, means, collectively or individually, the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin

Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

- **Tenant.** Individual or household residing in a rental unit.
- **Third-party**. An organization conducting work on behalf of a State's Home Energy Rebates program that has no financial or professional conflict of interest.
- **Total grant funding**. The total amount of funds allocated to a State over the duration of the program.
- **Total project cost**. The total cost of all upgrades within a completed project invoice inclusive of any rebated amount.
- **Upgrade**. A single energy improvement to a dwelling unit or multifamily building that is a distinct and separable part of the overall scope of work of a home efficiency or electrification project.

2.2. Acronyms

- **ALRD.** Administrative and Legal Requirements Document
- **AMI.** Area Median Income
- **CFR.** Code of Federal Regulations
- **CEJST.** Climate and Economic Justice Screening Tool
- **DOE.** U.S. Department of Energy
- **FARC.** Financial Assistance Reporting Checklist
- **FERC.** Federal Energy Regulatory Commission
- **FPL.** Federal Poverty Level
- **GHG.** Greenhouse Gas
- **HUD.** U.S. Department of Housing and Urban Development
- **IRA.** Inflation Reduction Act
- **IRS.** U.S. Internal Revenue Service
- **LIHEAP.** Low Income Home Energy Assistance Program
- **LIHTC.** Low-Income Housing Tax Credit
- **LMI.** Low- or Moderate-Income
- **M&V.** Measurement and Verification
- **OMB.** U.S. Office of Management and Budget
- **PAGE.** Performance and Accountability for Grants in Energy
- **QA.** Quality Assurance
- **QC.** Quality Control
- **QEP.** Qualified Electrification Project
- **QPL.** Qualified Products List
- **RFI.** Request for Information
- **SMI.** State Median Income
- **SNAP.** Supplemental Nutrition Assistance Program

3.0 Home Efficiency Rebate Programs (50121)

This section of the document provides program requirements for the Home Efficiency Rebates (IRA Section 50121).

3.1. Use of Funds and Rebate Eligibility

3.1.1. Program Requirements: Use of Funds

Administrative funds[12] as defined in Section 2.0 must not exceed 20% of the total grant funding over the total duration of the program, which will end when all funds are expended by the State or September 30, 2031, whichever occurs sooner.[13]

Administering and implementing whole-home efficiency projects are complex, high-touch, and often involve overhead costs greater than 20% of a program budget. These are costs directly related to a project that are 1) not generally recognized as administrative and 2) also not included in the rebate to recipients. For example, these could include costs for home assessments and energy audits, modeling, verifying income eligibility, project quality assurance (QA) and project-related reporting conducted by the contractor.[14]

States may request to use a portion of rebate funds for these project-related costs where they have estimated these costs may exceed the administrative cost allocation, however, additional funds should only be requested after all other opportunities to reduce costs or apply alternative funding sources have been applied. For example, utilities, third-party organizations, or agencies may provide funding for home energy audits. DOE will provide assistance to states specifically in support of identifying and reducing program implementation costs.

States must provide an additional detailed description and justification for these costs within the budget justification workbook, including how states have worked to minimize this amount. This will be evaluated by DOE and a determination of allowability will be given as part of the award.

States must budget for, track, and report quarterly to DOE on expenditures across administrative and rebate funds as part of award monitoring. See ALRD, Part V.

3.1.2. Program Requirements: Rebate Conditions and Levels

In general, Home Efficiency Rebates State programs must:

- Provide rebates only for projects initiated after the State receives its grant award.
- Provide rebates only for completed projects.[15]
- Provide rebates for heating, cooling, and water heating products only if they are certified as meeting the ENERGY STAR product criteria in effect on the date of installation.

[12] Includes awarded administrative funds through Home Energy Rebate Programs Early Administrative Funds ALRD, as applicable.

[13] Section 50121 states that a “State energy office that receives a grant pursuant to this section may use not more than 20 percent of the grant amount for planning, administration, or technical assistance” related to the Home Efficiency Rebates. 42 U.S.C. 18795(c)(4).

[14] See definition of Rebate Funds in Section 2.0.

[15] Point of sale rebates is not a requirement of 50121; however, DOE is providing and recommending workflows that would apply rebates that result in a purchase price reduction. Additionally, programs can be structured so that an aggregator, implementer, or contractor may carry the rebate until savings are modeled or measured and the State is able to provide a rebate on the completed project amount.

- Make increased rebate levels available to low-income households at less than 80% AMI.[16]
- Provide and enforce use of an acceptable method to verify that (a) a participating single-family household's income is less than 80% AMI,[17] and (b) a participating multifamily building has at least 50% of households with incomes less than 80% AMI.[18]
- Determine whether the multifamily building qualifies as a low-income building (i.e., the building has at least 50% of households with incomes less than 80% AMI). If the building is a low-income building, a State may calculate the "per dwelling unit" value at the less than 80% AMI amount for all units. Alternatively, a State may calculate the "per dwelling unit" value at the less than 80% AMI amount in proportion to the ratio of LMI to non-LMI units.
- Allow categorical eligibility determinations based on other Federal programs that meet the income thresholds, as listed in the supplemental document Federal Programs Approved for Categorical Eligibility.
- Maintain a list of state or other programs that meet the income thresholds and provide reliable income verification that the State uses for categorical eligibility.
- Retain a copy of the invoice for work performed at the eligible address. The invoice must show the specific work performed, the address where the work was performed, the name and contact information for the contractor(s) performing the work, the dates on which the work was performed, the total project cost prior to the rebate, and the rebate amount. Additional requirements apply if the work is being funded by rebates from more than one source. See section 3.3.2.
- Ensure the rebate does not exceed the total project cost when combined with other permissible/eligible program rebates accepted by the eligible rebate recipient (i.e., total rebate funding must not exceed the total project cost).
- Ensure that rebates are not applied to specific energy efficiency upgrades funded with other Federal grants or rebates.
- Ensure that upgrades benefit only the residential portion of a mixed-use building where the State has defined the residential portion of the building as a multifamily building. Upgrades that benefit any portion of the commercial space are not eligible for rebate.
- Ensure that a single address cannot receive both a measured and a modeled rebate under 50121.
- Ensure that a single address cannot receive a rebate from both HOMES (50121) and Electrification (50122) for the same measure. To implement this, the DOE database will not allow the following:
    - No electrification rebates will be made for addresses that are in the process of receiving a rebate for measured savings (and vice versa).
    - No electrification rebates will be made for addresses where a modeled rebate has already been given for that upgrade.

---

[16] 42 U.S.C. 18795(c)(2)(C) and (d)(3).

[17] HUD calculates median family income levels for areas across the United States. HUD has a website available here where users can view these calculations. Information about HUD's methods for calculating AMI statistics is available here. HUD typically updates these values in March or April of each year; however, due to impacts of the COVID-19 pandemic on data collection, HUD released its 2023 income limits in May 2023.

[18] If requested, DOE will work closely with States to develop methods. Additional information can be found in the Technical Information, Best Practices, and Implementation Recommendations.

3.1.2.1. Modeled Home Efficiency Rebates

Modeled Home Efficiency Rebates is a program path within Section 50121, using calibrated home energy models consistent with the BPI-2400 standard to estimate energy savings prior to the upgrades, providing rebates for homes predicted to achieve a minimum of 20% energy savings. When a State allows rebates using a modeled savings approach, the State must calculate rebate amounts consistent with Table 2 and based on (1) estimated energy savings calculated reflecting only completed energy improvements, (2) household income level, (3) total project cost reflected in final invoice, and (4) home type consistent with the definitions in section 2.1.

Table 22. Modeled Savings Rebate Levels

Single-Family		
Modeled Energy Savings	**Income Level**	**Rebate Amount**
20%-34%	Less than 80% AMI*	Lesser of $4,000 or 80% of project cost
	80% AMI and greater	Lesser of $2,000 or 50% of project cost
35% and greater	Less than 80% AMI*	Lesser of $8,000 or 80% of project cost
	80% AMI and greater	Lesser of $4,000 or 50% of project cost
Multifamily		
Modeled Energy Savings	**Income Level**	**Rebate Amount**
20%-34%	A building with at least 50% of households with incomes less than 80% AMI*	Lesser of $4,000 per dwelling unit or 80% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	$2,000 per dwelling unit up to $200,000 per building
Greater than 35%	A building with at least 50% of households with incomes less than 80% AMI *	Lesser of $8,000 per dwelling unit or 80% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	$4,000 per dwelling unit up to $400,000 per building

*States may increase the maximum amount available for low-income households upon approval from DOE.[19] See section 3.1.3 for details.

[19] 42 U.S.C. 18795(c)(3).

3.1.2.2. Measured Home Efficiency Rebates

Measured Home Efficiency Rebates is a program path within Section 50121, using a DOE-approved open-source measurement and verification (M&V) methodology to measure home energy savings post-installation of the upgrades, providing rebates for homes or a portfolio of homes that achieve measured energy savings of at least 15%. When a State allows rebates using a measured savings approach, the State must calculate rebates consistent with Table 3 and based on (1) the reported energy savings measured through a DOE-approved open-source advanced M&V software, (2) household income level, (3) total project cost reflected in the final invoice or a payment rate as defined in Table 3, and (4) home type consistent with the definitions in section 2.1.

Table 3. Measured Savings Rebate Levels

Single-Family		
Measured Energy Savings	**Income Level**	**Rebate Amount**
15% or greater	Less than 80% AMI	kWh, or kWh equivalent, payment rate equal to $4,000 for a 20% reduction of energy use for the average home in the State or 80% of project cost*
	80% AMI and greater	kWh, or kWh equivalent, payment rate equal to $2,000 for a 20% reduction of energy use for the average home in the State or 50% of project cost
Multifamily		
Measured Energy Savings	**Income Level**	**Rebate Amount**
15% or greater	A building with at least 50% of households with incomes less than 80% AMI	kWh, or kWh equivalent, payment rate equal to $4,000 for a 20% reduction of energy use per dwelling for the average multifamily building in the State or 80% of project cost**
	A building with at least 50% of households with incomes 80% AMI and greater	kWh, or kWh equivalent, payment rate equal to $2,000 for a 20% reduction of energy use per dwelling for the average multifamily building in the State or 50% of project cost

* Per statute, the measured energy saving of the home or portfolio of homes must achieve 15% savings, but the calculation of the rebate is based on a 20% reduction of average home energy use of an in the state.

**States may increase the maximum amount available for low-income households upon approval from DOE.[20] See section 3.1.3 for details.

[20] 42 U.S.C. 18795(c)(3).

3.1.3. *Program Requirements: Low-Income Homes*

Low-income households are important populations for the Home Efficiency Rebates. IRA Section 50121 provides larger rebates for single-family homes occupied by low-income households (below 80% AMI)[21] and allows States to request authority to provide even larger rebates – up to 100% of project costs – to allow meaningful retrofits of low-income homes.[22] In addition, Section 50121 provides incentives to encourage contractors and aggregators to serve disadvantaged communities.[23] The inclusion of these statutory components demonstrates the importance of ensuring low-income households and communities have access to rebates as an integral part of a Section 50121 program's design.

Nonetheless, structural barriers can – and do – prevent low-income households from benefitting from rebate programs. Previous evaluations have shown that existing energy efficiency programs have not served low-income households equitably without reserved funding, with only 13% of residential energy efficiency program funds going to low-income households, well below the presence of low-income households in the markets for these programs.[24]

Similarly, multifamily buildings provide housing for over 19 million low-income households nationally, or over 15% of all U.S. households.[25] In addition to low-income single-family homes receiving distinct treatment in the statute, Section 50121 identifies low-income multifamily buildings for specific rebate thresholds.[26] Delivering upgrades for low-income multifamily buildings alongside critical periods of recapitalization or refinance requires a significantly longer planning, design, and construction process than energy upgrades for single-family homes.[27] Building owners may also be less incentivized to make whole-building modifications where the cost savings accrues to the tenants with little monetary benefit to the owner (the "split incentive" problem).[28] Historically, the multifamily sector has been significantly underrepresented in energy efficiency program accomplishments.[29]

To ensure low-income single-family and multifamily homes – two building categories specifically called out in the statute – are successfully served through the Home Efficiency Rebates, States must reserve a portion of their rebate funding to serve these households. Specifically, **at a minimum**, each State must:

- Allocate a percentage of its rebate funding for each of the rebate programs in line with its percentage of low-income households. Nationally, approximately 40.3% of U.S. households are eligible for rebates as low-income households. Appendix A contains

---

[21] Compare 42 U.S.C. 18795(c)(2)(C) with 42 U.S.C. 18795(c)(2)(A).
[22] 42 U.S.C. 18795(c)(3).
[23] 42 U.S.C. 18795(b)(5).
[24] "Meeting the Challenge: A review of Energy Efficiency Program Offerings for Low-Income Households" by the American Council for an Energy-Efficient Economy. Available at https://www.aceee.org/research-report/u2205.
[25] Analysis of ACS 2020 data from the LEAD tool. Data available at https://www.energy.gov/scep/slsc/lead-tool.
[26] Compare 42 U.S.C. 18795(c)(2)(C) with 42 U.S.C. 18795(c)(2)(B).
[27] "Capturing the Value of Energy Upgrades in Affordable Multifamily Homes: How Policy Makers Can Pave the Way to Efficiency" by the Natural Resources Defense Council. Available at https://www.nrdc.org/sites/default/files/energy-upgrades-affordable-multifamily-homes-policymakers.pdf.
[28] "Building Decarbonization Solutions for the Affordable Housing Sector" by the American Council for an Energy-Efficient Economy. Available at https://www.aceee.org/sites/default/files/pdfs/u2204.pdf.
[29] "More Savings for More Residents: Progress in Multifamily Housing Energy Efficiency" by the American Council for an Energy Efficient Economy. Available at https://www.aceee.org/sites/default/files/publications/researchreports/u1702.pdf.

information on the percentage of low-income households for each State and the associated minimum dollar amount that must be allocated to serve low-income households in each State.[30]

- Allocate at least 10% of its rebate funding to serve low-income multifamily buildings. This allocation must be additional to and separate from the allocation for low-income households. The table in Appendix A contains the dollar amount of the 10% minimum allocation of rebate funding that must be reserved to serve low-income multifamily buildings in each State.
- Design each rebate program to be capable of delivering the rebate allocations to low-income single-family and multifamily households. States must ensure that their program implementers make a focused effort to deliver the volume of projects to low-income households needed to spend this rebate allocation.
- If a State has failed to disburse the rebate funds allocated to low-income households within 5 years of receipt of its total formula funding allocation, it may request that DOE authorize the State to reallocate those funds to households at other income levels. DOE will reallocate the funds upon a demonstration of the State's good faith efforts at distributing its low-income rebate allocation.
- Not prior to 2029, if a State has failed to disburse the rebate funds allocated to low-income households and has less than 10% of unallocated rebate funds remaining, it may request that DOE authorize the State to reallocate those funds. DOE will reallocate the funds upon a demonstration of the State's good faith efforts at distributing its low-income multifamily rebate allocation.
- Ensure a homeowner or building owner is eligible for low-income rebate levels.
- Verify that (1) a participating single-family household's income is less than 80% AMI,[31] and (2) a participating multifamily building has at least 50% of households with incomes less than 80% AMI. Income must be verified at the household level (e.g., income cannot be "estimated" based on demographic information).
- Allow categorical co-enrollment based on other Federal programs that meet the income thresholds, as listed in the supplemental document [Federal Programs Approved for Categorical Eligibility].

As authorized by statute, a State may propose an increase in the maximum rebate amount available for each low-income household.[32] The proposed increase can be up to 100% of the project costs of efficiency upgrades. This proposed increase in the rebate amount must be approved by DOE. See section 3.1.7 for details on what is needed within a State's application to increase efficiency rebate amounts.

---

[30] This minimum allocation of rebates will facilitate direct benefits to low-income households in relative proportion to their representation in the State. States are encouraged to go above and beyond this minimum allocation to target rebate recipients more selectively or to increase the amount of rebates reserved for low-income households and disadvantage communities.

[31] HUD calculates median family income levels for areas across the United States. HUD has a website available here where users can view these calculations. Information about HUD's methods for calculating AMI statistics is available here. HUD typically updates these values in March or April of each year; however, due to impacts of the COVID-19 pandemic on data collection, HUD released its 2023 income limits in May 2023. States must apply (and make available to claimants) up-to-date AMI data listed by DOE through an API or hotlink.

[32] 42 U.S.C. 18795(c)(3).

For the purposes of single-family and multifamily rental homes, low-income status is based on the household income of the tenant(s). The income of the building owner is not considered in determining the eligibility of low-income rental households. Building owners of single-family and multifamily rental dwellings may seek access to Home Efficiency Rebates and verify income eligibility of their tenants.

For low-income dwelling units occupied by renters, procedures for rental units shall ensure that:

- If rebates are directly requested by renters, written permission from the building owner or authorized agent for the home efficiency project must be obtained before commencing work.

For at least two years following the receipt of the rebates:

- The owner agrees to rent the dwelling unit to a low-income tenant. This is a minimum requirement and affordability requirements should be commensurate with total rebate amount awarded.
- The owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
- The owner agrees not to increase the rent of any tenant of the building as a result of the energy improvements with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
- The owner agrees that if the property is sold within two years of receipt of the rebates, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.
- In the event the owner does not comply, the owner must refund the rebate.
- A specific and verifiable mechanism (e.g., addendum to the lease) is in place for providing tenants with written notice of their rights and their building owner's obligations.
- Enforcement and penalties are clear and sufficient to act as a deterrent for owner violations and provide for damages and attorney's fees recoverable by tenants.

Income verification is a critical element of program implementation. DOE, in collaboration with the National Association of State Energy Officials (NASEO), will work with the States to assist in developing effective methods for carrying out this requirement and provide examples of acceptable methods. As part of this assistance, DOE will provide sample frameworks to help States work through the various steps of income verification and other processes involved in implementing rebate programs.

As noted in the section on income verification, States are encouraged to allow applicants to establish their eligibility through a variety of means, including categorical eligibility (enrollment in recognized low-income programs), documentation of income, and self-attestation.

3.1.4. Program Requirements: Community Benefits Plan

To support Program goals, the Home Efficiency Rebates are expected to (1) support meaningful community and labor engagement; (2) engage and support a skilled and qualified workforce; (3) advance diversity, equity, inclusion, and accessibility (DEIA); and (4) contribute to the Justice40

Initiative with the goal that 40% of the overall benefits of certain Federal investments flow to disadvantaged communities.[33]

To ensure these goals are met, States must:

- Create a Community Benefits Plan that describes how their home efficiency rebates program will incorporate the four objectives stated above.
- Include at least one Specific, Measurable, Attainable, Realistic, and Timely (SMART) milestone per calendar year to measure progress on the proposed actions.
- Make the plan, the milestones, and progress toward them accessible on a public website.
- Ensure the Community Benefits Plan is implemented when carrying out projects.

The Community Benefits Plan must address the following:

1. Engage Community and Labor: The Community Benefits Plan must describe the grantee's actions to date and plans to engage with community partners, such as local and/or Tribal governments, labor unions, and community-based organizations that support or work with underserved communities, including disadvantaged communities as defined by CEJST. By facilitating community input, social buy-in, and accountability, such engagement can improve and accelerate participation and positive project outcomes.

Community and labor engagement can lay the groundwork for formal partnerships with community and workforce partners to support administration and implementation of the rebate programs. A State must:

- Hold at least one public input session to solicit community input on its proposed deployment plans. Ideally, these meetings will take place after this Home Efficiency Rebates requirements document and ALRD is released by DOE; however, a State may request waiver of this provision upon a demonstration that the public input sessions elicited meaningful input for the State program design.
- Use the input from these engagement sessions to inform the design of its rebate program, and it must describe how this input was used in its program design.
- Explain how it will solicit and respond to community feedback throughout the duration of its rebate program.
- Describe what community engagement and outreach strategies it will utilize to reach contractor and workforce organizations, disadvantaged communities, low-income households, and other marginalized groups.

States are strongly encouraged to establish partnerships with and provide funding to community-based organizations, labor unions, contractor organizations, utilities, existing program implementers, and other organizations that represent or work with underserved households to reach and engage with these communities effectively over the life of the program. Administrative funds allocated to the State may be used to support these actions. Grantees should also provide Community and Labor Partnership Documentation from representative organizations reflecting substantive engagement and feedback on the grantee's approach to community benefits,

[33] The Justice40 initiative, established by E.O. 14008, sets a goal that 40% of the overall benefits of certain Federal investments flow to disadvantaged communities. The Justice40 Interim Guidance provides a broad definition of disadvantaged communities (page 2): https://www.whitehouse.gov/wp-content/uploads/2021/07/M-21-28.pdf.

including engaging and supporting a skilled and qualified workforce; diversity, equity, inclusion, and accessibility; and the Justice40 Initiative detailed below.

2. Engage and Support a Skilled and Qualified Workforce: A qualified, skilled, trained, and stable workforce is necessary to meet Home Efficiency Rebates program goals. High-quality jobs are critical to attracting and retaining the qualified workforce required to implement high-quality home upgrades.

The Community Benefits Plan must describe the State's approach to working with responsible contractors who invest in ongoing workforce education and training, and ensuring jobs are of sufficient quality to attract and retain skilled workers in the home energy upgrade industry. If a State is not also applying for a grant from the [IRA Section 50123 Contractor Training Grants ALRD], the State must describe how it is supporting education and training of both new and incumbent workers to meet the needs of the Home Efficiency Rebates.

As the 1935 National Labor Relations Act states, employees' ability to organize, bargain collectively, and participate, through labor organizations of their choosing, in decisions that affect them contributes to the effective conduct of business and facilitates amicable settlements of any potential disputes between employees and employers, providing assurances of project efficiency and continuity and multiple public benefits. A State should provide a description of how it plans to affirmatively support workers organizing and collective bargaining. This might include screening eligible contractors based on commitments from home energy upgrade contractors to remain neutral during any union organizing campaigns; investing in workforce and education through joint labor-management training programs; supporting the development of a resilient, skilled, and stable workforce including by utilizing registered apprentices on projects and paying at or above the local prevailing wages; and including other commitments or pledges.

3. Incorporate Diversity, Equity, Inclusion and Accessibility (DEIA): The Community Benefits Plan must include a section describing how DEIA objectives will be incorporated into the program. The section should detail how the State will partner with underrepresented businesses and training organizations that serve workers who face barriers to accessing quality jobs and/or other project partners to help address DEIA.

The following is a list of potential DEIA actions that could be included in a plan. This list is offered to provide guidance to States and is not intended to be comprehensive:

- Commit to partnering with Minority Business Enterprises, minority-owned businesses, women-owned businesses, and veteran-owned businesses for delivering home energy upgrades funded by rebates or for home energy upgrade contractor support needs.
- Fill open positions for home energy efficiency jobs utilizing home efficiency rebates, partner with workforce training organizations serving underrepresented communities and those facing systemic barriers to quality employment, such as those with disabilities, women, returning citizens, opportunity youth, and veterans.
- Partner with organizations that can provide workers with comprehensive support services, such as childcare, mentoring, and transportation, to increase representation and access in home energy efficiency and construction jobs.

4. Address Justice40 Initiative: A State must provide an overview of benefits to disadvantaged communities that the home efficiency rebates can deliver, supported by measurable milestones. The Justice40 Initiative section of the Community Benefits Plan must include:

A. A State's definition of disadvantaged communities. In accordance with the U.S. Office of Management and Budget (OMB) guidance M-23-09,[34] a disadvantaged community is a disadvantaged area identified by CEJST.[35] With DOE approval, a State may adopt an alternative definition for a disadvantaged community. To receive DOE approval of an alternative disadvantaged community definition, (1) the state definition must incorporate two or more enumerated indicators (see section 3.1.7) in identifying disadvantaged communities, (2) the state definition must conform to the definition of communities established in [OMB Memorandum M-21-28](), and (3) the communities meeting the state definition must be mapped or the State must develop its own GIS layer that can identify households that qualify as fitting under its disadvantaged community definition. DOE may request that a State conduct comparative analysis to show how its proposed definition compares with areas identified by CEJST. A State may develop its own web-based tool or work with DOE to integrate this GIS layer into the tools provided by DOE; developing this new tool is an allowable administrative cost.

If a State uses the DOE default definition for a disadvantaged community, contractors and other interested parties can use the CEJST mapping tool or another federally approved web-based tool to determine whether a home is located in a disadvantaged community. If a State uses a state-specific definition for a disadvantaged community, either the DOE tool or a state-provided tool will provide contractors and other interested parties the ability to determine whether a home is located in a disadvantaged community. Note that DOE plans to provide a rebate coupon reservation system that will note whether the address qualifies for an incentive when the reservation is created.

B. A State's method of encouraging delivery of home efficiency rebates to disadvantaged communities. Each State must include system(s) to track contractor or aggregator engagement with households in disadvantaged communities and ensure appropriate incentive payments are delivered.[36] Specifically, the State program must:

- Provide either a contractor or aggregator $200 for each dwelling unit located in a disadvantaged community upon completion and verification of the installation.
- Use the identified disadvantaged community definition (either the DOE default or the DOE-approved state definition) to apply the $200 disadvantaged community incentive.

C. A description of how States will ensure that applicable benefits flow to disadvantaged communities. A State must specifically identify how its Home Efficiency Rebates program will deliver direct benefits for low-income households in CEJST-identified areas (or its DOE-approved alternative definition of a disadvantaged community), such as how upgrades will reduce utility bills and improve indoor air quality. A State should also discuss how its Home Efficiency Rebates program will create high-quality jobs for members of disadvantaged communities.

---

[34] "Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (CEJST)." Available at M-23-09 (whitehouse.gov).
[35] The Climate and Environmental Justice Screening Tool (CEJST) is available at https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5.
[36] 42 U.S.C. 18795(b)(5).

At a minimum, this plan must describe actions a State will take to ensure that disadvantaged communities receive the following benefits of the rebate programs:

- Direct benefits, including the energy upgrade projects completed via rebate investments and the associated energy savings, cost savings, pollution reduction, and other health and safety benefits.
- Economic benefits, including the jobs and quality of jobs supported by rebate investments and the contracts and economic activity enabled by rebates.

In describing the flow of benefits, a State may reference the use of minimum allocations, such as the low-income minimum allocations required within section 3.1.3. However, a State should be aware that not all low-income households fit the geographic definition of a disadvantaged community.

3.1.5. Program Requirements: Processing and Delivering Rebate Funds to Eligible Rebate Recipients

To help ensure appropriate use and processing of Home Efficiency Rebates, States must:

- Create systems and materials to facilitate carrying out the program requirements in section 3 and the Data & Tools Requirements Guide.
- Use APIs and/or DOE-provided spreadsheets to link relevant State systems to federally provided infrastructure as described in the Data & Tools Requirements Guide.
- Inform all potential State program participants of the process for accessing rebates, including how to access national system(s) as required by DOE.
- Adhere to all requirements included in the Data & Tools Requirements Guide.
- Provide rebates to the eligible rebate recipient for measured programs within 60 days of submitting invoice to the State.
- Provide rebates to eligible rebate recipient within four (4) weeks of receipt of an eligible rebate application for modeled programs.
- Provide an acceptable method for low-income households to not be required to use personal funds at the point of sale to pay for rebate-covered work[37].

3.1.6. Program Requirements: Data Collection and Evaluation

This section covers a variety of data requirements. Section 3.1.6.1 addresses requirements associated with data protection and standards, including data transmission, security, privacy, retention, and sharing. Section 3.1.6.2 provides general information regarding the types of metrics for which DOE plans to require reporting. Reporting requirements will be identified on the Financial Assistance Reporting Checklist (FARC) attached to the award agreement. Section 3.1.6.3 addresses data collection requirements related to program evaluation. DOE also expects State programs to collect information needed to administer their rebate programs and to assist with program monitoring. Finally, DOE recognizes that States will need to collect additional information for program implementation. DOE will collect most data with mandatory APIs; however, States will be required to provide some compiled information by reporting through PAGE and may be required to provide additional information that they have retained but not reported to DOE. All data collection and reporting requirements, including application programming interface (API) requirements, will be delineated in the Data & Tools Requirements

[37] See Data and Tools Requirements for workflows to support states developing acceptable methods.

Guide. Requirements and recommendations pertaining to data access and sharing of utility energy consumption information is provided in the Utility Data Access Guidelines.

3.1.6.1. Data Protection and Data Standards

The following program requirements apply to documents, data, and other information collected by States using Federal funds to implement and administer the Home Energy Rebates, regardless of when or how that information may be shared with DOE.

To facilitate program data sharing, program audits, and program evaluations, State programs must collect household information as required in the Data & Tools Requirements Guide. For home energy assessment data required to be submitted to DOE, data for all applicable building types (single-family and small multifamily) must be consistent with the HPXML Data Dictionary v3, and program systems must be capable of sharing the data using the HPXML Transfer Standard (BPI-2100). Home energy assessment data for large multifamily buildings must be consistent with BuildingSync. All other data must be collected in the format appropriate to be shared with the DOE central database. Data that States must collect but that is not required to be submitted to DOE must be retained and accessible upon request by DOE for purposes of compliance monitoring and evaluation.

Data collection and data sharing must be secure to protect consumer privacy. Each State must comply with its own State legal obligations regarding security and privacy. To ensure States are addressing data security and privacy, at a minimum, implementers must implement risk-based security controls, which must include documentation of a privacy and security risk assessment, rationale for categorizing the system, method for determining the risk impacts, and risks associated with data sharing. A copy of the privacy and risk assessment of State systems must be provided to DOE at least 60 days prior to planned rebate program launch. DOE will review and approve the deliverable prior to providing the State approval for rebate program launch.

Security and privacy controls must be reviewed by an independent third party at least once every 3 years. Implementers must have documented processes in place to monitor and address issues in a timely fashion. DOE may request copies of risk assessments, documentation from independent reviews, and/or documentation of risk or threat mitigation measures at any time.

Data collected by States in administering their programs may not be sold. Data collected by States in administering their programs may be shared with program implementers and/or evaluators with whom the State has a contractual relationship, provided that prohibitions against data selling and data sharing are included in the contracts with those entities. For all other entities, collected data may not be shared with others except with the explicit written permission of DOE.

Consistent with 2 CFR 200.334 through 200.338, the State recipient is required to retain records relating to this award for a period of 3 years from the date of submission of the final expenditure report.

3.1.6.2. Program Metrics

States must include plans for how required data[38] will be collected throughout the award period so that these metrics may be aggregated and evaluated across programs. DOE understands that different States will optimize program design for different metrics. The plan must include how

[38] As described in the Data & Tools Requirements Guide.

States will value savings based on time, location, or greenhouse gas emissions. Valuing savings as part of this plan does not replace or count towards the requirements to demonstrate a minimum percentage energy savings for the household on a modeled or measured basis.

DOE requires States to report to DOE certain program-related progress metrics. To reduce burden, DOE will allow some flexibility in how the data are reported and at what level of granularity. See the Data & Tools Requirements Guide for all data requirements, including a list of metrics that States will be required to submit at least annually to DOE.

States must report metrics to DOE as described in the Data & Tools Requirements Guide and as required on the Federal Assistance Reporting Checklist (FARC).

3.1.6.3. Program Evaluation

DOE plans to conduct process, impact, and market transformation evaluation activities as part of an independent evaluation process. The goals of these evaluations will be consistent with the goals described in Section 1.5 of this document with the objective to understand how effective the programs are at meeting their intended outcomes and how programs can be improved. See the Data & Tools Requirements Guide for specific data collection, retention, and reporting requirements.

States must participate in DOE-led impact and process evaluations **or** conduct their own process and impact evaluations consistent with requirements of this section.

Regardless of whether States conduct their own impact and process evaluation and/or cooperate with DOE-led evaluations, all State programs must:

- Agree to participate in interviews (as the program administrator) and require their implementers and other program partners to participate in interviews.
- Include as part of rebate terms and conditions that homeowners agree to release billing data from their metered fuel utilities to the State for evaluation purposes and homeowners agree to be willing to participate in monitoring and evaluation activities such as surveys and interviews if selected.
- Securely provide any retained data to DOE on an ad hoc, as-requested basis.
- Coordinate with utilities to collect billing data for evaluation purposes.

States that choose to conduct at least one of their own process or impact evaluations will not be required to participate in a DOE-led process or impact evaluation if the State:

- Applies the DOE evaluation recommendations as described in the Technical Information, Best Practices, and Implementation Recommendations and collects DOE-requested information to allow for consistent comparison of results.
- Submits the evaluation plan within three months of rebate program launch for DOE approval.
- Provides final evaluation results to DOE within 18 months of evaluation approval, or the agreed-upon timeline in the evaluation plan.

If a State conducts timely impact or process evaluation of its programs, meeting the above requirements, then DOE will exclude the State from relevant evaluation activities. DOE reserves the right to determine consistency with requirements and the evaluation plan.

Due to the nature of broad-based market transformation goals, DOE will conduct a national market transformation evaluation. States are welcome to conduct their own assessment of market effects and market change as well.

3.1.7. Application Requirements: Use of Funds and Rebate Eligibility

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts). All other requirements are mandatory within the State Application.

Table 4. Application Requirements

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
3.1.1	Identify the specific types of allowable costs the State proposes within 1) administrative funds and 2) rebate funds. Provide an estimate of the total amount of administrative funds to be expended annually and the estimated annual project-related costs as a portion of the total rebate funds.	
3.1.1	If States are requesting additional funds for project-related activities, describe and justify each activity and associated budget in the budget justification worksheet DOE will review and determine if allowable.	
3.1.1	Describe how the State will manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.	
3.1.2	Identify the maximum rebate amounts that will be offered within the allowances of the Home Efficiency Rebates requirements.	
3.1.2	Identify the allowable project costs for determining rebate levels when based on project cost.	X
3.1.2	List the documentation requirements related to project costs from homeowners, contractors, and/or aggregators.	X
3.1.2	Describe how homeowners and multifamily building owners will be informed of additional program funding available from non-Federal funds and grants.	X

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
3.1.2	Identify the date after which upgrade projects must be completed for the purposes of being eligible for a rebate under the State program.	X
3.1.2	Identify whether, for low-income multifamily buildings, the State will calculate the "per dwelling unit" rebate amount (a) at the less than 80% AMI amount for all units or (b) based on the ratio of LMI to non-LMI units.	
3.1.2	Describe how the State plans to value energy savings based on time, location, or greenhouse gas emissions. The application must demonstrate a strategy for either prioritizing, or requiring in program rules: • Retrofits that will have a disproportionate benefit based on the time or location of energy savings; or • A targeted approach to prioritize reduction in greenhouse gas emissions. Valuing savings as part of this plan does not replace or count towards the requirements to demonstrate a minimum percentage energy savings for the household on a modeled or measured basis.	X
3.1.2	Describe how the State plans to ensure and verify ENERGY STAR certification at the time of installation for heating, cooling, and water heating products.	X
3.1.2	Indicate whether the State requests authorization to offer higher rebates amounts than those listed in Tables 2 and 3 for low-income households. If requested: • Describe the State approach for balancing higher rebate amounts (serving fewer households) with the required allocation to serve low-income households. • Propose the maximum rebate amount that would be available to low-income households both in terms of percentage of project cost and dollar amount for low-income households that: o Receive an energy upgrade that is modeled to save at least 20% of energy. o Receive an energy upgrade that is modeled to save at least 35% of energy.	

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
3.1.2	Provide details on what portion(s) of the total rebate will be provided to the homeowner/building owner compared with the contractor/aggregator. Describe what caps the state will place on contractor/aggregators in terms of savings exceeding the amount associated with the rebate provided to the homeowner (e.g., allowable percentage above the rebate provided to homeowner).	X
3.1.2	Describe what systems will be put into place to reserve funds for each measured project, given the need to remit payment to the contractor/aggregator after 9-12 months of usage data post-energy upgrade is available.	X
3.1.2	For the measured program path, describe how the State will calculate rebate levels based on average home energy usage in the State[39].	X
3.1.2	For the measured program path, describe the timeframe within which the State will provide rebates to eligible rebate recipients.	X
3.1.3	Identify the portion of the rebate funds the State will reserve for low-income households and multifamily households.	
3.1.3	Describe how the State will define household income for verification purposes. (e.g. using prior year income).	
3.1.3	For single-family households, how will claimants be able to establish their household income for income qualifications? States may select from the following options: (1) Documentation of household income (for example, 1040) (2) Documentation of enrollment in a pre-qualifying program (3) Self-attestation of either income level or enrollment in a pre-qualifying program	
3.1.3	For multifamily buildings, describe what combination of methods will be used to verify that at least 50% of dwelling units consist of households with incomes less than 80% AMI.	X

[39] Per statute, the measured energy saving of the home or portfolio of homes must achieve 15% savings, but the calculation of the rebate is based on a 20% reduction of average energy use of a home in the state.

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
3.1.3	Confirm: • Claimant will be required to note the number of individuals who occupy the dwelling unit. • Claimant will be required to sign an affidavit attesting to the validity of all information provided (e.g., enrollment documents, household income, number of full-time occupants) irrespective of the method of income qualification (e.g., categorical eligibility, self-attestation). • State's intake system for users to provide income information will compare household income to 80% AMI values associated with that household's county and household size to determine rebate levels prior to signing statements regarding their income.	
3.1.3	Describe how the 80% AMI levels for each location will be kept up to date (use DOE-provided API, other) and linked to DOE systems. Confirm that these levels will correspond to (a) the address of the home at which rebates will be applied and (b) the applicable number of household occupants.	X
3.1.3	Confirm that the State will: (1) review information provided to support income eligibility for all applicants applying for higher income-based rebate levels; (2) take steps to verify income eligibility for at least 50% of those applications that use self-attestation to support income eligibility (e.g., confirm enrollment in at least one program that the applicant asserted enrollment in; confirm household income via IVES or other methods as applicable; calls to employers); (3) after 6 months and not longer than 1 year after program launch, report to DOE the percentage and number of applicants that received rebates but were subsequently found to not meet eligibility requirements; and (4) work with the state's DOE project officer to institute additional safeguards or determine if a lesser level of review for applicants using self-attestation is justified depending on the percentage/number of rebates issued without meeting eligibility requirements. A state may propose in its application the types of information that it will provide to DOE to warrant reducing this requirement	

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
	(e.g., allowing implementers to verify income of a subset of claimants through random sampling).	
3.1.3	Provide additional information as needed to demonstrate that the proposed approaches for income verification will address all types of households; not create undue burden for claimants; and include safeguards to minimize error and abuse in the process of verifying income.	
3.1.3	Describe how the State will verify (confirm legitimacy) of income information for all claimants (e.g., verification within 2 days through IRS, cross-check with enrollment databases of approved programs, calls to employers). A State may propose in its application the types of information that it will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).	X
3.1.3	Identify how the State will resolve instances when rebates are provided to those who have falsified their incomes.	X
3.1.3	If proposing to allow self-attestation as a means for initial income qualification, provide a detailed description of how and when this approach will be used. Include statements, language, and detailed information regarding follow-up steps that will be used for this process. Additional topics to address include: • Describe how those applying for rebates will be warned of potential liability associated with falsifying information. • Explain how signed statements of self-attestation will be securely stored. • Identify what level of falsified attestations will signal that the system needs to shut down either permanently or be restarted only after sufficient improvements are made.	X
3.1.3	Describe how the State program will verify applicant information provided to substantiate income eligibility, including systems that will be used to verify, where applicable, that at least one member of a household has been enrolled in a program included within the Federal Programs Approved for Categorical Eligibility document or other state-proposed approved by DOE within the prior 12 months.	X
3.1.3	Identify the Federal or other programs by which the State plans to allow categorical eligibility.	

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
3.1.3	If applicable, propose any additional Federal or other programs to be considered for categorical eligibility. For any programs not already approved, describe how the program's eligibility aligns with the Section 50121 income requirements.	X
3.1.3	Identify whether the State requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period (e.g., proof of enrollment within the past 12 months). If so, explain the State's proposal and describe the rationale.	X
3.1.3	Identify whether the State requests authorization to allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document Federal Programs Approved for Categorical Eligibility. For each deviation requested, propose and provide documentation to justify the requested change. Documentation must demonstrate that the State imposes income requirements equivalent to or less than 80% AMI.	X
3.1.3	Provide a brief description of the procedures and penalties the State will provide to ensure that renters are not subject to unjustified rent increases.	
3.1.3	Explain how the State will identify eligible contractors or aggregators and what tools will be used to pay the $200 disadvantaged community incentive.	X
3.1.4	Describe how the State program will define a disadvantaged community. If not using the default disadvantaged community definition (low-income households located in a disadvantaged community identified by the CEJST), a State must explain how the proposed definition will meet the following three criteria as described in DOE Justice40 implementation guidance[40]: • The communities of concern identified by the State tool or definition must conform to the definition of communities established in OMB guidance: ○ a group of individuals living in geographic proximity to one another that experiences common conditions.	

[40] See pages 8-9 of https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf for more details.

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
	o a geographically dispersed set of individuals (such as migrant workers or Native Americans) that experiences common conditions. • The State tool or definition must consider two or more of the following indicators when identifying communities that should be classified as disadvantaged for the purposes of directing Federal investments under Justice40: o Low income, high and/or persistent poverty o High unemployment and underemployment o Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities o Linguistic isolation o High housing cost burden and substandard housing o Distressed neighborhoods o High transportation cost burden and/or low transportation access o Disproportionate environmental stressor burden and high cumulative impacts o Limited water and sanitation access and affordability o Disproportionate impacts from climate change o High energy cost burden and low energy access o Jobs lost through the energy transition o Access to healthcare • The communities of concern identified by the State tool or definition must be currently mapped in software or must be easily overlayed in GIS so that communities can be easily identified.	
3.1.5	Describe what types of systems will be put into place to allow effective processing of rebates.	X
3.1.5	Describe how the State will ensure processing of rebates within required timeframes (e.g., through a processing company, through program implementers, or other entities or methods). Include information on corrective actions that the State will implement in the event of lengthier processing times.	X
3.1.5	Describe how the proposed processing system will be integrated with a system for processing rebates under Section 50122. Note if the State plans to use separate systems.	X
3.1.5	If the State does NOT intend to use a federally provided web-based tool to determine whether a home is in a disadvantaged	

Program Requirements Section No.	Application Requirement	Implementation Blueprint Option
	community, confirm that the State will provide the ZIP codes or a preferred more granular geography (e.g., census tract) with all disadvantaged communities as defined by the State to the DOE system.	
3.1.5	Confirm that the system will link to federally provided systems via API.	
3.1.6	Certify that the State will submit a Privacy and Security Risk Assessment in the State Implementation Blueprint.	
3.1.6	Explain how data will be protected, specifically addressing security measures and privacy measures.	X
3.1.6	Include documentation of the processes to monitor, identify, and address security and privacy threats.	X
3.1.6	Confirm that the State will require billing data release and describe how the State will gain access to billing data for program requirements and program evaluation.	X
3.1.6	Confirm that the State will collect required data and cooperate in program evaluation processes as listed in section 3.1.6.3.	
3.1.6	Confirm if the State is planning to conduct its own evaluation, and if so, what type(s) of evaluations. If the State plans to conduct evaluations on its programs, confirm that the State will: • Cooperate with DOE to meet all the requirements listed in section 3.1.6.3. • Submit an evaluation plan for DOE review within three months of program launch. • Provide results to DOE.	
3.1.6	If the State plans to conduct evaluations on its programs, describe the evaluation objectives, high level work plan, and timing of the evaluations and whether the State would request to be excluded from DOE-led evaluations.	X

3.2. Consumer Experience

3.2.1. Program Requirements: Education and Outreach

A positive consumer experience begins with successful outreach and education about the benefits of the Home Energy Rebate programs. States must decide which types of households to target for outreach, what methods will be most effective in reaching them, and what educational materials will best inform those households of the benefits of upgrading their homes. States must also decide how they will engage contractors that will deliver the projects paid for by rebates. Many States will be able to leverage and repurpose outreach and education materials from existing programs.

A State must briefly describe its intended outreach and education strategy it will use to inform eligible households about the rebate programs. This outreach and education strategy must include a timeline and programmatic elements, potentially including but not limited to targeted advertising, outreach via local governments, and/or partnerships with community-based organizations. States may allocate a portion of their administrative budgets to conduct these activities.

At minimum, a State's outreach and education strategy must include:

- A brief description of planned activities for household outreach, such as:
  - Outreach partnerships (utilities, local governments, community-based organizations, labor unions, churches, etc.)
  - Outreach channels (Digital ads, neighbor to neighbor outreach, direct mailings, etc.)
  - Educational materials (website, fact sheets, etc.)
- A brief description of planned activities for contractor outreach, such as:
  - Outreach partnerships (trade organizations, labor organizations, etc.)
  - Outreach channels (website, ads in trade organization publications, etc.)
  - Educational materials (website, fact sheets, trainings, etc.)
- High-level timeline for executing these programmatic activities.
- Estimated budget devoted to outreach and education, which can be covered through Home Efficiency Rebates administrative funding or through other state/utility/local sources.

3.2.2. Program Requirements: Home Assessments

Home assessments are an important component of consumer protection to better understand the potential risks and benefits to a household pursuing an energy upgrade project. Through observation and documentation of a home's pre-condition, consumers can make informed decisions to avoid upgrades that may not produce utility bill savings or may require additional upgrades to be safe and effective. Assessments also protect taxpayer funds from being spent on unallowable expenditures.

An assessment is required for every single-family home and multifamily building receiving Home Efficiency Rebates. State programs are required to establish basic requirements that ensure each home assessment:

- Complies with the steps and procedures for home energy auditing in accordance with ANSI/BPI 1100-T-2023 and ANSI/BPI 1200-S-2017, except that the Cost Benefit Analysis is not required. If a Cost Benefit Analysis is performed, it shall be for consumer information only, must project total household energy consumption, and must, at a minimum, be presented in terms of reduced energy costs.

- Collects required information. Data requirements may differ depending on whether the project is deemed eligible through the modeled or measured energy savings program paths.
- At a minimum, the home assessor must collect and/or produce the following data points: Unique home identifier (e.g., address).
- Dwelling type.
- Performance/efficiency of the home and its components, materials (such as insulation), and systems (potentially including but not limited to equipment type, age, fuel source, efficiency level, R-value, air leakage rate, etc.).
- Identification of existing equipment/materials/systems to be replaced.
- Identification of new equipment/systems/materials being proposed for installation.
- Estimated total project cost as defined in section 2.1.
- Identification of the tool/software used to produce the energy cost estimate.
- Written acknowledgement from the consumer of the proposed project's estimated impact on household energy costs and consumption including estimate of the energy savings in dollars in year one based on current utility rates at the home.
- Written acknowledgement from the consumer of the amount they will owe not covered by the rebates.
- Estimated Post-Retrofit Energy Consumption of the proposed project, in a manner consistent with section 3.2.3.1.
- Estimated energy savings attributable to the proposed project, calculated in a manner consistent with section 3.2.3.1.
- Datapoints as required per the State's requirements to retain data in section 3.2.4.
- All other datapoints listed as required in the Data & Tools Requirements Guide.

For each home energy upgrade receiving Home Efficiency Rebates, the State is required to retain the following documentation:

- List of the major upgrades (as defined in Section 2.1) and additional upgrades included in the energy savings prediction
- Gross project cost estimate
- Project estimated energy savings (kWh or KWh equivalent)
- Estimated household energy costs post-installation
- Estimated amount of eligible rebate
- Certification from the assessor that all the above information was provided to the homeowner and resident (if different)

Note that completing home assessments for multifamily buildings will require a different process than for single-family homes. A State must establish processes for home energy assessments for multifamily buildings, including for energy used by common areas.

3.2.3. Program Requirements: Access to Residential Utility Data

IRA Section 50121 states "the Secretary shall develop and publish guidelines for States relating to residential electrics and natural gas energy data sharing."[41]

The data access guidelines are included in the Utility Data Access Guidelines and include best practices for data access and sharing and recommendations for developing a comprehensive Data Access Plan.

States must develop and submit a Utility Data Access Plan that, at a minimum, includes the following:

- Ensure that any data are transferred and maintained safely and securely, using established standards.
- Ensure that any parties participating in a program that requires energy consumption data have secure data protection and protocols that demonstrate the capability for a safe transfer of consumer data, including data for individual dwelling units and whole-building aggregate data for multifamily buildings.
- Determine which consumer consent processes the State will implement.
- Define energy consumption as primary or secondary purpose.

DOE strongly encourages States to develop a comprehensive Utility Data Access Plan that also addresses the other recommendations of the Utility Data Access Guidelines as States will likely have to address those topics with relevant parties and stakeholders to implement a Home Efficiency Rebates State program. A State may utilize existing data access plans if those plans fulfill the DOE requirements.

3.2.4. Program Requirements: Project-Specific Energy Savings Calculations

States may choose to implement the modeled path, measured path, or both. States must inform DOE which path(s) they will implement. States must adhere to the energy savings requirements pertaining to either the modeled or measured path as described below. If implementing both paths, the State must provide required information separately for each program path.

3.2.4.1. Calculating Modeled Energy Savings

Modeled energy savings must be calculated and reported in a manner that:

- Estimates energy savings based on the data and information collected in the final home assessment.
- Includes at a minimum at least one major upgrade as defined in Section 2.1.
- Is conducted consistent with BPI-2400 or subsequent version as approved by DOE (see exceptions in paragraph below).
- Applies a DOE-approved modeling software.
- Defines, calculates, and reports energy savings for the purposes of the rebate threshold as kWh or kWh equivalent as defined in Section 2.1.
- Includes only upgrades that were completed and installed as part of the project as described and annotated on the required invoice.
- Does not include onsite generation technologies.

[41] 42 U.S.C. 18795(c)(5).

- Collects and reports the data and information required in the Data & Tools Requirements Guide.

States may:

- Use an alternative factor (including a factor of 1) in calculating kWh equivalent savings. States are required to identify and provide a justification for the factor applied in kWh equivalent. States may propose to use more than one factor for different baseline conditions. States may work with DOE to determine factors that are most appropriate for each state.
- Require envelope upgrades prior to the installation of mechanical or appliance upgrades. See Program Recommendations for industry best-practices.
- Work with an aggregator to oversee modeled program implementation; however, all required project information including energy savings and rebates must be calculated and reported at the individual home level and may not be summed across a portfolio of homes.

In addition, States must:

- Monitor the energy savings reliability of models and tools.
- Take corrective action if actual savings results are less than 70% of estimated savings.
- Inform DOE if will or will not require installation of envelope upgrades prior to mechanical systems or appliances, including a brief explanation of its rationale for either decision.

3.2.4.1.1. Addressing Missing Data for 50121 Modeled Energy Savings

Not every home will have conditions that allow for modeled savings consistent with the BPI-2400 calibration methodology. States may use alternative approaches in the following:

- Multifamily homes.
- A home with delivered fuels where the available delivered fuel consumption data do not meet the minimum criteria stated in section 3.3.1 of BPI-2400.
- Instances where addition of cooling load cannot be accurately accounted for in BPI-2400.
- A home with energy usage data of existing occupants less than 1 year.

In these limited circumstances, States may use any of the following approaches for calculating modeled energy savings:

- Ex ante estimates with a realization rate factor applied to align results with BPI-2400 at the portfolio level.
- A DOE-approved simplified modeling approach that:
  - Uses representative climate zone, weather, home characteristics, and actual average energy usage data, and
  - Applies a realization rate factor to align results with BPI-2400 at the portfolio level.

States may identify additional alternative approaches that provide savings estimates consistent with the estimates calculated through the BPI-2400 standard. In these cases, States may submit a request to DOE for an alternative method, if the State can show that the method produces savings estimates for program-eligible projects at the portfolio level within 10% of BPI-2400 modeled methods. Any requested methods must be approved by DOE.

For States applying one of these alternate approaches, a State must conduct an impact evaluation to assess and update the realization rate factor within the alternate approach on a representative sample of sites when either (whichever comes first):

1. At least 200 projects have been completed OR
2. 10% annually, or 20% cumulative, of the program-to-date modeled funds have been provided for projects using an exception.

Depending on the results, DOE may require additional program evaluations not more than once every two (2) years thereafter.

3.2.4.2. Calculating Measured Energy Savings

Measured energy savings at each site must be calculated in a manner that:

- Uses open-source advanced M&V software as approved by DOE that includes capabilities for determining and documenting weather-normalized energy use of a home or portfolio of homes before and after the implementation of home energy upgrades.
- Estimates energy savings based on the data and information collected in the home assessment.
- Defines, calculates, and reports energy savings for the purposes of the rebate threshold as kWh or kWh equivalent as defined in Section 2.1.
- Identify and provide a justification for the factor applied in kWh equivalent. States may propose to use more than one factor for different baseline conditions. States may work with DOE to determine factors that are most appropriate for each state.
- Calculates actual home- or portfolio-level savings no less than 9 months after the final installation in the home or portfolio:
  - If measuring savings less than 12 months post-installation, calculation must include at least one peak energy season and both peak seasons if in a dual-peaking climate.
- Collects and reports the data and information required in the Data & Tools Requirements Guide.
- Does not include generation technologies.

States may:

- Use an alternative factor (including a factor of 1) in calculating kWh equivalent savings. States are required to identify and provide a justification for the factor applied in kWh equivalent. States may propose to use more than one factor for different baseline conditions. States may work with DOE to determine factors that are most appropriate for each state.
- Require envelope upgrades prior to the installation of mechanical or appliance upgrades. See Program Recommendations for industry best-practices.

In addition, States must:

- Monitor the energy savings reliability of models and tools.
- Take corrective action if actual savings results are less than 70% of estimated savings.
- Inform DOE if will or will not require installation of envelope upgrades prior to mechanical systems or appliances, including a brief explanation of its rationale for either decision.

For measured energy savings projects, savings may be reported across a portfolio of homes to meet the minimum savings thresholds and when calculating corresponding rebates. When reporting projects for a portfolio of homes, States must:

- Meet the energy savings minimum across the portfolio.
- Report required data for each dwelling unit within the portfolio.
- Calculate the final rebate based on the payment rate (see Table 3) applied to the energy savings of each home and summed across the portfolio.

States must approve entities to serve as aggregators. The aggregator must comply with all program requirements. If aggregators are providing rebates based on estimated savings, the risk of recovering costs based on actual reported savings must be borne by the aggregator.

3.2.5. Program Requirements: Consumer Protection through Quality Assurance

Consumer Protection through QA is an essential component of protecting consumers and providing the highest quality consumer experience. QA protects households by providing independent oversight of the work performed by participating contractors to ensure that it meets program standards. QA deals with systems that are designed to meet consumer expectations and ensure consumer satisfaction.

Given the central role of QA in the success of a Home Efficiency Rebates program, States must develop and implement a Consumer Protection Plan that includes QA features. The State's Consumer Protection Plan must meet the requirements listed in this section. The Consumer Protection Plan must be submitted to DOE for approval at least 60 days prior to the State's planned rebate program launch as part of the State's Implementation Blueprint. A State must implement the plan and be prepared to provide DOE with information regarding the State's monitoring, review, and revision of the plan based on program performance.

- The Consumer Protection Plan must be readily accessible (e.g., on the program's web site) to all program participants affected by it, including implementers, participating contractors, third-party inspectors, aggregators, homeowners, and building owners.
- Programs must execute agreements with participating retailers, distributors, and contractors in which the party agrees to comply with the QA plan and procedures.
- States must retain records related to their QA processes and permit access to DOE upon request.
- A State must review its Consumer Protection Plan at least every 2 years, adjust based on lessons learned, and communicate changes to contractors, aggregators, third-party inspectors, and DOE.

The State's Consumer Protection Plan must include the following elements:

Consumer Feedback

A system for collecting and responding to consumer feedback that:

- Allows households to file complaints, concerns, and issues directly to the implementer(s) (e.g., a consumer hotline and/or email).
- Contains procedures for addressing negative feedback, including how programs will communicate the feedback to affected contractors or aggregators.
- Includes a requirement that a consumer satisfaction survey be sent to the household at least 3 months and no more than 6 months after the project's completion date. At a

minimum, the survey must include the questions listed in Appendix B. States may add additional questions.

Resolution Procedures

- A written conflict resolution procedure that documents how disputes will be resolved between homeowners and contractors, or aggregators. The procedure shall include protocols for a timely response, identification of responsible parties, documentation of corrective actions, results, and a means of identifying and addressing systemic issues.
- A remediation process to ensure that when deficiencies are detected through the inspection process these results are communicated to the responsible party and any remedial or punitive actions taken follow a pre-defined set of protocols, which must be described in the plan.
- A requirement to maintain records on QC inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements.
- Contracts cannot contain mandatory arbitration clauses.
- Ensure inclusion of the holder-in-due course rule so consumer protections are not lost just because the contract is assigned to a 3rd party creditor.

Data Review

- A requirement for the State to conduct data or file review of all projects that verifies at a minimum:
    - A process for confirming that auditing tools and modeling software have basic data validation controls on inputs to ensure data quality.
    - The home assessment gathered the data required listed in section 3.2.1.
    - The contracted scope of work was specified consistent with program requirements.
    - The address of the installation matches the address on the rebate coupon.
    - For low-income rebates, rebated amount aligns with verified income category.
    - The household was provided the certificate as specified in section 3.2.5.
- A requirement that program's implementers retain:
    - Post-installation photos of major upgrades for all homes.
    - Proof of combustion safety testing on fossil fuel equipment in all homes where fossil fuel systems have been impacted by the installation.
    - Proof of commissioning testing on HVAC equipment in all homes where HVAC systems are installed.
- A requirement to maintain records on QC inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements.
- A description of the training or credentials of the personnel conducting the data/file review.

Onsite Inspection

- A requirement to conduct independent onsite post-install inspections on a minimum of:
    - The first five projects of new contractors; and
    - Five percent of projects thereafter for each contractor (provided no issues are found)
- A description of the training, credentials, and/or qualifications that the State will require of independent inspectors, and identification of how these qualifications do/do not align with those included in a State's IRA Section 50123 Contractor Training Grants program.

- A documented onsite inspection protocol that shall include a minimum of:
  - A visual inspection of the site and work conditions.
  - Verification that the installed measures match the contracted scope of work and any change orders have been appropriately documented.
  - Verification that diagnostic test results are accurate (may be directly observed if the inspector is present at the time of testing or repeated by the inspector).
  - Ensures compliance with E-Sign, or prohibits the use of electronic devices and signatures to enter into the contract if not E-Sign compliant[42].

Contractors and other partners

A qualified contractor list is a required element of a State's Consumer Protection Plan. States must:

- Describe how the program will initially develop the qualified contractor list.
- Describe which qualification(s) that contractors will be held to, potentially including but not limited to home performance industry credentials, training requirements, business insurance and licensure, skills standards, and labor standards.
- Describe the process by which contractors will be added to the qualified contractor list, including how implementers will review and consider contractors trained under IRA 50123.
- Describe the conditions that would lead to a contractor being delisted and the process by which a contractor would be delisted.
- Describe how the State program will ensure energy savings are calculated using allowable methods according to the statute, including how approved tools/software will be identified, and how contractors will be alerted to these tools and trained on proper use.
- Describe how the State will educate contractors and building owners to invest in envelope improvements before investments are made in mechanical equipment.

Installation

A State's Consumer Protection Plan must:

- Identify installation standards with which installers must comply, including at a minimum, standards designed to:
  - Ensure work complies with local and state laws, permits, codes, and industry standards.
  - Establish minimum quality installation standards for rebated technologies.
  - Promote use of standardized and sequenced procedures for developing a detailed project scope of work.
- Establish processes to enforce installation standards, including QA processes that allow the State to verify and document whether installation standards have been met.
- Ensure that sales language and contract language are the same.

[42] A written copy (in the person's primary or secondary language) should be provided even if there is also an electronic contract.

If financing is involved:

- Ensure an ability to repay determination that does not include projected savings from an energy report because expected savings may not materialize due to household and market developments.
- Ensure a disclosure and cooling off period. Clear, written advance disclosures should be required, with a 7-day waiting period between the disclosure and the contract signing. This waiting period should only be removed in a personal emergency (see Truth in Lending Act rules on this), where the homeowner, in their own handwriting, describes the emergency and the need for the emergency work and their understanding that they are waiving the waiting period. In non-emergency circumstances, there should also be a 3-day right to cancel after the contract has been signed (such that the work is not done during that period).

Continuous Improvement

A system for preventing unfair business practices and avoiding or addressing poor program function that does not optimize a consumer's experience. A State's Consumer Protection Plan must:

- Identify what proactive steps the State will take to identify fraud, waste, or abuse.
- How the State will implement automation to identify problem areas with program performance.
- Explain how the State will measure and evaluate the success of its QA systems.
- Describe how the QA systems will inform program improvements.
- Document roles and responsibilities associated with how the State will monitor the program's budget and financial performance to ensure that funds are being used efficiently and effectively.

Note that elements of the Consumer Protection Plan will require different processes for multifamily buildings than for single-family homes. States must distinguish in their plans which additional requirements will apply to multifamily buildings, including for central systems and for energy used by common areas.

3.2.6. Program Requirements: Post-Installation Certificate

States must provide a post-installation project certificate to the household that has been certified by a qualified third party to confirm quality monitoring and accurate valuation of the upgrade.[43]

States must ensure a certificate:

- Is completed and certified by a qualified third party.
- Is provided to the household.
- Details the work performed, equipment and materials installed, projected energy savings or energy generation to support accurate valuation of the upgrade.

[43] 42 U.S.C. 18795(b)(4)(A).

States must establish guidelines to those issuing certificates to ensure that information provided is clear and incorporates DOE-required information in the certificate package prior to launch of its program.

3.2.7. Application Requirements: Consumer Experience

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts.) All other requirements are mandatory within the State Application.

Table 5. Application Requirements

Program Requirements Section No.	Requirement	Implementation Blueprint Option
3.2.1	Confirm that the State will develop and submit an outreach and education strategy consistent with section 3.2.1	X
3.2.2	Describe the processes and procedures for conducting home assessments that meet program requirements.	X
3.2.2	Describe how home assessment data and results will be verified for accuracy.	X
3.2.2	Describe what processes will be put in place for home assessments for multifamily buildings, including for energy used by common areas.	X
3.2.3	Confirm that the State will develop and submit a Utility Data Access Plan consistent with the program requirements in Section 3.2.2.	X
3.2.4	Confirm if the State will implement the modeled path, measured path, or both.	
3.2.4.1	Identify what factor the State will use to calculate kWh equivalent, consistent with section 3.2.4.1.	X
3.2.4.1	Describe the energy savings objectives and overall approach for estimating energy savings for the modeled program path (if applicable).	
3.2.4.1	Identify which upgrades may be included in the modeled savings estimate, including at least one major upgrade as defined in section 2.1, including a brief description of if the state will or will not require the installation of envelope prior to other upgrades (if applicable).	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
3.2.4.1	Identify which modeling tools the State proposes to authorize for its program. Identify whether any proposed tools have not yet received DOE approval (if applicable).	X
3.2.4.1	Describe how the State will monitor the energy savings reliability of models and tools for the modeled program path (if applicable).	X
3.2.4.1	If the State plans to allow modeling for homes for which BPI-2400 is not applicable or that are not eligible for BPI-2400, request alternative modeled path(s) by: • Detailing for which exceptions the State plans to apply the alternative approach (e.g., multifamily, lack of delivered fuel bills, etc.) • Providing a detailed description of the method(s) that the State will use to estimate energy savings for each exception and how the State will ensure consistency between the alternative method and the results of BPI-2400 such as a realization rate adjustment to be used in reported savings estimates. • Commit to carrying out evaluations upon thresholds listed in section 3.2.3.1. • Describe how the State will use any evaluation results or new information to update and adjust its alternate savings modeling method.	X
3.2.4.1	For multifamily, describe the methods used for modeling energy savings for multifamily buildings, including energy used in common areas (if applicable).	X
3.2.4.2	Describe the energy savings objectives and overall approach for estimating and measuring energy savings at the home and portfolio of homes (if applicable).	
3.2.4.2	Identify what factor the State will use to calculate kWh equivalent, consistent with section 3.2.4.2.	X
3.2.4.2	Identify what open-source advanced M&V software(s) the State requests to use and confirm that each meets program requirements for the measured path (if applicable).	X
3.2.4.2	Describe how the State will monitor and ensure that aggregator portfolios meet the program requirements	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
	and minimum savings thresholds for the measured program path (if applicable).	
3.2.4.2	If measuring energy savings within a period of less than 12 months, describe how the State will define and enforce the inclusion of peak seasons.	X
3.2.4.2	Describe the State's processes for measuring savings for multifamily buildings, including for energy used by common areas (if applicable).	X
3.2.5	Certify that the State will prepare and implement a Consumer Protection Plan in accordance with these requirements and that the State rebate program will not launch until receiving DOE approval.	
3.2.6	Describe how each of the certification requirements will be met for single-family homes.	X
3.2.6	Describe how each of the certification requirements will be met for multifamily buildings.	X
3.2.6	Identify which third-party certificate(s) the State program will offer to homeowners that receive a rebated home energy upgrade.	X

3.3. Maximizing Rebate Impact

3.3.1. Program Requirements: Supporting the Clean Energy Economy Through Market Transformation

The Home Efficiency Rebates provide a tremendous opportunity to serve households while acting as a catalyst to unlock additional flows of capital, skilled workers, innovative businesses, and future programs to deploying clean energy technology solutions in housing. With the goal of spurring greater market transformation in the residential energy sector, States must consider how their programs will stimulate additional and continued investment in residential energy upgrades beyond the tenure of the rebates.

To ensure that the State program facilitates market transformation, each State must submit a Market Transformation Plan within the first year after receiving the financial assistance award. DOE must review and approve the Market Transformation Plan prior to the State receiving the third tranche of funds. A Market Transformation Plan must:

- Describe how the State program will enable the market to recognize the value of homes that have been upgraded through the Home Energy Rebates, including at time of sale/rental. At a minimum, the plan must include a strategy for aggregating home data from the home assessment (as described in 3.2.1) and/or home certification (as described in section 3.2.5) and making such data available to real estate stakeholders.

- Describe elements of the program design and/or activities the State program will undertake to support the following goals throughout the program as well as after depletion of the Home Efficiency Rebates funds:
    - Cost sharing, braiding, and/or coordinated financing with potential funders and financiers of home energy upgrades. Funders and financiers of upgrades include homeowners, lenders of home upgrade loans, mortgage brokers, utilities, and philanthropies.
    - Utilize rebate programs to enable new business models in partnership with private capital to monetize grid benefits through vehicles such as Federal Energy Regulatory Commission (FERC) order 2222, demand management, and virtual power plants.
    - Consider sustainable business models of home energy contractors.

3.3.2. Program Requirements: Integrating with Other Programs

By leveraging existing programs through resource braiding, co-funding, and financing, State programs may support deeper and broader energy, cost, and carbon savings among participating households. While following all home energy rebates requirements, States are **strongly encouraged** to design their rebate programs in ways that allow for effective combinations of various funding sources, including through integration with existing programs. However, a variety of legal prohibitions prevent certain methods of combining funds from different sources.

Effective financial leveraging must comply with two prohibitions:

1. The total combination of all immediate upfront funding sources (Federal grants, Federal loans, and non-Federal funding) cannot exceed the total project cost, and
2. Neither the Home Efficiency Rebates nor the Home Electrification and Appliance Rebates may be combined with other Federal grants or rebates for the same single upgrade or qualified electrification project that receives rebate funds from Section 50122, respectively.[44]

[44] See 42 U.S.C. 18795(c)(7) and 18795a(c)(8).

There are four categories of funding that can be combined with a rebate, each with different requirements:

- **Combining a rebate with other Federal rebates or grants:** No other Federal grants, including another IRA home energy rebate, can be used for the same upgrade. Home energy upgrade packages that use multiple Federal grants must braid the funding in a manner that ensures each Federal grant only funds distinct, separable upgrades.
  To ensure compliance with this requirement, States must track uptake of each rebate program by dwelling unit/building and technology installed to verify rebates are not being improperly combined. States must ensure that detailed invoices and information identifying which distinct and separable upgrades were funded by which Federal sources are collected and retained when a home/building is using funding from multiple Federal grants. Each upgrade component must be a line item on the invoice of the home energy upgrade package with subdivided labor costs associated with each line item.

> Attempts to claim multiple Federal rebates for the same single upgrade is a violation of Federal law and must be reported to DOE.
>
> Issuance of multiple Federal rebates for the same single upgrade is a violation of Federal law and must be reported to DOE upon discovery and documented in the State's quarterly reporting documents.

- **Combining a rebate with Federal loans or loans from previously granted Federal funds:** Loan programs from Federal agencies (such as loans from HUD) and loans from previously granted Federal funds (such as from the DOE Revolving Loan Fund grants or U.S. Environmental Protection Agency Greenhouse Gas Reduction Fund grants) are not considered Federal grants in that the recipient household receives these programs as financial products rather than as grants or rebates. Therefore, these programs may be used to finance any remaining costs for upgrades and individual components of qualified electrification and energy efficiency projects additional to and separate from the value of the rebate.
- **Combining a rebate with non-Federal funding:** Non-Federal funding, such as funding authorized by a state government, or local government, or available through a utility program or philanthropic support, can be used to co-fund any remaining costs for upgrades and individual components of qualified electrification projects beyond the value of the Federal rebate. DOE is intending to work with EPA to add state rebates to their EnergyStar rebate finder tool in the coming months. States are encouraged to coordinate with DOE and EPA as rebates are being developed. For states utilizing DOE reporting tools, rebate information will be provided directly to EPA.
- **Taxability of Home Energy Rebates:** The rebate programs funded through IRA Sections 50121 and 50122 will be treated as a reduction in the purchase price or cost of property for eligible upgrades and projects, and the consumer that receives an IRA rebate will not be required to report the value of the rebate as income.

Stacking Tax Credits with Home Energy Rebates. Consumers that receive IRA rebates for products that may be eligible for the 25C tax credit may claim the credit after reducing the amount of the expenditure on which the consumer calculates the amount of the credit by the rebate. For example, if a product is eligible for an IRA Section 50122 rebate and 25C tax credit up to 30% of the cost, the consumer may claim a tax credit of up to 30% of the cost remaining to the consumer after application of the rebate provided through IRA Section 50122. Therefore, if a consumer purchases an eligible product for $400 and receives a $100 rebate for this purchase, the consumer may claim a 30% credit of the remaining $300, or $90.

States must collect sufficient documentation for each home energy upgrade that combines a rebate with other funding sources to ensure that the total combination of Federal, State, and other funding sources (Federal grants, Federal loans, and non-Federal funding) does not exceed the total project cost.

States should also be aware that the above requirements and guidance may not capture restrictions or requirements imposed by other funding programs. For allowable integration, all funding sources--Federal and/or non-Federal--must allow for combining of resources. Other funding sources, including certain Federal loans, tax credits, and State/local/utility funding, may have additional restrictions on directly combining funds for the same single upgrade that is part of a larger home energy upgrade. Project implementers and State program administrators should consult the program requirements for non-Federal funding sources to ensure that they are combining funds in a legally allowable manner.

3.3.3. Program Requirements: Quick Starts

A State may apply for up to 25% of its allocated funds to develop a Quick Start State program. DOE will prioritize processing of applications identified for a Quick Start. To qualify as a Quick Start program, the State must note at the beginning of its application the request for a Quick Start, and the State must plan to achieve rebate program launch in 2023. A State Application for a Quick Start must include responses to all "Application Requirements" (cannot defer to Implementation Blueprint); however, the required plans may be submitted prior to rebate program launch as part of the Implementation Blueprint. All rebate program requirements (except low-income and low-income multifamily allocations) will apply to Quick Start programs, and a conforming State Application is required. A State is not required to reserve rebate funds for low-income and low-income multifamily households (see section 3.1.3) as part of a Quick Start program; however, a State must meet the low-income and low-income multifamily household allocations for the State's total formula allocation.

Prior to January 31, 2025, a State must either (a) request additional funding from its total formula allocation to continue its approved Quick Start program or (b) submit an application to DOE to administer a program operating under a different plan; otherwise, the remaining formula allocation will be considered rejected by the State and redistributed to other State Energy Offices in accordance with 42 U.S.C. 18795(a)(2)(B).

One option for a Quick Start program is to develop a program which leverages existing program infrastructure in the State to achieve more rapid rebate program launch. Where consistent with Section 50121 program requirements, States have the discretion to limit the scope to target specific populations, policy goals, or other State priorities to achieve more rapid rebate delivery. The application must identify the existing program(s) to be leveraged and must include a timeline to achieve rebate program launch in 2023. The use of an existing State program may allow a participating State to stand-up Home Efficiency Rebates more quickly relative to developing a new program. For example, a State may rely on practices, policies, procedures and / or systems already in place to implement Home Efficiency Rebates State programs that are consistent with design requirements for Section 50121. States may reference or include information regarding existing programs as part of the application to demonstrate compliance with the requirements.

Another option for a Quick Start program is for a State to pilot a rebate program before committing the State's entire funding allocation to a particular program design. Where consistent with Section 50121 program requirements, States have the discretion to limit the scope to target specific populations, policy goals, or other State priorities to develop effective, human-centered program designs.

3.3.4. Application Requirements to Maximize Rebate Impact

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts). All other requirements are mandatory within the State Application.

Table 6. Applications Requirements

Program Requirements Section No.	Requirement	Implementation Blueprint Option
3.3.1	Certify that the State will prepare and implement a Market Transformation Plan within the first year after receiving the financial assistance award.	
3.3.2	Identify whether the State plans to take proactive steps to encourage integration with other programs. If so, identify with which programs the State will actively seek to integrate. The State may include letters of support or other indicators of commitment from existing program partners. If the State does not plan to integrate the rebates into any existing programs, note this as "not applicable" within the application. Applications should identify whether programs will be integrated in any or the following areas: • Integration into existing program administration, website, systems, materials. • Adoption of existing program standards, QA, workforce standards, or other practices. • Braiding or co-funding of upgrades within individual households. • Other integration elements, as applicable.	
3.3.2	Describe how the State program will support households, contractors, aggregators, and other stakeholders in understanding how the State program may leverage other program resources.	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
3.3.2	Describe the method(s) the State will use to ensure the total combination of all immediate upfront funding sources (Federal grants, Federal loans, and non-Federal funding) provided to a project does not exceed the total project cost.	X
3.3.2	Describe how the State program will support contractors and retailers in preparing acceptable invoices that may be kept as program records.	X
3.3.2	Describe how the State implementer(s) will produce invoice documentation in a timely manner upon request in the event of an audit by DOE, the DOE's Inspector General, a State's inspector general, or another entity.	X
3.3.2	Describe how the State will ensure rebate recipients will be made aware of the portion of the funding received from the DOE Home Efficiency Rebates.	X
3.3.3	Identify whether the application is for a Quick Start program. For Quick Start programs, identify the timeline for program launch.	

4.0 Home Electrification and Appliance Rebates State Programs (50122)

This section of the document provides program requirements for the Home Electrification and Appliance Rebates (IRA Section 50122).

4.1. Use of Funds and Rebate Eligibility

4.1.1. Program Requirements: Use of Funds

Administrative funds[45] as defined in Section 2.0 must not exceed 20% of the total grant funding over the total duration of the program, which will end when all funds are expended by the State or September 30, 2031, whichever occurs sooner.[46]

Administering and implementing whole-home efficiency projects are complex, high-touch and often involve overhead costs greater than 20% of a program budget. These are costs directly related to a project that are 1) not generally recognized as administrative and 2) also not included in the rebate to recipients. For example, these could include costs for home assessments and energy audits, modeling, verifying income eligibility, project QA and project-related reporting conducted by the contractor.[47]

States may request to use a portion of rebate funds for these project-related costs where they have estimated these costs may exceed the administrative cost allocation, however, additional funds should only be requested after all other opportunities to reduce costs or apply alternative funding sources have been applied. For example, utilities, third-party organizations, or agencies may provide funding for home energy audits. DOE will provide assistance to states specifically in support of identifying program implementation cost reductions.

States must provide an additional detailed description and justification within the budget justification workbook, including how states have worked to minimize this amount. This will be evaluated by DOE and a determination of allowability will be given as part of the award.

States must budget for, track, and report quarterly to DOE on spending of funds across administration and rebate categories as part of award monitoring. See ALRD, Part V.

4.1.2. Program Requirements: Rebate Conditions and Levels

For the purposes of calculating rebate amounts for Home Electrification and Appliance Rebates State programs, total project costs are costs that are invoiced to the eligible entity or the eligible entity representative for the purchase and installation of a qualified electrification project.

Home Electrification and Appliance Rebates State programs must meet all the following requirements:

- A rebate may be paid only for the purchase and installation of a product meeting the requirements for allowable products and services. (See section 4.2.1.)

[45] Includes awarded administrative funds through Home Energy Rebate Programs Early Administrative Funds ALRD, as applicable.
[46] Section 50121 states that a "State energy office that receives a grant pursuant to this section may use not more than 20 percent of the grant amount for planning, administration, or technical assistance" related to the Home Efficiency Rebates. 42 U.S.C. 18795(c)(4).
[47] See definition of Rebate Funds in Section 2.0.

- A rebate may be paid only for a qualified electrification project (QEP) initiated after the State receives authorization from DOE for rebate program launch.
- A rebate must not exceed the product-specific maximum rebate amounts consistent with those in Table 7.
- A rebate must not exceed the rebate limits based on 1) eligible entities, 2) income level, and 3) project cost consistent with Table 7.
- Each dwelling unit is eligible to receive a rebate for any given qualified product only once.
- A dwelling unit may receive a rebate for only one of the following products: electric stove, cooktop, range, or oven.
- An eligible entity representative must deduct the total eligible rebate amount from the total project cost prior to calculating the final cost to the eligible entity; the total project cost, rebates applied, and remaining project cost documentation must be provided to both the eligible entity and building owner, if different.
- Rebates paid must not exceed a collective total of:
    a. $14,000 for a dwelling unit, if the eligible entity is a LMI household
    b. $14,000 per LMI dwelling unit in a multifamily building, if the eligible entity is a multifamily building owner
    c. $14,000 per dwelling unit for eligible entity representatives representing individual LMI households
    d. $14,000 per LMI dwelling unit in a multifamily building for eligible entity representatives representing multifamily building owner(s)For mixed-use buildings where the State has defined the residential portion of the building as a multifamily building, upgrades can only be applied for the residential portion (including in unit and common areas) of the building. For central systems that serve both residential and commercial spaces, rebates must be allocated in proportion to the residential units relative to the commercial space. Retain a copy of the invoice for work performed at the eligible address. The invoice must show the specific work performed, the address where the work was performed, the name and contact information for the contractor(s) performing the work, the dates on which the work was performed, the total project cost prior to the rebate, and the rebate amount. Additional requirements apply if the work is being funded by rebates from more than one source. See section 4.3.2.
- All rebate limitations apply for the duration of the rebate program.

Table 7. Product Service Rebates and Rebate Limitations

Product Rebates		
Upgrade Type	**Qualified Product**	**Rebate Amount Not to Exceed**
Appliance	Heat Pump Water Heater	$1,750
	Heat Pump for Space Heating or Cooling	$8,000
	Electric Stove, Cooktop, Range, Oven, or Heat Pump Clothes Dryer	$840
Building Materials	Electric Load Service Center	$4,000
	Insulation, Air Sealing, and Ventilation	$1,600
	Electric Wiring	$2,500
Maximum Rebate		$14,000
Rebate Limitations		
Eligible Rebate Recipient	**Income Level**	**Rebate Amount Not to Exceed**
LMI Household or Eligible entity representative representing LMI household	Less than 80% AMI	100% of qualified project cost
	81%-150% AMI	50% of qualified project cost
Owner of multifamily building or Eligible entity representative representing owner of multifamily building	At least 50% of residents with income less than 80% AMI	100% of qualified project cost
	At least 50% of residents with income of 81%-150% AMI	50% of qualified project cost

4.1.2.1. Special Considerations for Multifamily Buildings

Multiple parties may be eligible for claiming a rebate in a multifamily building. Although States are encouraged to facilitate various types of eligible rebate recipients' access to Home Electrification and Appliance Rebates, States must also ensure that no unit receives rebates in excess of the statutory maximum rebate amount.

In a multifamily building, an individual household may claim a rebate for their dwelling unit. Alternatively, the owner of a LMI multifamily building may claim a rebate for multiple dwelling units within the building. A third possibility is for an eligible entity representative to assist multiple households within a multifamily building or the building owner in claiming household rebates.

Rebates may be used to fund central systems and upgrades for common areas if rebates are claimed by a multifamily building owner or by multiple households via an eligible entity representative only if the central system and/or upgrades benefit individual dwelling units in addition to a common area.

In the case of rebates claimed by an eligible entity representative on behalf of multiple households, the per-household maximum limits can be combined. For example, 10 low-income households claiming a rebate through an eligible entity representative could combine their heat pump allocations of $8,000 each to provide $80,000 for a central heat pump system, such as an ENERGY STAR-certified variable refrigerant flow central heat pump system, that provides space conditioning for individual dwelling units and common areas.

4.1.3. Program Requirements: Low-Income Households

Low-income households are important populations for the Home Electrification and Appliance Rebates. IRA Section 50122 rebates can provide up to the full cost of the improvement for low-income households (defined as below 80% AMI).[48] Although the Home Electrification and Appliance Rebates are dedicated to low- and middle-income households, Congress's explicit direction to provide up to the full cost of the improvement to the lowest income households demonstrates the importance of ensuring low-income households and communities have access to rebates as an integral part of a Home Electrification and Appliance Rebates program's design.

Structural barriers have historically prevented low-income households from benefitting from rebate programs. Previous evaluations have shown that existing energy efficiency programs have not served low-income households equitably without reserved funding, with only 13% of residential energy efficiency program funds going to low-income households, well below the presence of low-income households in the markets for these programs.[49]

In addition to low-income households receiving distinct treatment in Home Electrification and Appliance Rebates, multifamily buildings are identified as a building type intended to be served by the programs. Low-income multifamily buildings are also eligible for double the benefits of moderate-income multifamily buildings.[50] Delivering upgrades for low-income multifamily buildings alongside critical periods of recapitalization or refinance requires a significantly longer planning, design, and construction process than energy upgrades for single-family homes. Historically, the multifamily sector has been significantly underrepresented in energy efficiency program accomplishments.[51]

---

[48] Compare 42 U.S.C. 18795a(c)(4)(A)(ii) with 42 U.S.C. 18795a(c)(4)(A)(i).
[49] "Meeting the Challenge: A review of Energy Efficiency Program Offerings for Low-Income Households" by the American Council for an Energy-Efficient Economy. Available at https://www.aceee.org/research-report/u2205.
[50] Compare 42 U.S.C. 18795a(c)(4)(B)(ii) with 42 U.S.C. 18795a(c)(4)(B)(i).
[51] "More Savings for More Residents: Progress in Multifamily Housing Energy Efficiency" by the American Council for an Energy Efficient Economy. Available at https://www.aceee.org/sites/default/files/publications/researchreports/u1702.pdf

To ensure low-income single-family and multifamily homes are served through the State Home Electrification and Appliance Rebate programs, States must reserve a portion of their rebate funding to serve these households. Specifically, **at a minimum**, each State must:

- Allocate a percentage of its rebate funding for each of the rebate programs in line with its percentage of low-income households. Nationally, approximately 40.3% of U.S. households are eligible for rebates as low-income households. Appendix A contains information on the percentage of low-income households for each State and the associated dollar amount that must be reserved to serve low-income households in each State.
- Reserve at least 10% of its rebate funding to serve low-income multifamily buildings. This allocation must be additional to and separate from the allocation for low-income households. The table in Appendix A contains the dollar amount of the 10% minimum allocation of rebate funding that must be reserved to serve low-income multifamily buildings in each State.
- Design each rebate program to be capable of delivering the rebate allocations to low-income single-family and multifamily households. States must ensure that their program implementers make a focused effort to deliver the volume of projects to low-income households needed to spend this rebate allocation.
- If a State has failed to disburse the rebate funds allocated to low-income households within five years of receipt of approval of its full rebate program by DOE, it may request that DOE authorize the State to reallocate those funds to households at other income levels under terms consistent with the statute. DOE will reallocate the funds upon a demonstration of the State's good faith efforts at distributing its low-income rebate allocation.
- Not prior to 2029, if a State has failed to disburse the rebate funds allocated to low-income multifamily households and has less than 10% of unallocated rebate funds remaining, it may request that DOE authorize the State to reallocate those funds under terms consistent with the statute. DOE will reallocate the funds upon a demonstration of the State's good faith efforts at distributing its low-income multifamily rebate allocation.
- Verify that (a) a participating single-family household's income is less than 80% AMI[52], and (b) a participating multifamily building has at least 50% of households with incomes less than 80% AMI. Income must be verified at the household level (e.g., income cannot be "estimated" for a building based on demographic information). See 4.1.6 for verification requirements.
- Allow categorical eligibility determinations based on other Federal programs that meet the income thresholds, as listed in the supplemental document, Programs Pre-Approved for Categorical Eligibility or in other state-proposed programs approved by DOE.

[52] HUD calculates median family income levels for areas across the U.S. HUD has a website available here where users can view these calculations. Information about HUD's methods for calculating AMI statistics is available here. HUD typically updates these values in March or April of each year; however, due to impacts of the COVID-19 pandemic on data collection, HUD released its 2023 income limits in May 2023.

For low-income dwelling units occupied by renters, procedures for rental units shall ensure that:

- If rebates are directly requested by renters, written permission from the building owner or authorized agent for the home efficiency project must be obtained before commencing work.

For at least two years following the receipt of the rebates:

- The owner agrees to rent the dwelling unit to a low-income tenant. This is a minimum requirement and affordability requirements should be commensurate with total rebate amount awarded.
- The owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
- The owner agrees not to increase the rent of any tenant of the building as a result of the energy improvements with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
- The owner agrees that if the property is sold within two years of receipt of the rebates, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.
- In the event the owner does not comply, the owner must refund the rebate.
- A specific and verifiable mechanism (e.g., addendum to the lease) is in place for providing tenants with written notice of their rights and their building owner's obligations.
- Enforcement and penalties are clear and sufficient to act as a deterrent for owner violations and provide for damages and attorney's fees recoverable by tenants.

Income verification is a critical element of program implementation. DOE, in collaboration with the National Association of State Energy Officials (NASEO), will work with the States to assist in developing effective methods for carrying out this requirement and provide examples of acceptable methods. As part of this assistance, DOE will provide sample frameworks to help States work through the various steps of income verification and other processes involved in implementing rebate programs.

As noted in the section on income verification, States are encouraged to allow applicants to establish their eligibility through a variety of means, including categorical eligibility (enrollment in recognized low-income programs), documentation of income, and self-attestation.

4.1.4. Program Requirements: Community Benefits Plan

To support program goals, the Home Electrification and Appliance Rebates are expected to (1) support meaningful community and labor engagement; (2) engage and support a skilled and qualified workforce; (3) advance DEIA; and (4) contribute to the Justice40 Initiative with the goal that 40% of the overall benefits of certain Federal investments flow to disadvantaged communities.[53] To ensure these goals are met, States must create a Community Benefits Plan that describes how their home electrification rebates program will incorporate the four objectives stated above.

---

[53] The Justice40 initiative, established by E.O. 14008, sets a goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities. The Justice40 Interim Guidance provides a broad definition of disadvantaged communities (page 2): [M-23-09 (whitehouse.gov)](whitehouse.gov).

The State's Community Benefits Plan must include at least one SMART milestone per calendar year to measure progress on the proposed actions. The State must make the plan, milestones, and progress toward them accessible on a public website. The Community Benefits Plan must be submitted and approved by DOE prior to rebate program launch, and the recipient must implement its Community Benefits Plan when carrying out its project.

The Community Benefits Plan must address the following:

1. Engage Community and Labor: The Community Benefits Plan must describe the grantee's actions to date and plans to engage with community partners, such as local and/or Tribal governments, labor unions, and community-based organizations that support or work with underserved communities, including disadvantaged communities as defined for by CEJST. By facilitating community input, social buy-in, and accountability, such engagement can improve and accelerate participation and positive project outcomes.

Community and labor engagement can lay the groundwork for formal partnerships with community and workforce partners to support administration and implementation of the rebate programs. A State must:

- Hold at least one public input session to solicit community input on its proposed deployment plans. Ideally, these meetings will take place after this Home Energy Rebates requirements document and ALRD is released by DOE; however, a State may request waiver of this provision upon a demonstration that the public input sessions elicited meaningful input for the State program design.
- Use the input from these engagement sessions to inform the design of its rebate program, and it must describe how this input was used in its program design.
- Explain how it will solicit and respond to community feedback throughout the duration of its rebate program.
- Describe what community engagement and outreach strategies it will utilize to reach contractor and workforce organizations, disadvantaged communities, low-income households, and other marginalized groups.

States are strongly encouraged to establish partnerships with and provide funding to community-based organizations, labor unions, contractor organization, utilities, existing program implementers, and other organizations that represent or work with underserved households to reach and engage with these communities effectively over the life of the program. Administrative funds allocated to the State may be used to support these actions. Grantees should also provide Community and Labor Partnership Documentation from representative organizations reflecting substantive engagement and feedback on the grantee's approach to community benefits, including engaging and supporting a skilled and qualified workforce; DEIA; and the Justice40 Initiative detailed below.

2. Engage and Support a Skilled and Qualified Workforce: A well-qualified, skilled, trained, and stable workforce is necessary to meet home electrification rebate program goals. High-quality jobs are critical to attracting and retaining the qualified workforce required to implement high-quality home energy upgrades.

The Community Benefits Plan must describe the State's approach to working with responsible contractors who invest in ongoing workforce education and training and ensuring jobs are of sufficient quality to attract and retain skilled workers in the home energy upgrade industry. If a State is not also applying for a grant from the IRA Section 50123 Contractor Training Grants ALRD, the State must describe how it is supporting education and training of both new and incumbent workers to meet the needs of the Home Electrification and Appliance Rebates.

As the 1935 National Labor Relations Act states, employees' ability to organize, bargain collectively, and participate, through labor organizations of their choosing, in decisions that affect them contributes to the effective conduct of business and facilitates amicable settlements of any potential disputes between employees and employers, providing assurances of project efficiency, continuity, and multiple public benefits. A State should provide a description of how it plans to affirmatively support worker organizing and collective bargaining. This might include screening eligible contractors based on commitments from home energy upgrade contractors to remain neutral during any union organizing campaigns, invest in workforce and education through joint labor-management training programs, supports for the development of a resilient, skilled, and stable workforce including by utilizing registered apprentices on projects and paying at or above the local prevailing wages, and other commitments or pledges.

3. Incorporate Diversity, Equity, Inclusion and Accessibility (DEIA): The Community Benefits Plan must include a section describing how DEIA objectives will be incorporated into the overall program. The section should detail how the State will partner with underrepresented businesses and training organizations that serve workers who face barriers to accessing quality jobs and/or other project partners to help address DEIA.

The following is a list of potential DEIA actions that could be included in a plan. This list is offered to provide guidance to States and is not intended to be comprehensive:

- Commit to partnering with Minority Business Enterprises, minority-owned businesses, women-owned businesses, and veteran-owned businesses for delivering home energy upgrades funded by rebates or for home energy upgrade contractor support needs.
- To fill open positions for home electrification jobs utilizing home electrification rebates, partner with workforce training organizations serving underrepresented communities and those facing systemic barriers to quality employment, such as those with disabilities, women, returning citizens, opportunity youth, and veterans.
- Partner with organizations who can provide workers with comprehensive support services, such as childcare, mentoring, and transportation, to increase representation and access in home electrification and construction jobs.

4. Address Justice40 Initiative: A State must provide an overview of benefits to disadvantaged communities that the home electrification rebates can deliver, supported by measurable milestones. The Justice40 Initiative section of the Community Benefits Plan must include:

A. A State's definition of disadvantaged communities. In accordance with the U.S. Office of Management and Budget (OMB) guidance M-23-09,[54] a disadvantaged community is a disadvantaged area identified by CEJST.[55] With DOE approval, a State may adopt an alternate definition for a disadvantaged community. To receive DOE approval of an alternative disadvantaged community definition, (1) the state definition must incorporate two or more enumerated indicators (see section 4.1.8) in identifying

---

[54] "Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening Tool (CEJST)." Available at M-23-09 (whitehouse.gov).
[55] The Climate and Environmental Justice Screening Tool (CEJST) is available at https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5.

disadvantaged communities, (2) the state definition must conform to the definition of communities established in [OMB Memorandum M-21-28], and (3) the communities meeting the state definition must be mapped or the State must develop its own GIS layer that can identify households that qualify as fitting under its disadvantaged community definition. DOE may request that a State conduct comparative analysis to show how its proposed definition compares with areas identified by CEJST. A State may develop its own web-based tool or work with DOE to integrate this GIS layer into the tools provided by DOE; developing this new tool is an allowable administrative cost.

If a State uses the DOE default definition for a disadvantaged community, contractors and other interested parties can use CEJST mapping tool or another federally provided web-based tool to determine whether a home is located in a disadvantaged community. If a State uses a state-specific definition for a disadvantaged community, either the DOE tool or a state-provided tool will provide contractors and other interested parties the ability to determine whether a home is located in a disadvantaged community. Note that DOE plans to provide a rebate coupon reservation system, which will note whether the address qualifies for an incentive when the reservation is created.

B. A State's method of encouraging delivery of home electrification rebates to disadvantaged communities. Each State must include system(s) to track engagement of eligible entity representatives such as governmental, commercial or nonprofits providing rebate program assistance to households in disadvantaged communities. A State program may provide an eligible entity representative up to $200 for each dwelling unit located in a disadvantaged community upon completion and verification of the installation. A State program must use the identified disadvantaged community definition (either the DOE default or the DOE-approved state definition) to apply any incentive available for work performed in a disadvantaged community.

C. A description of how States will ensure that applicable benefits flow to disadvantaged communities. A State must specifically identify the how its home electrification rebate program will deliver direct benefits for low-income households in CEJST-identified areas (or its DOE-approved alternative definition of a disadvantaged community), such as how upgrades will reduce utility bills and improve indoor air quality. A State should also discuss how its home electrification rebate program will create high-quality jobs for members of disadvantaged communities.

At a minimum, this plan must describe actions a State will take to ensure that disadvantaged communities receive the following benefits of the rebate programs:

- Direct benefits, including the energy upgrade projects completed via rebate investments and the associated energy savings, cost savings, pollution reduction, and other health and safety benefits.
- Economic benefits, including the jobs and quality of jobs supported by rebate investments and the contracts and economic activity enabled by rebates.

In describing the flow of benefits, a State may reference the use of minimum allocations, such as the low-income minimum allocations required within section 4.1.3. However, a State should be aware that not all low-income households fit the geographic definition of a disadvantaged community.

4.1.5. Program Requirements: Processing and Delivering Rebate Funds to Eligible Rebate Recipients

To help ensure appropriate use and processing of Home Electrification and Appliance Rebates, States must take the following actions:

- Create systems and materials to facilitate Home Electrification and Appliance Rebates State program participants in carrying out all the requirements listed in this section and the Data & Tools Requirements Guide.
- Use APIs or DOE-provided spreadsheets to link relevant State systems to federally provided infrastructure as described in the Data & Tools Requirements Guide.
- Inform all potential State program participants of the process for accessing rebates, including how to access national system(s) as required by DOE.
- Adhere to all requirements included those in the accompanying Data & Tools Requirements Guide, including documentation of installed improvements.
- Ensure that rebates will be provided at point of sale and/or as part of an invoice.
- Process all rebate requests within four (4) weeks of receipt of an eligible rebate application.

4.1.6. Program Requirements: Verify Income Eligibility

Home Electrification and Appliance Rebates funds are only available based on income eligibility. Therefore, a State must:

- Provide and enforce use of an acceptable method to verify that a participating household's income is less than 80% AMI;[56] a participating household's income is less than 150% AMI but greater than or equal to 80% AMI; a participating multifamily building has at least 50% of households with incomes less than 80% AMI; a participating multifamily building has at least 50% of households with incomes less than 150% AMI (but not less than 80% AMI).
- Allow categorical eligibility determinations based on other Federal programs that meet the required income thresholds, as listed in the Federal Programs Approved for Categorical Eligibility document, as well as other state-approved programs approved by DOE.
- Apply (and make available to claimants) up-to-date AMI data listed by DOE through an API or hotlink.

4.1.7. Program Requirements: Data Collection and Evaluation

This section covers a variety of data requirements. Section 4.1.7.1 addresses requirements associated with data protection and standards, including data transmission, security, privacy, retention, and sharing. Section 4.1.7.2 provides general information regarding the types of metrics for which DOE plans to require reporting. Reporting requirements will be identified on the FARC attached to the award agreement. Section 4.1.7.3 addresses data collection requirements related to program evaluation. DOE also expects State programs to collect information needed to administer their rebate programs and to assist with program monitoring.

---

[56] HUD calculates median family income levels for areas across the U.S. HUD has a website available here where users can view these calculations. Information about HUD's methods for calculating AMI statistics is available here. HUD typically updates these values in March or April of each year; however, due to impacts of the COVID-19 pandemic on data collection, HUD will not release its 2023 income limits until May 2023.

Finally, DOE recognizes that States will need to collect additional information for program implementation. All data collection and reporting requirements, including API requirements, will be delineated in the Data & Tools Requirements Guide. Requirements and recommendations pertaining to data access and sharing of utility energy consumption information is provided in the Utility Data Access Guidelines.

4.1.7.1. Data Protection and Data Standards

The following program requirements apply to documents, data, and other information collected by States using Federal funds to implement and administer the Home Energy Rebates, regardless of when or how that information may be shared with DOE.

To facilitate program data sharing, program audits, and program evaluations, State programs must collect household information as required in the Data & Tools Requirements Guide. For home energy assessment data required to be submitted to DOE, data for all applicable building types (single-family and small multifamily) must be consistent with the HPXML Data Dictionary v3, and program systems must be capable of sharing the data using the HPXML Transfer Standard (BPI-2100). Home energy assessment data for large multifamily buildings must be consistent with BuildingSync. All other data must be collected in the format appropriate to be shared with the DOE central database. Data that States must collect but that is not required to be submitted to DOE must be retained and accessible upon request by DOE for purposes of compliance and evaluation.

Data collection and data sharing must be secure to protect consumer privacy. Each State must comply with its own State legal obligations regarding security and privacy. To ensure States are addressing data security and privacy, at a minimum, implementers must implement risk-based security controls, which must include documentation of a privacy and security risk assessment, rationale for categorizing the system, method for determining the risk impacts, and risks associated with data sharing. A copy of the privacy and risk assessment of State systems must be provided to DOE at least 60 days prior to planned rebate program launch. DOE will review and approve the deliverable prior to providing the State approval for rebate program launch.

Security and privacy controls must be reviewed by an independent third party at least once every 3 years. Implementers must have documented processes in place to monitor and address issues in a timely fashion. DOE may request copies of risk assessments, documentation from independent reviews, and/or documentation of risk or threat mitigation measures at any time.

Data collected by States in administering their programs may not be sold. Data collected by States in administering their programs may be shared with program implementers and/or evaluators with whom the State has a contractual relationship, provided that prohibitions against data selling and data sharing are included in the contracts with those entities. For all other entities, collected data may not be shared with others except with the explicit written permission of DOE.

Consistent with 2 CFR 200.334 through 200.338, the State recipient is required to retain records relating to this award for a period of 3 years from the date of submission of the final expenditure report.

4.1.7.1. Program Metrics

States are required to include plans for how required data will be collected throughout the award period so that these metrics may be aggregated and evaluated across programs. DOE understands that different States will optimize program design for different metrics.

DOE requires States to report to DOE certain program-related progress metrics. To reduce burden, DOE will allow some flexibility in how the data are reported and at what level of granularity. See the Data & Tools Requirements Guide for all data requirements, including a list of metrics that States will be required to submit at least annually to DOE.

States must report metrics to DOE as described in the Data & Tools Requirements Guide and as required on the Federal Assistance Reporting Checklist (FARC).

4.1.7.2. Program Evaluation

DOE plans to conduct process, impact, and market transformation evaluation activities as part of an independent evaluation process. The goals of these evaluations will be to understand how effective the programs are at meeting their intended outcomes and how programs can be improved.

States must participate in DOE-led impact and process evaluations **or** conduct their own process and impact evaluations consistent with requirements of this section.

Regardless of whether States conduct their own impact and process evaluation and/or cooperate with DOE-led evaluations, all State programs must:

- Agree to participate in interviews (as the program administrator) and require their implementers and other program partners to participate in interviews.
- Securely provide any retained data to DOE on an ad hoc, as-requested basis. See the Data & Tools Requirements Guide for specific data collection, retention, and reporting requirements.
- Coordinate with utilities to collect billing data for evaluation purposes.

States may include as part of rebate terms and conditions that homeowners must agree to release billing data from their metered fuel utilities or other companies with access to billing data to the State for evaluation purposes and homeowners agree to participate in monitoring and evaluation activities such as surveys and interviews[57].

States that choose to conduct at least one of their own process or impact evaluations will not be required to participate in a DOE-led process or impact evaluation if the State:

- Applies the DOE evaluation recommendations as described in the Technical Information, Best Practices, and Implementation Recommendations document and collects DOE requested information to allow for consistent comparison of results.
- Submits the evaluation plan within three months of rebate program launch for DOE approval.
- Provides final evaluation results to DOE within 18 months of evaluation approval, or the agreed-upon timeline in the evaluation plan.

---

[57] Required for 50121

If a State conducts timely impact or process evaluation of its programs, meeting the above requirements, then DOE will exclude the State from relevant evaluation activities. DOE reserves the right to determine consistency with requirements and the evaluation plan.

Due to the nature of broad-based market transformation goals, DOE will conduct a national market transformation evaluation. States may coordinate with DOE or are welcome to conduct their own assessment of market effects and market change.

4.1.8. Application Requirements: Use of Funds and Rebate Eligibility

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts). All other requirements are mandatory within the State Application.

Table 8. Application Requirements

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.1.1	Identify the specific types of allowable costs the State proposes within 1) administrative funds and 2) rebate funds. Provide an estimate of the estimate total amount of administrative funds to be expended annually and the estimated annual project-related costs as a portion of the total rebate funds.	
4.1.1	If States are requesting additional funds for project-related activities, describe each activity and associated budget as outlined in the budget justification worksheet.	
4.1.2	Describe how the State will manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.	
4.1.2	Describe how States will monitor contractor costs and ensure that costs are not artificially inflated compared with market averages.	
4.1.2	Identify the maximum rebate amounts that will be offered to eligible entities and eligible entity representatives if lower than the allowed amounts.	
4.1.2	Identify the maximum allowable project costs for determining project cost rebate levels.	
4.1.2	Describe the documentation requirements related to project costs from eligible entities and eligible entity representatives.	

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.1.2	List the installation incentives the State will provide eligible entity representatives for each eligible product or service up to $500 (in total).	
4.1.2	Describe the approach for ensuring that eligible entities will not receive Federal rebates or grants for the same QEP.	
4.1.2	Confirm that the State will provide information via API or DOE-provided spreadsheet to the DOE central database to ensure that rebates limited to a single or a combination of products are tracked and managed, and no duplicate rebates are awarded.	
4.1.2	Describe the approach for providing rebates to multifamily building owners and qualified households who live in multifamily units.	X
4.1.2	Identify the date after which upgrade projects must be completed for the purposes of being eligible for a rebate under the State program.	X
4.1.2	Describe how eligible rebate recipients will be informed of additional program funding available from non-Federal funds and grants.	X
4.1.3	Identify the portion of the rebate funds the State will reserve for low-income and low-income multifamily households.	
4.1.3	Provide a brief description of the procedures and penalties the State will provide to ensure that renters are not subject to unjustified rent increases.	X
4.1.3	Describe how the State program will define a disadvantaged community. If not using the default disadvantaged community definition of low-income households located in a disadvantaged community identified by the CEJST, a State must explain how the proposed definition will meet	

Program Requirements Section No.	Requirement	Implementation Blueprint Option

	the following three criteria as described in DOE Justice40 implementation guidance[58]:
	• The communities of concern identified by the State tool or definition must conform to the definition of communities established in OMB guidance:
	  o a group of individuals living in geographic proximity to one another that experiences common conditions.
	  o a geographically dispersed set of individuals (such as migrant workers or Native Americans) that experiences common conditions.
	• The State tool or definition must consider two or more of the following indicators when identifying communities that should be classified as disadvantaged for the purposes of directing Federal investments under Justice40:
	  o Low income, high and/or persistent poverty
	  o High unemployment and underemployment
	  o Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
	  o Linguistic isolation
	  o High housing cost burden and substandard housing
	  o Distressed neighborhoods
	  o High transportation cost burden and/or low transportation access
	  o Disproportionate environmental stressor burden and high cumulative impacts
	  o Limited water and sanitation access and affordability
	  o Disproportionate impacts from climate change
	  o High energy cost burden and low energy access
	  o Jobs lost through the energy transition
	  o Access to healthcare
	• The communities of concern identified by the State tool or definition must be currently mapped in software or must be easily overlayed in GIS so that	

[58] See pages 8-9 of https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf for more details.

Program Requirements Section No.	Requirement	Implementation Blueprint Option
	communities can be easily identified by stakeholders.	
4.1.3	Identify the tool(s) the State will provide for eligible entity representatives to identify households that qualify for the installer incentive available for work in disadvantaged communities.	X
4.1.3	Confirm that State's intake system for users to provide income information will compare household income to 80% and 150% AMI values associated with that household's county and household size to determine rebate levels prior to signing statements regarding their income.	
4.1.3	If the State does NOT intend to use a federally provided web-based tool to determine whether a home is in a disadvantaged community, confirm that the State will provide the ZIP codes or a preferred more granular geography (e.g., census tract) with all disadvantaged communities as defined by the State to the DOE system.	
4.1.4	Confirm that the State will develop and submit a Community Benefits Plan prior to program launch.	
4.1.5	Describe what types of systems will be put into place to allow effective processing of rebates, including ensuring the ability to apply rebates at point of sale and/or as part of an invoice. Confirm that the system will link to federally provided systems via API.	X
4.1.5	Describe how the State will ensure processing of rebates within 4 weeks of receipt (e.g., through a processing company, through program implementers, or other entities or methods). Include information on corrective actions that the State will implement in the event of lengthier processing times.	X
4.1.5	Describe how the proposed processing system will be integrated with a system for processing rebates under Section 50121. Note if the State plans to use separate systems.	X
4.1.6	Describe how the State will define household income for verification purposes.	

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.1.6	For single-family households, how will claimants be able to establish their household income for income qualification? Sates may select from the following options: (1) Documentation of household income (for example, 1040) (2) Documentation of enrollment in a pre-qualifying program (3) Self-attestation of either income level of enrollment in pre-qualifying program	
4.1.6	For multifamily buildings, describe what combination of methods will be used to verify that at least 50% of dwelling units consist of households with incomes less than 80% AMI. For multifamily buildings, describe what combination of methods will be used to verify that at least 50% of dwelling units consist of households with incomes less than 150% AMI (but not less than 80% AMI).	
4.1.6	Confirm: • Claimant will be required to note the number of individuals who occupy the dwelling unit. • Claimant will be required to sign an affidavit attesting to the validity of all information provided (e.g., enrollment documents, household income, number of full-time occupants) irrespective of the method of income qualification (e.g., categorical eligibility, self-attestation).	
4.1.6	Describe how the 80% AMI and 150% AMI levels for each location will be kept up-to-date and linked to DOE systems. Provide additional information if proposing NOT to use a federally provided link or API. Confirm that these levels will correspond to (a) the address of the home at which rebates will be applied and (b) the applicable number of household occupants.	X
4.1.6	Confirm that the State will (1) review information provided to support income eligibility for all applicants applying for rebates; (2) take steps to verify income eligibility for at least 50% of those applicants that use self-attestation to support	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
	income eligibility (e.g., confirm enrollment in at least one program that the applicant asserted enrollment in; confirm household income via IVES; calls to employers); (3) after 6 months and not longer than 1 year after program launch, report to DOE the percentage and number of applicants that received rebates but were subsequently found to not meet eligibility requirements; and (4) work with the state's DOE project officer to institute additional safeguards or determine if a lesser level of review for applicants using self-attestation is justified depending on the percentage/number of rebates issued without meeting eligibility requirements. A state may propose in its application the types of information that it will provide to DOE to warrant reducing these requirements (e.g., allowing implementers to verify income of a subset of claimants through random sampling).	
4.1.6	Provide additional information as needed to demonstrate that the proposed approaches for income verification will address all types of households; not create undue burden for claimants; and include safeguards to minimize error and abuse in the process of verifying income.	X
4.1.6	Describe how the State will verify (confirm legitimacy) of income information for all claimants (e.g., verification within 2 days through IRS, cross-check with enrollment databases of approved programs, calls to employers). A State may propose in its application the types of information that it will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).	X
4.1.6	Identify how the State will resolve instances when rebates are provided to those who have falsified their incomes.	X
4.1.6	If proposing to allow self-attestation as a means for initial income qualification, provide a detailed description of how and when this approach will be used. Include statements, language, and detailed information regarding	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
	follow-up steps that will be used for this process. Additional topics to address include: • Describe how those applying for rebates will be warned of potential liability associated with falsifying information. • Explain how signed statements of self-attestation will be securely stored. • Identify what level of falsified attestations will signal that the system needs to shut down either permanently or be restarted only after sufficient improvements.	
4.1.6	Describe how the State program will verify, where applicable, that at least one member of a household has been enrolled in a program within the Federal Programs Approved for Categorical Eligibility document, or other state-proposed program approved by DOE, within the prior 12 months.	X
4.1.6	Identify the Federal or other programs by which the State plans to allow categorical eligibility.	
4.1.6	If applicable, propose any additional Federal and other programs to be considered for categorical eligibility. For any programs not already approved, describe how the program's eligibility aligns with the Section 50122 income requirements.	X
4.1.6	Identify whether the State requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period (e.g., proof of enrollment within the past 12 months). If so, explain the State's proposal and describe the rationale.	X
4.1.6	Identify whether the State requests authorization to allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document Federal Programs Approved for Categorical Eligibility. For each deviation requested, propose, and provide documentation to justify the requested change. Documentation must demonstrate that the State imposes income requirements equivalent to or less than 80% AMI.	X

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.1.7	Explain how data will be protected, specifically addressing security measures and privacy measures.	X
4.1.7	Include documentation of the processes to monitor, identify, and address security and privacy threats.	X
4.1.7	Confirm that the State will submit a Privacy and Security Risk Assessment in the State Implementation Blueprint.	
4.1.7	Confirm that the State will collect required data and cooperate in program evaluation processes as listed in section 4.1.7.2.	
4.1.7	Confirm that the State will require billing data release and describe how the State will gain access to billing data for program requirements and program evaluation.	
4.1.7	Confirm whether the State is planning to conduct its own evaluation, and if so, what type(s) of evaluations. If the State plans to conduct evaluations on its programs, confirm that the State will: • Cooperate with DOE to meet the requirements listed in section 4.1.7.2. • Submit an evaluation plan for DOE review within three months of program launch. • Provide results to DOE.	
4.1.7	If the State plans to conduct evaluations on its programs, describe the evaluation objectives, high level work plan, and timing of the evaluations and whether the State would request to be excluded from DOE-led evaluations.	X

4.2. Consumer Experience

4.2.1. Program Requirements: Education and Outreach

A positive consumer experience begins with successful outreach and education about the benefits of the Home Energy Rebate programs. States must decide which types of households to target for outreach, what methods will be most effective in reaching them, and what educational materials will best inform those households of the benefits of upgrading their homes. States must also decide how they will engage contractors that will deliver the projects paid for by rebates. Many States will be able to leverage and repurpose outreach and education materials from existing programs.

A State must briefly describe its intended outreach and education strategy it will use to inform eligible households about the rebate programs. This outreach and education strategy must include a timeline and programmatic elements, potentially including but not limited to targeted advertising, outreach via local governments, and/or partnerships with community-based organizations. States may allocate a portion of their administrative budgets to conduct these activities.

At minimum, a State's outreach and education strategy must include:

- A brief description of planned activities for household outreach, such as:
  - Outreach partnerships (utilities, local governments, community-based organizations, labor unions, churches, etc.)
  - Outreach channels (digital ads, neighbor to neighbor outreach, direct mailings, etc.)
  - Educational materials (website, fact sheets, etc.)
- A brief description of planned activities for contractor outreach, such as:
  - Outreach partnerships (trade organizations, labor organizations, etc.)
  - Outreach channels (website, ads in trade organization publications, etc.)
  - Educational materials (website, fact sheets, trainings, etc.)
- High-level timeline for executing these programmatic activities.
- Estimated budget devoted to outreach and education, which can be covered through Home Efficiency Rebates administrative funding or through other state/utility/local sources.

4.2.2. Program Requirements: Qualified Electrification Projects

QEP means a project that:

(a) includes the purchase and installation of:

- An electric heat pump water heater;
- An electric heat pump for space heating and cooling;
- An electric stove, cooktop, range, or oven;
- An electric heat pump clothes dryer;
- An electric load service center;
- Insulation;
- Air sealing and materials to improve ventilation; or
- Electric wiring; and,

(b) With respect to any appliance described in clause (a), the purchase of which is carried out:

- As part of new construction;
- To replace a non-electric appliance; or
- When the purchase is a first-time purchase of a heat pump for space conditioning and is installed to provide the primary heating and cooling for the household[59]; and,

---

[59] That is, for a home with existing air conditioning and an existing electric furnace, boiler, or electric baseboard heating to be eligible for a rebate for a heat pump, the heat pump must replace most of the usage for both the air

(c) Is carried out at, or relating to, a single-family home or multifamily building, as applicable.[60]

Programs must ensure that the criteria of (a), (b) and (c) are met for every rebate.[61]

The term first-time purchase means the dwelling unit does not currently have and has not previously had the same type of appliance as that subject to rebate, where the type of appliance is the appliance enumerated in (a). In the case of installation of an efficient, electric heat pump for space heating, it is allowable for the heat pump to replace an existing electrical resistance or electoral baseboard heating system, but it is not allowable for the heat pump to replace an existing, electric heat pump. Additional appliance-specific information is provided below.

Only qualified electrification projects are eligible for rebates. Appliances and building materials must comply with Federal safety and energy requirements to qualify for rebates. Appliances and building materials purchased with a rebate at point of sale and must be installed in the qualified single-family home or multifamily building.

For purposes of integrating the rebates with other programs. (Section 4.3.2) only the upgrade for which the rebate was issued is considered part of the qualified electrification project.

4.2.2.1. Qualified Appliances

Appliance types that qualify for rebates are:

- Electric heat pump water heater
- Electric heat pump for space heating and cooling
- Electric heat pump clothes dryer
- Electric stove, cooktop, range, or oven

A single household cannot receive a rebate for more than one appliance of a single type. Only residential appliance types are eligible for single household rebates. A multifamily building cannot receive a rebate for more than one appliance of a single type per unit. Residential and certain commercial appliances as explained in the product-specific sections below are eligible for multifamily rebates.

4.2.2.1.1. Electric heat pump water heater

Electric heat pump water heaters include integrated heat pump water heaters that operate on 120V or 240V, split system heat pump water heaters, and central heat pump water heating systems. Central heat pump water heating systems include all ancillary equipment such as fans, blowers, pumps, storage tanks, piping, and controls, as applicable) and eligibility is restricted to multifamily dwelling units, whose owner is applying for a rebate for multiple dwelling units. In all cases, the rebated model or system must be ENERGY STAR certified and legal for distribution in the United States at the time of purchase. 120V water heaters are not eligible for rebates in new construction. DOE understands that central heat pump water heating systems currently do not

conditioner and the electric furnace, boiler, or electric baseboard heating to provide the primary heating and cooling source for the home. A home may continue to use its pre-existing heating and cooling systems as back-up and/or to provide secondary heating or cooling services to the home.

[60] 42 U.S.C. 18795a(d)(6)(A).

[61] In general, a qualified electrification project does not include an appliance, system, equipment, infrastructure, component, or other item that is not certified under the ENERGY STAR program, if applicable. 42 U.S.C. 18795a(d)(6)(B). Please see sections 6.5.1.1 and 6.5.1.2. for more specific details.

have an ENERGY STAR specification that addresses their system-based efficiency, which would encompass the heat pump, storage tanks, booster heaters, pumps, ancillary controls. Central heat pump water heaters may not qualify as an eligible appliance until ENERGY STAR establishes system-based criteria for central heat pump water heating systems addressing all components within the system. DOE will issue further guidance on this as available.

Purchase and installation of an electric heat pump water heater is eligible for rebate only:

- In new construction (240V only).
- As a replacement for a non-electric water heater.
- When the purchase is a first-time purchase of a heat pump water heater (e.g., when upgrading an electric-resistance storage water heater).

4.2.2.1.2. Electric heat pump for space heating & cooling

Electric heat pumps for space heating and cooling include ducted and non-ducted central air-source heat pumps, single-room mini-splits, multi-splits, geothermal heat pumps, multi split heat pumps, and variable refrigerant flow heat pumps. The rebated model must be ENERGY STAR certified for the heating and cooling functions and legal for distribution in the United States at the time of purchase. The installed heat pump must be properly sized.

Room heat pumps currently do not have a heating test procedure, metric, or ENERGY STAR criterion in heating mode allowing manufacturers to certify. Therefore, models on the ENERGY STAR Qualified Products List (QPL) for Room Air Conditioners are not eligible for rebates at this time. Once ENERGY STAR criterion for room heat pumps are established for efficient cooling and heating using the DOE test procedure and models are certified on the ENERGY STAR Room AC QPL for heating and cooling, then room heat pumps will be eligible.

Costs eligible for rebate include all materials for installation, including smart thermostats and other grid-enabling technologies, pads for outdoor units, necessary ductwork, or other DOE-approved materials.

Purchase and installation of an electric heat pump for space heating and cooling is eligible for rebates:

- In new construction.
- As a replacement for a non-electric heating unit (e.g., gas, propane, or oil direct heating equipment; gas, propane, or oil forced-air furnace; gas, propane, or oil hot water or steam boiler).
- When the purchase is a first-time purchase of a heat pump for space conditioning and is installed to provide the primary heating and cooling for the household. That is, for a home with existing air conditioning and an existing electric furnace, boiler, or electric baseboard heating to be eligible for a rebate for a heat pump, the heat pump must replace he majority of the usage for both the air conditioner and the electric furnace, boiler, or electric baseboard heating to provide the majority heating and cooling source for the home[62]. A home may continue to use its pre-existing heating and cooling systems as backup and/or to provide secondary heating or cooling services to the home. A heat pump used to

[62] Prediction of majority may be based on Manual J calculations, open-source building energy modeling software, or equivalent.

supplement an existing electric appliance for space conditioning is not eligible for a rebate.

4.2.2.1.3. Electric heat pump clothes dryer

Installed model must be ENERGY STAR certified and legal for distribution in the United States at the time of purchase.

The purchase and installation of an electric heat pump clothes dryer is eligible for rebate only:

- In new construction;
- As a replacement for a non-electric clothes dryer; or
- When the purchase is a first-time purchase of a heat pump clothes dryer for the dwelling unit, including upgrading an electric clothes dryer to a heat pump dryer.

4.2.2.1.4. Electric stove, cooktop, range, or oven

The installed model of electric stove, electric cooktop, or electric range must be ENERGY STAR certified and legal for distribution in the United States at the time of purchase. Dual-fuel models are not eligible.

Purchase and installation of an electric stove, cooktop, range, or oven is eligible for rebate only:

- In new construction;
- As a replacement for a gas or dual-fuel gas-electric stove, cooktop, range, or oven; or
- When the purchase is a first-time purchase of an all-electric stove, cooktop, range, or oven for the dwelling unit.

4.2.2.2. Qualified Building Materials

Certain types of building materials also qualify for rebates. Generally, the following types of building materials qualify for rebates.

- Electric load service center
- Electric wiring
- Insulation
- Air sealing
- Mechanical ventilation

DOE encourages installation of low embodied carbon building materials.

4.2.2.2.1. Insulation

Eligible products include ENERGY STAR-certified blanket (batts and rolls) insulation, loose-fill insulation, blown-in insulation, rigid board (foam or fiber) insulation, spray foam, and foamed-in-place forms of insulation. Duct ventilation is also eligible for rebates. Insulation must be properly installed to qualify for a rebate. Insulation with low embodied carbon is encouraged.

4.2.2.2.2. Air sealing and materials to improve ventilation

Eligible ventilation materials include ENERGY STAR-certified range hoods and in-line (single and multi-port), bathroom, and utility room fans. Products must be installed in the configuration certified by ENERGY STAR. A range hood that is installed such that the exhaust air is recirculated into the dwelling unit is not rebate eligible.

Ventilation materials are eligible for rebates only in homes that also receive air sealing services or otherwise achieve low air leakage rates (e.g., 3 ACH50 per International Energy Conservation Code (IECC)).

4.2.3. Program Requirements: Installation Incentives

Subject to the limitations described in the below program requirements, an incentive must be provided to encourage governmental, philanthropic, commercial, and nonprofit (e.g., community groups) organizations to assist low-income and moderate-income households with accessing Home Electrification and Appliance Rebates. States may elect to reserve these incentives for projects carried out in homes and dwelling units with households less than 80% AMI, and/or for installations of equipment not commonly installed to encourage contractors to serve low-income households and learn how to install newer technologies.

An eligible entity representative (governmental, commercial, or nonprofit) that applies for and receives a rebate on behalf of an eligible entity and performs the installation of the QEP shall receive an incentive payment not to exceed $500 in addition to the available rebate. States must determine a payment schedule for installation incentives not to exceed the amounts in Table 9.

Table 9. Qualifying Activities and Maximum Incentives

Qualifying Activity	Maximum Incentive
Substantial installation located within a disadvantaged community (excludes installations of electric stoves and electric heat pump dryers) per dwelling unit	$200
Installation of one or more electric heat pump water heaters	$150
Installation of one or more electric heat pumps for space heating and cooling per dwelling unit - ducted	$300
Installation of one more electric heat pumps for space heating and cooling per dwelling unit – unducted	$200
Installation of one electric stove, cooktop, range, or oven	$0
Installation of one electric heat pump clothes dryer	$0
Installation of one or more electric load service center	$150
Installation of insulation per dwelling unit	$250
Installation of air sealing and materials to improve ventilation per dwelling unit	$250
Installation of electric wiring per dwelling unit	$250

In the case of multifamily buildings, States shall establish a maximum incentive per each eligible entity representative based on either dollar amount per building or number of claimable dwelling units per building.

Although maximum incentive values may be set at $0 in some instances, States must provide meaningful installation incentives that reflect the scale of the upgrades installed. Only an eligible entity representative is entitled to an installation incentive using rebate funds. States may provide installation incentives to other parties using sources of funds other than the Home Electrification and Appliance Rebates.

An eligible entity representative that owns a building that benefits from the upgrades is not entitled to an installation incentive (e.g., a multifamily building owner acting as an eligible entity representative on behalf of the households in the building is not eligible for the incentive).

An eligible entity representative may not receive multiple installer incentives for completing a QEP on behalf of the same eligible entity more than once in a twelve-month period.

An eligible entity representative must be paid an incentive of up to $200 (as part of the maximum $500 incentive) for a substantial installation (any item covered by a rebate except for an electric stove or an electric heat pump dryer) completed in a home located in a disadvantaged community as defined by the State.

4.2.4. Program Requirements: Home Assessments

Home assessments are an important component of consumer protection to better understand the potential risks and benefits to a household pursuing an upgrade. For the Section 50122 program, home assessments in specific installations can ensure the consumer receives a quality installation. In addition, States must ensure that consumers are aware where certain QEPs could result in unintended consequences, including increased utility bills due to fuel switching.

As an initial matter, a State must identify a pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills based on the State's rate structure, existing equipment and fuel type, and other relevant factors.

To mitigate these risks, States are required to conduct a limited home assessment for the installation of QEPs that include any of the following upgrades:

- Electric heat pump for space heating and cooling

A limited home assessments consists of, at a minimum:

- A recommendation of a properly sized unit recommended by a qualified contractor for HVAC.
- An onsite visual inspection of the existing condition of duct sealing for HVAC & envelope.
- If the upgrade includes a fuel switch, an estimate of utility bill impacts and written acknowledgement by the consumer.
- Written acknowledgement from the consumer of the amount they will owe not covered by the rebates.
- If the upgrade falls within one of the State's pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills, an estimate of utility bill impacts and written acknowledgement by the consumer.
- Collection of the following data points:
  - Unique home identifier (e.g., address)

- Dwelling type
- Existing energy equipment/systems to be replaced, if any
- New energy equipment/systems being proposed for installation
- All other datapoints listed as required in the Data & Tools Requirements Guide
- Estimated total project cost as defined in section 2.1

A State may allow remote or virtual assessments in place of field-based assessments in specified cases with DOE approval.

For each limited home assessment conducted, the program is required to retain the following documentation:

- List of the upgrades in the QEP for which a rebate was applied.
- Gross project cost estimate.
- Estimated household energy costs post-installation.
- Certification that equipment proposed in the scope of work do not yet exist in the home (if not fuel switching).
- Estimated amount of eligible rebate.
- All other datapoints listed as required in the Data & Tools Requirements Guide.

DOE does **not** require a home assessment be completed for installation of qualified electrification projects that do not include installation of an electric heat pump for space heating and cooling.

For any qualified electrification project for which a home assessment is not conducted, a State program must retain geolocated photo(s) of the equipment being replaced to verify that the installation is allowable. For these projects, a State must also retain the following documentation:

- List of the upgrades in the qualified electrification project for which a rebate was applied.
- Gross project cost estimate.
- Certification that the type of appliance installed did not exist in the home (if not fuel switching).
- All other datapoints listed as required in the Data & Tools Requirements Guide.

Note that completing home assessments for multifamily buildings will require a different process than for single-family homes. A State must establish processes for home energy assessments for multifamily buildings, including for energy used by common areas.

4.2.5. Program Requirements: Consumer Protection Through Quality Assurance

Consumer Protection through QA is an essential component of Home Electrification and Appliance Rebate programs and is necessary to deliver high-quality products and services to all program consumers. A strong QA protocol is key to protecting consumers and providing the highest quality consumer experience and to delivering real energy, cost, and emission savings. QA protects households by providing independent oversight of the work performed by participating contractors to ensure that the work meets program standards. QA provides systems designed to ensure work meets consumer expectations and to provide consumer satisfaction, a vital goal of these rebate programs.

Given the central role of consumer protection through QA in the outcome of these programs, States are required to develop and implement a Customer Protection Plan for Home Electrification and Appliance Rebate programs. The plan must meet the requirements listed in this section. The Customer Protection Plan must be submitted to DOE for approval at prior to the

State's planned rebate program launch as part of the State's Implementation Blueprint. A State must implement the plan and be prepared to provide DOE with information regarding the State's monitoring, review and revision of the plan based on program performance.

- The Consumer Protection Plan must be readily accessible (e.g., on the program's web site) to all program participants affected by it, including implementers, retailers, distributors, participating contractors, third-party inspectors, eligible entities, and eligible entity representatives.
- Programs must execute agreements with participating retailers, distributors, and contractors in which the party agrees to comply with the QA plan and procedures.
- States must retain records related to their QA processes and permit access to DOE upon request.
- A State must review its Consumer Protection Plan at least every two years, adjust based on lessons learned, and communicate changes to contractors, third-party inspectors, and DOE.

The State's Consumer Protection Plan must include the following elements:

Consumer Feedback

A system for collecting and responding to consumer feedback that:

- Allows households to file complaints, concerns, and issues directly to implementer(s) (e.g., a consumer hotline and/or email).
- Contains procedures for addressing negative feedback, including how programs will communicate the feedback to affected contractors, distributors, or retailers.
- A requirement that a consumer satisfaction survey be sent to the household at least three months and no more than 6 months after the project's completion date. The survey must include the questions listed in Appendix B. At a minimum, the survey must include the questions listed in Appendix B. States may add additional questions.

Resolution Procedures

- A written conflict resolution procedure that documents how disputes will be resolved between homeowners and contractors. The procedure shall include protocols for a timely response, identification of responsible parties, documentation of corrective actions, results, and a means of identifying and addressing systemic issues.
- A remediation process to ensure that when deficiencies are detected through the inspection process these results are communicated to the responsible party and any remedial or punitive actions taken follow a pre-defined set of protocols, which must be described in the plan.
- A requirement to maintain records on QC inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements.
- Contracts cannot contain mandatory arbitration clauses.
- Ensure inclusion of the holder-in-due course rule so consumer protections are not lost just because the contract is assigned to a 3rd party creditor.

Data Review

- A requirement for the State to conduct data or file review of all projects that verifies at a minimum:

    - A process for confirming that auditing tools and modeling software have basic data validation controls on inputs to ensure data quality.
    - The home assessment (if required) gathered the data required listed in section 4.2.4.
    - The contracted scope of work was specified consistent with program requirements.
    - The address of the installation matches the address of the eligible entity.
    - Rebate amount aligns with verified income category.
- A requirement that the program's implementers retain:
    - Post-installation photos of the equipment included in the QEP.
    - Proof of combustion safety testing on fossil fuel equipment in all homes where fossil fuel systems have been impacted by the installation.
    - Proof of commissioning testing on HVAC equipment in all homes where HVAC systems are installed.
- A requirement to maintain records on QC inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements.
- A description of the training or credentials of the personnel conducting the data/file review.

Onsite Inspection

- For qualified electrification projects that required a home assessment, a requirement to conduct independent onsite post-install inspections on a minimum of:
    - The first five projects of new contracting organizations; and
    - Five percent of projects thereafter for each contractor, provided no issues are found.
- A description of the training, credentials, and/or qualifications that the State will require of independent inspectors, and identification of how these qualifications do/do not align with those included in a State's [IRA Section 50123 Contractor Training Grants program](#).
- For qualified electrification projects that required a home assessment, a documented onsite inspection protocol that shall include a minimum of:
    - A visual inspection of the site and work conditions.
    - Verification that the installed upgrades match the contracted scope of work and any change orders have been appropriately documented.
    - Verification that diagnostic test results are accurate (may be directly observed if the inspector is present at the time of testing or repeated by the inspector).
    - Ensures compliance with E-Sign or prohibits the use of electronic devices and signatures to enter into the contract if not E-Sign compliant[63].

Contractors and other partners

A qualified contractor list is a required element of a State's Consumer Protection Plan. States must:

- Describe how the program will develop the qualified contractor list.
- Describe which qualification(s) that contractors will be held to, potentially including but not limited to industry accepted home performance industry credentials, training requirements, business insurance and licensure, skills standards, and labor standards.

---

[63] A written copy (in the person's primary or secondary language) should be provided even if there is also an electronic contract.

- Describe the process by which contractors will be added to the qualified contractor list, the conditions that would lead to a contractor being delisted, and the process by which a contractor would be delisted.
- Require that the following technologies be installed by a contractor on the qualified contractor list:
    - Electric heat pump for space heating and cooling
    - Air sealing
    - Electrical wiring
    - Electrical load service center

Like contractors, program partners such as retailers and distributors are integral to QA and the overall success of a State's Section 50122 program. Programs are required to establish qualified retailer and distributor partnership lists. As it relates to these lists, a State's Consumer Protection Plan must:

- Describe how the program will initially develop the qualified retailer and distributor partner list.
- Describe the requirements to which these partners will be held, including, at a minimum, the following:
    - Listed partners must make available for sale eligible appliances for qualified electrification projects.
    - Listed partners have systems capable of providing rebates for qualifying equipment rebates.
    - Listed partners commit to submit rebate request to the implementer(s).
- Describe the process by which retailer and distributor partners will be added to the qualified contractor list and the conditions that would lead them to being delisted.

Installation

A State's Consumer Protection Plan must:

- Identify installation standards with which installers must comply, including at a minimum, standards designed to:
    - Ensure work complies with local and state laws, permits, codes, and industry standards.
    - Establish minimum quality installation standards for rebated technologies.
    - Promote use of standardized and sequenced procedures for developing a detailed project scope of work.
- Establish processes to enforce installation standards, including QA processes that allow the State to verify and document whether installation standards have been met.
- Ensure that sales language and contract language are the same.

If financing is involved:

- Ensure an ability to repay determination that does not include projected savings from an energy report because expected savings may not materialize due to household and market developments.
- Ensure a disclosure and cooling off period. Clear, written advance disclosures should be required, with a 7-day waiting period between the disclosure and the contract signing. This waiting period should only be removed in a personal emergency (see Truth in Lending Act), where the homeowner, in their own handwriting, describes the emergency

and the need for the emergency work and their understanding that they are waiving the waiting period. In non-emergency circumstances, there should also be a 3-day right to cancel after the contract has been signed (such that the work is not done during that period).

Continuous Improvement

A system for preventing unfair business practices and avoiding or addressing poor program function that does not optimize a consumer's experience. A State's Consumer Protection Plan must:

- Identify what proactive steps the State will take to identify fraud, waste, or abuse.
- How the State will implement automation to identify problem areas with program performance.
- Explain how the State will measure and evaluate the success of its QA systems.
- Describe how the QA systems will inform program improvements.
- Describe how home assessment data and results will be verified for accuracy.
- Document roles and responsibilities associated with how the State will monitor the program's budget and financial performance to ensure that funds are being used efficiently and effectively.

Note that elements of the Consumer Protection Plan will require different processes for multifamily buildings than for single-family homes. States must distinguish in their plans which additional requirements will apply to multifamily buildings, including for central systems and for energy used by common areas.

4.2.6. Application Requirements: Consumer Experience

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts). All other requirements are mandatory within the State Application.

Table 10. Application Requirements

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.2.1	Confirm that the State will develop and submit an outreach and education strategy consistent with section 4.2.1	X
4.2.2	Describe how the State will verify that rebates are provided only for qualified electrification projects, including that each of the following conditions are met for each project: • Project includes the purchase and installation of a qualifying product, as described in section 4.2.1; • The qualifying product is installed as part of new construction; or to replace a non-electric appliance;	

Program Requirements Section No.	Requirement	Implementation Blueprint Option
	or as a first-time purchase with respect to that appliance; and • The installation occurs at a single-family home or eligible multifamily building.	
4.2.2	Describe how the State will collect and retain documentation to demonstrate how each criterion in section 4.2.1 was met for each installation.	X
4.2.2	If applicable, identify any additional types of "materials to improve ventilation"[64] that the State plans to make eligible for rebates.	X
4.2.3	Describe how eligible entity representatives will be determined to be eligible for installation incentives, and how and when incentives will be paid.	X
4.2.3	Confirm that the State program will provide a clear incentive schedule commensurate with the scale of the upgrades installed not to exceed the maximum allowable values.	
4.2.3	Describe what tool(s) the State will provide for eligible entity representatives to identify households that qualify for an installer incentive for substantial installation located within a disadvantaged community.	X
4.2.3	Confirm that the program will automatically provide the incentive to eligible entity representatives in an amount not to exceed $500 per dwelling unit or multifamily building in a 12-month period.	
4.2.4	Determine and describe a pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills.	X
4.2.4	Identify if the State will allow remote or virtual assessments in place of field-based assessments in cases of limited home assessments and if so, describe process.	X
4.2.4	Describe what processes will be put in place for home energy assessments for multifamily buildings, including for energy used by common areas.	X

[64] 42 U.S.C. 18795a(d)(6)(A)(i)(VII).

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.2.5	Confirm that the State will prepare and implement a Consumer Protection Plan in accordance with these requirements.	

4.3. Maximizing Rebate Impact

4.3.1. Program Requirements: Supporting the Clean Energy Economy Through Market Transformation

The Home Electrification and Appliance Rebates provide a tremendous opportunity to serve households while acting as a catalyst to unlock additional flows of capital, skilled workers, innovative businesses, and future programs to deploying clean energy technology solutions in housing. With the goal of spurring greater market transformation in the residential energy sector, States must consider how their programs will stimulate additional and continued investment in residential energy upgrades beyond the tenure of the rebates.

To ensure that the State program facilitates market transformation, each State must submit a Market Transformation Plan within the first year after receiving the financial assistance award. DOE must review and approve the Market Transformation Plan prior to the State receiving the third tranche of funds. A Market Transformation Plan must:

- Describe how the State program will enable the market to recognize the value of homes that have been upgraded through the Home Energy Rebates, including at time of sale/rental.
- Describe elements of the program design and/or activities the State program will undertake to support the following goals throughout the program as well as after depletion of the Home Electrification and Appliance Rebates funds:
    - Cost sharing, braiding, and/or coordinated financing with potential funders and financiers of home energy upgrades. Funders and financiers of upgrades include homeowners, lenders of home upgrade loans, mortgage brokers, utilities, and philanthropies;
    - Utilize rebate programs to enable new business models in partnership with private capital to monetize grid benefits through vehicles such as FERC order 2222, demand management, and virtual power plants; and
    - Sustainable business models of home energy contractors.

4.3.2. Program Requirements: Integrating with Other Programs

By leveraging existing programs through resource braiding, co-funding, and financing, State programs may support deeper and broader energy, cost, and carbon savings among participating households. While following all home energy rebates requirements, States are **strongly encouraged** to design their rebate programs in ways that allow for effective combinations of various funding sources, including through integration with existing programs.

However, a variety of legal prohibitions prevent certain methods of combining funds from different sources.

Effective financial leveraging must comply with two prohibitions:

1. The total combination of all immediate upfront funding sources (Federal grants, Federal loans, and non-Federal funding) cannot exceed the total project cost, and
2. Neither the Home Efficiency Rebates nor the Home Electrification and Appliance Rebates may be combined with other Federal grants or rebates for the same single upgrade.[65]

There are four categories of funding that can be combined with a rebate, each with different requirements:

- **Combining a rebate with other Federal rebates or grants:** No other Federal grants, including another IRA home energy rebate, can be used for the same upgrade. Home energy upgrade packages that use multiple Federal grants must braid the funding in a manner that ensures each Federal grant only funds distinct, separable upgrades.
  To ensure compliance with this requirement, States must ensure that detailed invoices and information identifying which distinct and separable upgrades were funded by which Federal sources are collected and retained when a home/building is using funding from multiple Federal grants. Each upgrade or QEP component must be a line item on the invoice of the home energy upgrade package with subdivided labor costs associated with each line item.

> Attempts to claim multiple federal rebates for the same single upgrade is a violation of Federal law and must be reported to DOE.
>
> Issuance of multiple federal rebates for the same single upgrade is a violation of Federal law and must be reported to DOE upon discovery and documented in the State's quarterly reporting documents.

- **Combining a rebate with Federal loans or loans from previously granted Federal funds:** Loan programs from Federal agencies (such as loans from HUD) and loans from previously granted Federal funds (such as from the DOE Revolving Loan Fund grants or U.S. Environmental Protection Agency Greenhouse Gas Reduction Fund grants) are not considered Federal grants in that the recipient household receives these programs as financial products rather than as grants or rebates. Therefore, these programs may be used to finance any remaining costs for upgrades and individual components of qualified electrification projects additional to and separate from the value of the rebate.
- **Combining a rebate with non-Federal funding:** Non-Federal funding, such as funding authorized by a state government, or local government, or available through a utility program or philanthropic support, can be used to co-fund any remaining costs for upgrades and individual components of qualified electrification projects beyond the value of the Federal rebate.
- **Taxability of Home Energy Rebates:** The rebate programs funded through IRA sections 50121 and 50122 will be treated as a reduction in the purchase price or cost of property

[65] See 42 U.S.C. 18795(c)(7) and 18795a(c)(8).

for eligible upgrades and projects, and the consumer that receives an IRA rebate will not be required to report the value of the rebate as income.

Stacking Tax Credits with Home Energy Rebates. Consumers that receive IRA rebates for products that may be eligible for the 25C tax credit may claim the credit after reducing the amount of the expenditure on which the consumer calculates the amount of the credit by the rebate. For example, if a product is eligible for an IRA Section 50122 rebate and 25C tax credit up to 30% of the cost, the consumer may claim a tax credit of up to 30% of the cost remaining to the consumer after application of the rebate provided through IRA Section 50122. Therefore, if a consumer purchases an eligible product for $400 and receives a $100 rebate for this purchase, the consumer may claim a 30% credit of the remaining $300, or $90. States must collect sufficient documentation for each home energy upgrade that combines a rebate with other funding sources to ensure that the total combination of Federal, State, and other funding sources (Federal grants, Federal loans, and non-Federal funding) does not exceed the total project cost.

States should also be aware that the above requirements and guidance may not capture restrictions or requirements imposed by other funding programs. For allowable integration, all funding sources--Federal and/or non-Federal--must allow for combining of resources. Other funding sources, including certain Federal loans, tax credits, and State/local/utility funding, may have additional restrictions on directly combining funds for the same single upgrade that is part of a larger home energy upgrade. State implementers should consult the program requirements for non-Federal funding sources to ensure that they are combining funds in a legally allowable manner.

4.3.3. Program Requirements: Quick Starts

A State may apply for up to 25% of its allocated funds to develop a "Quick Start" State program. DOE will prioritize processing of applications identified for a "Quick Start." To qualify as a "Quick Start" program, the State must note at the beginning of its application the request for a "Quick Start," and the State must plan to achieve rebate program launch in 2023. A State Application for a Quick Start must include responses to all "Application Requirements" (cannot defer to Implementation Blueprint); however, the required plans may be submitted prior to rebate program launch as part of the Implementation Blueprint. All rebate program requirements (except low-income and low-income multifamily allocations) will apply to Quick Start programs, and a conforming State Application is required. A State is not required to reserve rebate funds for low-income and low-income multifamily households (see section 3.1.3) as part of a Quick Start program; however, a State must meet the low-income and low-income multifamily household allocations for the State's total formula allocation.

Prior to January 31, 2025, a State must either (a) request additional funding from its total formula allocation to continue its approved Quick Start program or (b) submit an application to DOE to administer a program operating under a different plan; otherwise, the remaining formula allocation will be considered rejected by the State and redistributed to other State Energy Offices in accordance with 42 U.S.C. 18795a(a)(2)(C).

One option for a Quick Start program is to develop a program which leverages existing program infrastructure in the State to achieve more rapid rebate program launch. Where consistent with Section 50122 program requirements, States have the discretion to limit the scope to target specific populations, policy goals, or other State priorities to achieve more rapid rebate delivery. To expedite processing, a State must note at the beginning of its application the request for a

"Quick Start." The application must identify the existing program(s) to be leveraged and must include a timeline to achieve rebate program launch in 2023. The use of an existing State program may allow a participating State to more quickly stand-up Home Electrification and Appliance Rebates relative to developing a new program. For example, a State may rely on practices, policies, procedures and / or systems already in place to implement a Section 50122 State program that is consistent with design requirements for Section 50122. States may reference or include information regarding existing programs as part of the application to demonstrate compliance with the requirements.

Another option for a Quick Start program is for a State to pilot a rebate program before committing the State's entire funding allocation to a particular program design. Where consistent with Section 50122 program requirements, States have the discretion to limit the scope to target specific populations, policy goals, or other State priorities to achieve more rapid rebate delivery.

4.3.4. Application Requirements to Maximize Rebate Impact

A State must address the following in its application and corresponding budget, except that a State may defer responses to its State Implementation Blueprint where marked with an "X" (deferral not permitted for Quick Starts). All other requirements are mandatory within the State Application.

Table 11. Application Requirements

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.3.1	Confirm that the State will prepare and implement a Market Transformation Plan within the first year after receiving the financial assistance award.	
4.3.2	Identify whether the State plans to take proactive steps to encourage integration with other programs. If so, identify with which programs the State will actively seek to integrate. The State may include letters of support or other indicators of commitment from existing program partners. If the State does not plan to integrate the rebates into any existing programs, note this as "not applicable" within the application. Applications should identify whether programs will be integrated in any or the following areas: • Integration into existing program administration, website, materials. • Adoption of existing program standards, QA, workforce standards, or other practices. • Braiding or co-funding of upgrades within individual households. • Other integration elements, as applicable.	

Program Requirements Section No.	Requirement	Implementation Blueprint Option
4.3.2	Describe how the State program will support households, contractors, and other stakeholders in understanding how the State program may leverage other program resources.	X
4.3.2	Describe the method(s) the State will use to ensure the total combination of all immediate upfront funding sources (Federal grants, Federal loans, and non-Federal funding) provided to a project does not exceed the total project cost.	X
4.3.2	Describe how the State program will support contractors and retailers in preparing acceptable invoices that may be kept as program records. The State must also describe how its implementer(s) will produce this documentation in a timely manner upon request in the event of an audit by DOE, the DOE's Inspector General, a State's inspector general, or another entity.	X
4.3.2	Describe how the State will ensure rebate recipients will be made aware of the portion of the funding received from the DOE Home Electrification and Appliance Rebates.	X
4.3.3	Identify whether the application is for a Quick Start program. For Quick Start programs, identify the timeline for program launch.	

5.0 Revisions and Guidance

5.1. Revisions

If DOE needs to revise these requirements, DOE will publish a notice at https://www.energy.gov/scep/home-energy-rebate-programs-guidance and will send a copy of the notice directly to Grantees. States should address questions regarding the requirements to their respective Project Officers. Project Officers do not have the authority to alter or waive these requirements.

5.2. Guidance

Guidance provides additional information about requirements and may include examples; however, guidance does not alter or waive these requirements. Project Officers may provide guidance directly to a State on a case-by-case basis for state-specific questions. Interpretations that are more broadly applicable will be provided through formal DOE guidance, which will be posted on the web site and sent via email to Grantees. DOE will provide ongoing updates to the Technical Information, Best Practices, and Implementation Recommendations available at https://www.energy.gov/scep/recommendations-program-administrators.

6.0 Application Instructions

6.1. Overview

The application package for Home Rebates grants consists of the State Application and several required forms. Refer to the [Administrative and Legal Requirements Document (ALRD)] for application package requirements. Applications must be submitted in accordance with the IRA Home Energy Rebates ALRD.

As a reminder, application documents, forms, and data submitted may be made available to the public at DOE's discretion following all applicable laws and regulations that protect confidential or proprietary information.

For all supporting documents (saved as PDF files) that are attached to the SF-424 Application in PAGE, Applicants are requested to use the naming conventions used in Table 12 (i.e., the Suggested File Name) or similar file names, to enable DOE reviewers to quickly identify the contents of attached documents.

SF-LLL Disclosure of Lobbying Activities

Grantees must not use any federally appropriated funds for lobbying activities. If funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, officer or employee of Congress, or employee of a Member of Congress in connection with the grant/cooperative agreement, the grantee must complete and submit "Standard Form - LLL, "Disclosure Form to Report Lobbying."

Applicants should not include tables or spreadsheets within Planned Activities or in the comments section of the SF-424A Budget. All documents uploaded must be PDF files except the Budget Justification Workbook, which should be a spreadsheet.

Table 12. State Plan Application Documentation

Name of Document	Format	Recommended File Name
SF-424 Application for Federal Assistance	PAGE	N/A
SF-424A Budget Information for Non-Construction Programs	PAGE	N/A
Budget Justification Workbook	Excel	[Statename]_BudgetJustification
Planned Activities	PAGE	N/A
Narrative Document	PDF	[Statename]_Application
Application Checklist	PDF	[Statename]_Checklist
SF-LLL Disclosure of Lobbying Activities, if applicable	PDF	SF-LLL
Other Forms as applicable	PDF	{Statename)_[Name]

DOE reserves the right to request additional or clarifying information.

6.2. Application for Federal Assistance - Standard Form 424

A completed and signed Standard Form 424 (SF424) containing current information must be submitted. Please ensure all sections have been updated to reflect any changes, including changes to the person to be contacted on matters involving the application and the authorized representative. States should select "New" in section 2.

The list of certifications and assurances referenced in Field 21 may be found here. Please verify compliance with Intergovernmental Review (SPOC List) (whitehouse.gov). Once the SF424 is completed, add an attachment to the document with the name, title, phone number, and email address for both the Principal Investigator and the Business Officer.

6.3. Budget

The budget includes Standard Form 424A Summary and a completed Budget Justification Workbook.[66] Each of these forms should be completed following the guidelines set out below. Please note that a State receiving a grant under this program may use not more than 20% of the grant for administrative purposes.

Any expenditure, allowed by the OMB cost principles or by a grantee or Subgrantee, may be charged as administrative cost. However, certain costs in this program that are excluded from other categories can only be administrative. Grantee Administration and Subgrantee Administration are considered to be unique to each organization. The organization must define its administrative costs consistent with the generally accepted accounting practices and procedures within the organization.

- Indirect costs can be included in Grantee Administration and will be considered an allowable cost provided there is a federally approved indirect rate(s) or cost allocation plan. The indirect cost rate used may be approved by a Federal department or agency other than DOE. See 2 CFR 200.414 Indirect (F&A) costs for more information. The rate/amount allowable does not invalidate the program budget category limits.

6.3.1. Standard Form 424A

Applications must include a budget for all funds including DOE, or any other funds, if applicable. It should be completed as follows:

- **Section A:** Budget Summary Lines 1-4, Columns (a) through (g). On line 1, enter new DOE funds.
- **Section B:** Budget Categories. Separate column headings (with the same name as the rows in Section A) should be utilized for each funding source. The total in column g, Section A, must equal the total of all columns in Section B.

6.3.2. Budget Justification Workbook

The Budget Justification consists of a detailed explanation of the object class categories listed in line 6, Section B, of Standard Form 424A. In preparing the Budget Justification, States should address the following as requested for each budget category.

[66] Can be found at https://www.energy.gov/scep/home-energy-rebate-programs-guidance

- **Personnel:** Identify all positions to be supported by title and the amounts of time (e.g., % of time) to be expended on the Program, the base pay rate, and the total direct personnel compensation. Personnel must be direct costs to the project and not duplicative of personnel costs included in the indirect pool that is the basis of any indirect rate applied for this project.
- **Fringe Benefits:** If fringe cost rates are approved by a Federal agency, identify the agency and date of latest rate agreement and include a copy of the rate agreement with the application. If fringe cost rates are not approved by a Federal agency, explain how total fringe benefit costs were calculated. Your calculations should identify all rates used along with the base they were applied to (and how the base was derived), and a total for each (along with the grand total). If there is an established computation methodology approved for statewide use, provide a copy with the SF424 Application.
- **Travel:** Provide the purpose of travel, such as professional conference(s), DOE sponsored meeting(s), project monitoring, etc. Identify the number of trips, and the destination/location if known. Provide the basis for the travel estimate such as past trips, current quotations, Federal or state travel regulations, etc. All listed travel must be necessary or beneficial to the performance of the Program. All foreign travel must be identified and requires preapproval.
- **Equipment:** Equipment is defined as an item with an acquisition cost greater than $5,000 and a useful life expectancy of more than one year. List all proposed equipment and briefly justify its need as it applies to the objectives of this award. Provide a basis of cost such as vendor quotes, catalog prices, prior invoices, etc. If the equipment is being proposed as cost match and was previously acquired, provide the value of its contribution to the project and a rationale for the estimated value shown. If it is new equipment that will retain a useful life upon completion of the project, provide a rationale for the estimated value shown. Also, indicate whether the equipment is being used for other projects or is 100% dedicated to this project.
- **Supplies:** Supplies are defined as items with an acquisition cost of $5,000 or less or a useful life expectancy of less than one year. Supplies are generally consumed during the project performance. List all proposed supplies and the estimated cost and briefly justify the need for the supplies as they apply to the objectives of this award. Supply items must be direct costs to the project and not duplicative of supply costs included in the indirect pool that is the basis of any indirect rate applied for this project. Provide a basis of cost for each item listed. Examples include vendor quotes, prior purchases of similar or like items, published price list, etc.
- **Contractual:** All sub-recipients, vendors, contractors and consultants and their estimated costs should be identified. Use TBD if the entity is unknown. Provide a brief description of the work to be performed or the service to be provided. Include the basis of cost for each item listed (competitive, historical, quote, catalog, etc.).
- **Other Direct Costs:** Other direct costs are direct cost items required for the project that do not fit clearly into other categories. These direct costs must not be included in the indirect costs (if indirect costs are proposed for this project). Examples are conference fees, meetings within the scope of work, subscription costs, printing costs, etc., that can be directly charged to the project and are not duplicated in indirect (overhead) costs. Provide a general description, cost, and justification of need for each direct cost item. Provide a basis of cost for each item. Examples include vendor quotes, prior purchases of similar or like items, published price list, etc.

- **Indirect Costs:** If the indirect cost rate has been approved by a Federal agency, identify the agency and the date of the latest rate agreement and submit a copy of the agreement with the application. If the indirect cost rate has not been approved by a Federal agency, provide the basis for computation of rates including the types of benefits to be provided, the rate(s) used and the cost basis for each rate.

6.3.3. Expenditure Prohibitions, Limitations, and Allowances

Prohibitions:

- States may not pool funds across multiple states. States are expected to use their grants within their State.

Limitations:

- States may use no more than 20% of the funding provided by DOE under this program for administrative expenses.
- Funds may be used to supplement, and no funds may be used to supplant, weatherization activities under the Weatherization Assistance Program for Low-Income Persons.
- Residential audits and upgrades funded through this program must satisfy the criteria set forth in IRA and described in the MANDATORY REQUIREMENTS section of this document in order to be eligible.
- States must follow their National Environmental Policy Act (NEPA) determination and document the use of their historic preservation programmatic agreement for compliance with the National Historic Preservation Act (NHPA) Section 106.

6.3.4. Rejection of Funds

A State that chooses not to apply for Home Energy Rebates funds and therefore refuses its allocated formula funding under IRA Section 50121 and/or Section 50122 must sign and send a letter to decline the funds to its respective Project Officer indicating this decision to DOE by August 16, 2024. By signing this document, the State Energy Office signifies its understanding that its allocation will be redistributed to other State Energy Offices that applied for allocated funds. If the State does not sign the document or convey to the DOE project officer that it plans to submit an application by August 16, 2024,[67] the State's funding will be reallocated to other States.

6.4. Planned Activities

A State must complete the Planned Activities section in PAGE, providing estimated values for the first tranche (25%) of funding. Planned Activities will be updated upon release of each subsequent tranche of funding.

6.5. Other Forms as Applicable

The following files should be submitted as attachments with your application if applicable:

- Indirect Rate Agreement or Rate Proposal.
- Name, phone number, and email address of the State contact person.

---

[67] Section 50121(a)(B) and Section 50122 (a)(C)

7.0 Appendix A: Required Allocations

Table 13. Home Energy Performance-Based, Whole-House Rebate Allocations (50121)

State/ Territory	Home Energy Performance-Based, Whole-House Rebate Allocations	Max 20% Ceiling for Program Administration for Efficiency Rebates	% of Low-Income Households (<80% AMI) in the State[68]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Efficiency Rebate Allocation
Alabama	$73,032,210	$14,606,442	41.0%	$17,948,606	$4,381,933	$21,488,787
Alaska	$37,368,480	$7,473,696	39.1%	$8,770,600	$2,242,109	$11,408,379
Arizona	$76,868,720	$15,373,744	39.7%	$18,304,471	$4,612,123	$23,204,638
Arkansas	$52,739,720	$10,547,944	40.5%	$12,818,025	$3,164,383	$15,661,424
California	$291,951,040	$58,390,208	40.7%	$71,223,025	$17,517,062	$86,430,537
Colorado	$70,395,350	$14,079,070	39.6%	$16,728,857	$4,223,721	$21,284,632
Connecticut	$49,830,560	$9,966,112	40.8%	$12,212,612	$2,989,834	$14,695,890
Delaware	$33,029,650	$6,605,930	39.8%	$7,879,555	$1,981,779	$9,956,456
District of Columbia	$29,808,850	$5,961,770	41.4%	$7,408,229	$1,788,531	$8,688,550
Florida	$173,668,720	$34,733,744	40.2%	$41,887,561	$10,420,123	$51,893,547
Georgia	$109,817,290	$21,963,458	40.5%	$26,691,337	$6,589,037	$32,610,000
Hawaii	$34,293,520	$6,858,704	39.8%	$8,198,017	$2,057,611	$10,320,484
Idaho	$40,604,320	$8,120,864	39.1%	$9,519,075	$2,436,259	$12,407,258
Illinois	$132,219,190	$26,443,838	40.4%	$32,088,694	$7,933,151	$39,309,669
Indiana	$91,302,840	$18,260,568	40.0%	$21,920,629	$5,478,170	$27,382,905
Iowa	$60,827,450	$12,165,490	39.7%	$14,475,261	$3,649,647	$18,371,562
Kansas	$52,971,870	$10,594,374	39.9%	$12,680,332	$3,178,312	$15,924,478

[68] The DOE used data from the American Community Survey (2021) and the Decennial Census of Island Areas (2020). See: U.S. Census Bureau, American Community Survey 2021, *ACS 5-Year Estimates Subject Tables*, Table S1901, accessed July 2023 (source link); U.S. Census Bureau, Decennial Census of Island Areas 2020, *DECIA Northern Marian Islands Demographic Profile*, Table DP3, accessed July 2023 (source link).

State/ Territory	Home Energy Performance-Based, Whole-House Rebate Allocations	Max 20% Ceiling for Program Administration for Efficiency Rebates	% of Low-Income Households (<80% AMI) in the State[68]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Efficiency Rebate Allocation
Kentucky	$67,319,140	$13,463,828	40.6%	$16,389,731	$4,039,148	$19,962,605
Louisiana	$106,593,900	$21,318,780	41.4%	$26,468,613	$6,395,634	$31,092,093
Maine	$35,936,920	$7,187,384	40.4%	$8,709,093	$2,156,215	$10,696,844
Maryland	$68,611,060	$13,722,212	40.5%	$16,676,251	$4,116,664	$20,373,721
Massachusetts	$73,233,910	$14,646,782	41.3%	$18,129,449	$4,394,035	$21,416,862
Michigan	$105,904,990	$21,180,998	40.4%	$25,672,708	$6,354,299	$31,515,987
Minnesota	$74,459,590	$14,891,918	39.7%	$17,723,794	$4,467,575	$22,484,385
Mississippi	$52,543,050	$10,508,610	41.2%	$12,980,491	$3,152,583	$15,392,756
Missouri	$75,807,060	$15,161,412	40.2%	$18,280,030	$4,548,424	$22,655,783
Montana	$35,692,560	$7,138,512	40.1%	$8,582,410	$2,141,554	$10,691,572
Nebraska	$45,813,680	$9,162,736	39.5%	$10,852,281	$2,748,821	$13,887,106
Nevada	$48,200,980	$9,640,196	39.8%	$11,497,532	$2,892,059	$14,530,997
New Hampshire	$34,952,780	$6,990,556	39.8%	$8,338,094	$2,097,167	$10,536,407
New Jersey	$91,840,040	$18,368,008	40.6%	$22,372,176	$5,510,402	$27,221,446
New Mexico	$43,999,070	$8,799,814	40.9%	$10,802,792	$2,639,944	$12,956,705
New York	$159,338,380	$31,867,676	41.0%	$39,191,845	$9,560,303	$46,850,880
North Carolina	$104,918,280	$20,983,656	40.5%	$25,503,858	$6,295,097	$31,152,013
North Dakota	$37,338,470	$7,467,694	39.7%	$8,891,648	$2,240,308	$11,271,125
Ohio	$124,875,180	$24,975,036	40.5%	$30,359,158	$7,492,511	$37,073,439
Oklahoma	$64,764,840	$12,952,968	39.9%	$15,519,426	$3,885,890	$19,453,588
Oregon	$57,046,250	$11,409,250	40.0%	$13,698,894	$3,422,775	$17,106,081
Pennsylvania	$129,980,360	$25,996,072	40.3%	$31,416,466	$7,798,822	$38,772,928
Puerto Rico	$42,698,980	$8,539,796	40.8%	$10,444,977	$2,561,939	$12,612,472

State/ Territory	Home Energy Performance-Based, Whole-House Rebate Allocations	Max 20% Ceiling for Program Administration for Efficiency Rebates	% of Low-Income Households (<80% AMI) in the State[68]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Efficiency Rebate Allocation
Rhode Island	$32,006,100	$6,401,220	40.4%	$7,762,021	$1,920,366	$9,521,273
South Carolina	$68,852,430	$13,770,486	39.9%	$16,501,938	$4,131,146	$20,678,374
South Dakota	$34,379,110	$6,875,822	40.2%	$8,282,499	$2,062,747	$10,282,221
Tennessee	$83,877,940	$16,775,588	40.0%	$20,115,057	$5,032,676	$25,179,031
Texas	$346,022,980	$69,204,596	38.7%	$80,416,779	$20,761,379	$106,435,630
Utah	$50,698,180	$10,139,636	39.4%	$11,999,380	$3,041,891	$15,377,637
Vermont	$29,362,920	$5,872,584	40.2%	$7,075,103	$1,761,775	$8,780,874
Virginia	$94,537,110	$18,907,422	39.9%	$22,620,749	$5,672,227	$28,429,290
Washington	$83,266,580	$16,653,316	40.8%	$20,389,942	$4,995,995	$24,574,011
West Virginia	$44,275,290	$8,855,058	39.4%	$10,454,811	$2,656,517	$13,453,845
Wisconsin	$74,904,830	$14,980,966	39.3%	$17,664,521	$4,494,290	$22,784,088
Wyoming	$34,686,390	$6,937,278	41.2%	$8,571,136	$2,081,183	$10,159,515
Guam	$25,815,420	$5,163,084	39.8%	$6,161,182	$1,548,925	$7,779,145
U.S. Virgin Islands	$25,660,980	$5,132,196	41.2%	$6,347,935	$1,539,659	$7,508,994
American Samoa	$25,069,710	$5,013,942	40.1%	$6,037,305	$1,504,183	$7,500,338
Northern Marianas	$24,984,780	$4,996,956	40.7%	$6,102,924	$1,499,087	$7,388,857
TOTAL	**$4,171,000,000**	**$834,200,000**		**$1,005,759,884**	**$250,260,000**	**$1,246,580,116**

STATE & COMMUNITY ENERGY PROGRAMS

Table 14. High Efficiency Electric Home Rebate Allocations (50122)

State/ Territory	High Efficiency Electric Home Rebate Allocations	Max 20% Ceiling for Program Administration for Electrification Rebates	% of Low-Income Households (<80% AMI) in the State[69]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Electrification Rebate Allocation
Alabama	$72,607,220	$14,521,444	41.0%	$17,844,159	$4,356,433	$21,363,739
Alaska	$37,150,940	$7,430,188	39.1%	$8,719,542	$2,229,056	$11,341,965
Arizona	$76,421,080	$15,284,216	39.7%	$18,197,876	$4,585,265	$23,069,508
Arkansas	$52,433,010	$10,486,602	40.5%	$12,743,482	$3,145,981	$15,570,344
California	$290,252,580	$58,050,516	40.7%	$70,808,676	$17,415,155	$85,927,717
Colorado	$69,985,890	$13,997,178	39.6%	$16,631,553	$4,199,153	$21,160,828
Connecticut	$49,541,390	$9,908,278	40.8%	$12,141,741	$2,972,483	$14,610,609
Delaware	$32,837,400	$6,567,480	39.8%	$7,833,691	$1,970,244	$9,898,505
District of Columbia	$29,635,400	$5,927,080	41.4%	$7,365,123	$1,778,124	$8,637,993
Florida	$172,657,670	$34,531,534	40.2%	$41,643,704	$10,359,460	$51,591,438
Georgia	$109,178,020	$21,835,604	40.5%	$26,535,961	$6,550,681	$32,420,170
Hawaii	$34,093,900	$6,818,780	39.8%	$8,150,297	$2,045,634	$10,260,409
Idaho	$40,367,910	$8,073,582	39.1%	$9,463,652	$2,422,075	$12,335,019
Illinois	$131,452,470	$26,290,494	40.4%	$31,902,616	$7,887,148	$39,081,718
Indiana	$90,772,430	$18,154,486	40.0%	$21,793,284	$5,446,346	$27,223,828
Iowa	$60,473,810	$12,094,762	39.7%	$14,391,105	$3,628,429	$18,264,753
Kansas	$52,663,910	$10,532,782	39.9%	$12,606,613	$3,159,835	$15,831,899

[69] The DOE used data from the American Community Survey (2021) and the Decennial Census of Island Areas (2020). See: U.S. Census Bureau, American Community Survey 2021, *ACS 5-Year Estimates Subject Tables*, Table S1901, accessed July 2023 (source link); U.S. Census Bureau, Decennial Census of Island Areas 2020, *DECIA Northern Marian Islands Demographic Profile*, Table DP3, accessed July 2023 (source link).

STATE & COMMUNITY ENERGY PROGRAMS

State/ Territory	High Efficiency Electric Home Rebate Allocations	Max 20% Ceiling for Program Administration for Electrification Rebates	% of Low-Income Households (<80% AMI) in the State[69]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Electrification Rebate Allocation
Kentucky	$66,927,750	$13,385,550	40.6%	$16,294,442	$4,015,665	$19,846,543
Louisiana	$105,972,960	$21,194,592	41.4%	$26,314,425	$6,358,378	$30,910,973
Maine	$35,728,050	$7,145,610	40.4%	$8,658,475	$2,143,683	$10,634,672
Maryland	$68,212,540	$13,642,508	40.5%	$16,579,389	$4,092,752	$20,255,383
Massachusetts	$72,809,130	$14,561,826	41.3%	$18,024,293	$4,368,548	$21,292,637
Michigan	$105,291,160	$21,058,232	40.4%	$25,523,907	$6,317,470	$31,333,319
Minnesota	$74,027,440	$14,805,488	39.7%	$17,620,928	$4,441,646	$22,353,890
Mississippi	$52,237,320	$10,447,464	41.2%	$12,904,962	$3,134,239	$15,303,191
Missouri	$75,366,640	$15,073,328	40.2%	$18,173,827	$4,521,998	$22,524,158
Montana	$35,484,830	$7,096,966	40.1%	$8,532,461	$2,129,090	$10,629,347
Nebraska	$45,547,120	$9,109,424	39.5%	$10,789,139	$2,732,827	$13,806,306
Nevada	$47,920,160	$9,584,032	39.8%	$11,430,547	$2,875,210	$14,446,339
New Hampshire	$34,749,580	$6,949,916	39.8%	$8,289,620	$2,084,975	$10,475,153
New Jersey	$91,307,380	$18,261,476	40.6%	$22,242,420	$5,478,443	$27,063,565
New Mexico	$43,742,970	$8,748,594	40.9%	$10,739,914	$2,624,578	$12,881,290
New York	$158,415,850	$31,683,170	41.0%	$38,964,934	$9,504,951	$46,579,625
North Carolina	$104,307,840	$20,861,568	40.5%	$25,355,470	$6,258,470	$30,970,763
North Dakota	$37,121,060	$7,424,212	39.7%	$8,839,875	$2,227,264	$11,205,497
Ohio	$124,150,970	$24,830,194	40.5%	$30,183,091	$7,449,058	$36,858,433
Oklahoma	$64,388,040	$12,877,608	39.9%	$15,429,134	$3,863,282	$19,340,408
Oregon	$56,714,440	$11,342,888	40.0%	$13,619,214	$3,402,866	$17,006,583
Pennsylvania	$129,226,380	$25,845,276	40.3%	$31,234,228	$7,753,583	$38,548,017
Puerto Rico	$42,451,090	$8,490,218	40.8%	$10,384,338	$2,547,065	$12,539,250

State/ Territory	High Efficiency Electric Home Rebate Allocations	Max 20% Ceiling for Program Administration for Electrification Rebates	% of Low-Income Households (<80% AMI) in the State[69]	Min Allocations for Low-Income HHs	Min 10% Low-Income Multifamily Allocation	Max Open Electrification Rebate Allocation
Rhode Island	$31,820,030	$6,364,006	40.4%	$7,716,896	$1,909,202	$9,465,920
South Carolina	$68,451,650	$13,690,330	39.9%	$16,405,883	$4,107,099	$20,558,008
South Dakota	$34,178,990	$6,835,798	40.2%	$8,234,286	$2,050,739	$10,222,368
Tennessee	$83,390,060	$16,678,012	40.0%	$19,998,057	$5,003,404	$25,032,576
Texas	$344,006,590	$68,801,318	38.7%	$79,948,164	$20,640,395	$105,815,395
Utah	$50,403,030	$10,080,606	39.4%	$11,929,523	$3,024,182	$15,288,113
Vermont	$29,192,160	$5,838,432	40.2%	$7,033,958	$1,751,530	$8,729,808
Virginia	$93,987,430	$18,797,486	39.9%	$22,489,222	$5,639,246	$28,263,990
Washington	$82,782,050	$16,556,410	40.8%	$20,271,292	$4,966,923	$24,431,015
West Virginia	$44,017,970	$8,803,594	39.4%	$10,394,050	$2,641,078	$13,375,654
Wisconsin	$74,470,200	$14,894,040	39.3%	$17,562,023	$4,468,212	$22,651,885
Wyoming	$34,484,390	$6,896,878	41.2%	$8,521,221	$2,069,063	$10,100,350
Guam	$25,665,110	$5,133,022	39.8%	$6,125,308	$1,539,907	$7,733,851
U.S. Virgin Islands	$25,511,580	$5,102,316	41.2%	$6,310,977	$1,530,695	$7,465,276
American Samoa	$24,923,740	$4,984,748	40.1%	$6,002,152	$1,495,424	$7,456,667
Northern Marianas	$24,839,290	$4,967,858	40.7%	$6,067,386	$1,490,357	$7,345,830
TOTAL	**$4,146,750,000**	**$829,350,000**		**$999,912,508**	**$248,805,000**	**$1,239,332,492**

8.0 Appendix B: Consumer Satisfaction Questions

A DOE priority is that consumers have an overall positive experience with these State rebate programs and experience significant value from their participation. As such, DOE requires States to establish QA plans for their programs to ensure consumer satisfaction, as outlined in sections 3.2.4 and 4.2.4. As part of the required QA plan, States must survey households on their experience at least 3 months and no more than 6 months after the project's completion date. This window is designed to allow time for bill payers and occupants to observe differences in their bills and/or comfort of their home. The table below displays the survey questions that States must include in their consumer satisfaction surveys.

Table 15. Consumer Satisfaction Survey Questions and Scale

Question	Scale
It was easy to understand the rebate requirements and provide the needed information	Scale: Strongly Disagree = 1, Strongly Agree = 5, include "don't know" and "Not Applicable)"
It was easy to find a contractor/retailer	
The contractor/retailer provided a high-quality of service	
The rebate was a major reason for my purchase	
My new efficiency upgrades perform well	
My home is more comfortable than it was before the new efficiency upgrades	
My energy bills are lower since the new efficiency upgrades	
Overall, I am satisfied with my experience with the [Rebate name] program	
I would recommend this program to a friend or family member who could use it	
I plan to do more to save energy in my home because of my experience with this program	