

Inflation Reduction Act Goals

The overarching goals of the Residential Efficiency Rebates (HOMES) and Residential Electrification Rebates (HEERA) programs is to accelerate the transition to more affordable, efficient, resilient and low carbon homes and directly support a clean-energy economy through:

- Reduced home energy bills
- Home energy market transformation and activate the private market
- Successful collaboration with States, utilities and existing programs
- Successful transition to more efficient fuels and technologies
- Economic opportunities for workers and business

Award

State may apply for funds for HOMES, HEERA or both. State may combine and offer programs in one system of record, or administer two distinct programs.

State may apply for **Quick Start** program if they intend to launch in 2023. Quick Start may be used to fund an existing program that meets HOMES/HEERA federal rules, regulations and guidelines, as applicable. It may also be used to administer a pilot program.

Period of Performance

Programs may begin as soon as DOE approves the state's application. The program end date is September 30, 2031.

Budget

State will use the DOE-provided **Home Energy Rebates Budget Workbook** to develop a comprehensive budget for each unique (HOMES and HEERA) program.

- *80% of the grant award must be used for rebates, required incentives, and costs directly attributable to deliver of the rebate to eligible recipient.
- 20% of the grant award may be used for planning, administration and/or technical assistance.

*State may request to use a portion of rebate funds for related project delivery costs where they have estimated these costs may exceed the administrative cost allocation – but only after they have exhausted other efforts to reduce costs or apply alternative funding sources. (e.g., leverage utility companies, 3rd party organizations may assist in costs associated with home energy audits/assessments). DOE offers assistance to states to identify program implementation cost reductions.

Key Program Requirements

State programs must collect required program information, process and track rebates, which includes initiation of a rebate reservation for a specific address. Verification of program-required information to determine eligibility includes:

- Income eligibility,
- Eligibility of home address
- Contractor eligibility (where applicable)
- Ensure rebates applied to eligible products & services

- Ensure appropriate dollar amount per product/service/home
- Adhere to caps per measure and/or per home as directed by each state
- Process rebate payments
- Track total amount of rebates processed for a particular address

DOE-developed Business Tools

DOE and the Pacific Northwest National Library (“PNNL”) worked together to develop rebate reservation, tracking, processing and reporting workflows for both programs. Utilization of DOE-developed business tools will keep rebate processes as simple as possible for homeowners, retailers/vendors, contractors, and others while maintaining consistent data specifications for tracking, evaluation and facilitating engagement of national and other stakeholders (e.g., retailers).

State adoption of DOE-developed business tools will ensure program requirements are met and ease the burden of program development, implementation and administration. Shown below is table of national and state development responsibilities for unique program functions.

Rebate Program Functions	DOE/PNNL Development (1)	State-Led (with Private Sector) (2)
National Home Rebate Ledger/Database (Address ID, Rebates)	X	
Household Income Verification		X
User Interfaces for Homeowners & Contractors (& others if needed)		X
AMI by Zip Code and Number of Occupants	X	
Rebate Reservations	X	
Rebate Payments		X
Application Programming Interfaces (APIs) to Link Systems	X	X
Administrative Functionality for States & Program Implementers	X	

(1) States that have existing programs/systems that meet the DOE rebate guidelines and functions (as shown above) may obtain written approval to use existing/different workflows.

(2) Where workflows are not explicitly defined by DOE, states are expected to leverage private sector expertise in areas such as rebate application processing and verification of household income.

Home expertise and existing technology includes household income verification, interfaces for homeowners and contractors, rebate payment processing, and APIs that link to DOE and other partner systems.

Income Verification

DOE guidance allows several methods for states to verify household income such as:

- ✓ W2, paystub, income tax
- ✓ Income tax validation through IVES (Income Verification Express Service)
- ✓ Categorical eligibility through proof of enrollment in pre-qualifying program (e.g., SNAP, WIC)

- ✓ Self-attestation of income and/or enrollment in pre-qualifying program – requires state verification of 50% of these applicants

Program Restrictions

In addition to restrictions for combining other funding sources, there are a few restrictions within the IRA rebates that should be communicated to contractors and consumers within the user interface.

1. A single address cannot receive both a measured and a modeled rebate under 50121
2. 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:
 - a) No electrification rebates will be made for addresses that are in the process of receiving a rebate for measured savings (and vice versa).
 - b) No electrification rebates will be made for addresses where a modeled rebate has already been given for that measure.

Program Evaluation & Monitoring

Programs will be evaluated based on performance of required goals and objectives, program schedule adherence, compliance with reporting, including target and milestone achievement. Funding is schedule to be released by DOE in four stages. Each stage sets targeted goals for low-income households (single- and multi-family) with minimum grants awards based on time. DOE will utilize targets to ensure states have demonstrated their ability to achieve goals and objectives. Rebate award minimums for low-income households must be met before a state will be approved to receive additional funds.

DOE award monitoring requires a state budget to track and report quarterly their spending of funds across all administration and rebate categories. Monitoring will maximize award effectiveness, confirm compliance and ensure that awards are on scheduled/on budget.

Application and Submission

Each state application package must include the following documents:

- ✓ Completed Standard Forms 424 and 424a
- ✓ Completed Planned Activities (tab within PAGE system)
- ✓ Narrative Document*
- ✓ Budget Workbook*
- ✓ Application Checklist* and Pre-Award Information Sheet*

*DOE template is available to state

State will submit application package documents through DOE's Performance and Accountability for Grants in Energy (PAGE) online system.

Residential Efficiency Rebates (HOMES) –

Section 50121 allocates \$4.3 million for home efficiency rebates to single-family homes and multi-family buildings.

Rebates are available to households of any income and vary based on the modeled or measured energy savings from household improvements.

- **Modeled Home Efficiency Rebates** use a 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.
- **Measured Home Efficiency Rebates** use 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%.

Home assessment are strongly encouraged for specific installations.

A wide range of energy saving upgrades can be included.

Provides a \$200 rebate incentive to contractor or aggregator who completes work in a home located in a disadvantaged community.

State may increase the maximum amount of a HOMES rebate made available for low-income households, including up to 100% of project costs, upon approval from DOE.

Installed technology may be eligible for rebates based on modeled or measured energy savings through the HOMES program, or because of its inclusion in the HEERA program qualified electrification project (QEP) technologies list, but not for both reasons in a single household.

LOW-INCOME HOUSING ⁽¹⁾	<ul style="list-style-type: none"> • Projects with <u>energy savings between 20% and 35%</u>: <ul style="list-style-type: none"> * 80% of costs up to \$4,000 per home or housing unit • Projects with <u>energy savings greater than 35%</u>: <ul style="list-style-type: none"> * 80% of costs up to \$8,000 per home or housing unit
MARKET RATE HOUSING	<ul style="list-style-type: none"> • Projects with <u>energy savings between 20% and 35%</u>: <ul style="list-style-type: none"> * 50% of costs up to \$2,000 per home or housing unit * \$200,000 cap for multifamily building • Projects with <u>energy savings greater than 35%</u>: <ul style="list-style-type: none"> * 50% of costs up to \$4,000 per home or housing unit * \$400,000 cap for multifamily building

(1) Low income is defined as single family households with incomes less than 80% area median income, as well as multifamily housing with more than 50% of households having incomes less than 80% area median income.

Residential Electrification and Appliance Rebates (HEERA)

Section 50122 allocates \$4.275 million for home electrification and appliance projects.

Rebates are limited to:

- ✓ *Low- and moderate-income single-family households and
- ✓ Entities that own multi-family buildings with low- or moderate-income households comprising at least 50% of the residents and/or
- ✓ Organizations that are carrying out projects for low- or moderate-income households

Total maximum of \$14,000 for the ONLY those appliance and non-appliance technologies shown below.

*A low- or moderate-income households has a total of annual income that is less than 150% of the median income of the area where the home is located.

Rebates includes purchase and installation of approved appliance/non-appliance technologies

Provide an incentive payment not more than \$500 for a substantial installation completed in a home located in a disadvantaged community.

Installed technology may be eligible for rebates based on modeled or measured energy savings through the HOMES program, or because of its inclusion in the HEERA program qualified electrification project (QEP) technologies list, but not for both reasons in a single household.

Maximum Allowed Rebate Amount Per Household <u>Below</u> 80% Area Median Income (AMI)	Maximum Allowed Rebate Amount Per Household * <u>Above</u> 80% Area Median Income (AMI)
100% of project costs up to technology cost maximums*; up to \$14,000	50% of project costs up to technology cost maximums*; up to \$14,000
*Households with incomes above 150% AMI are not eligible	

Rebate Type	ENERGY STAR Appliance/Non-Appliance	Maximum Rebate \$ Amount
Appliance Upgrades	Heat Pump Water Heater	\$1,750
	Heat Pump for Space Heating or Cooling	\$8,000
	Electric Stove, Cooktop, Range, Oven, or	\$840
	Electric Heat Pump Clothes Dryer	\$840
Non-appliance Upgrades	Electric Load Service Center Upgrade	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600
	Electric Wiring	\$2,500
Maximum total rebate across all upgrades per home or unit		\$14,000