

HOMES and HEEHRA:

Residential Energy Efficiency Performance and Electrification Upgrades

January 31, 2023

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Washington, DC-based policy strategy firm that focuses on Federal and State legislative, regulatory, and administrative energy and environmental policy.

Our team brings together extensive knowledge, experience, and expertise to take a substantive approach on policy and advocacy.

We specialize in advanced residential energy efficiency, smart technology, demand response, clean energy financing, renewable energy, carbon and climate policy, and much more.



Inflation Reduction Act (IRA): Big Picture

- ▶ Signed into law on **August 16**.
- ▶ Nearly **\$370 billion** in support of clean energy and energy efficiency.

Program	Funding	Timeline
Home Energy Performance-Based, Whole- House Rebates (HOMES)	\$4.3B	Available through 2031
State-Based Home Energy Efficiency Contractor Training Grants	\$200M	Available through 2031
High-Efficiency Electric Home Rebate Program	\$4.5B	Available through 2031



IRA: Home Energy Performance-Based, Whole-House Rebates (HOMES)

- ▶ IRA provides **\$4.3 billion** in formula funding through State Energy Programs for **HOMES** rebates.
- ▶ Home Owner Managing Energy Savings (HOMES)
 - ▶ A little history...2012...2020...
- ▶ Provides direct rebates for home energy efficiency retrofits via either **measured** or **modeled** energy savings pathways.
- ▶ Fuel neutral.
- ▶ Rebates **double** for low- and moderate-income households (**up to 80%** of project cost).
- ▶ Includes both single-family and multifamily.
- ▶ No requirement for owner-occupied

HOMES - Modeled Energy Savings Pathway

- ▶ Projects using the **modeled** energy savings pathway must be calibrated to historical energy usage for a home **consistent** with BPI 2400.
- ▶ DOE guidelines will provide more details.

Energy Savings	Single-Family	Multifamily
20 – 34 percent	\$2,000 or 50 percent of the project cost (whichever is less).	\$2,000 per dwelling unit, with a maximum of \$200,000 per multifamily building.
	DOUBLE for low- and moderate-income (LMI) individuals: \$4,000 or 80 percent of the project cost (whichever is less).	
35 percent and over	\$4,000 or 50 percent of the project cost (whichever is less).	\$4,000 per dwelling unit, with a maximum of \$400,000 per multifamily building.
	DOUBLE For LMI individuals: \$8,000 or 80 percent of the project cost (whichever is less).	



HOMES - Measured Energy Savings Pathway

- ▶ Projects using the **measured** energy savings pathway must use **open-source advanced measurement and verification software**, as approved by DOE, to determine and document monthly and hourly (if available) weather-normalized home energy use, both before and after home efficiency retrofits.
- ▶ DOE guidelines will provide more details.

Energy Savings

Single-Family & Multifamily

15 percent and over

\$2,000 payment rate per kilowatt hour saved equal to a 20 percent reduction for the average home in the state, or **50 percent** of project cost.

DOUBLE for LMI individuals, \$4,000 payment rate per kilowatt hour saved equal to a 20 percent reduction per home or dwelling unit, or **80 percent** of project cost. For multifamily buildings to qualify, at least 50 percent of residents must be LMI.

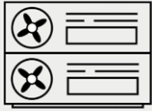
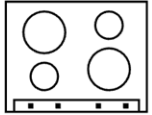

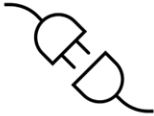
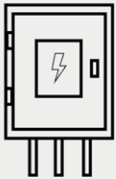



HOMES – Data Access

- ▶ IRA requires DOE to publish data sharing guidelines.
- ▶ HOMES requires “historical energy usage data”
- ▶ Exact language here:
 - ▶ DOE “shall develop and publish guidelines for States relating to residential electric and natural gas energy data sharing” - IRA Sec. 50121(c)(5).
- ▶ DOE Guidelines will provide more details.
- ▶ Electrification = Data
- ▶ SGIGP = New Investments

IRA: High-Efficiency Electric Home Rebate Program (HEEHR)

- ▶ IRA provides **\$4.5 billion** in grants to state energy offices for the **High-Efficiency Electric Home Rebate Program (HEEHR)**.
- ▶ LMI households are eligible for rebates **up to a total of \$14,000** for electric systems/appliances.
- ▶ Income qualified at point of sale. (<150% AMI = 50%, <80%AMI=100%)

	Appliance	Rebate Amount (Maximum)
	Heat Pump (for space heating and cooling)	\$8,000
	Electric Stove, Cooktop, Range, or Oven, or Clothes Dryer	\$840
	Heat Pump Water Heater	\$1,750
	Electric Wiring	\$2,500
	Electric Load Service Center (Breaker Box)	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600

Prohibition on Combining Rebates

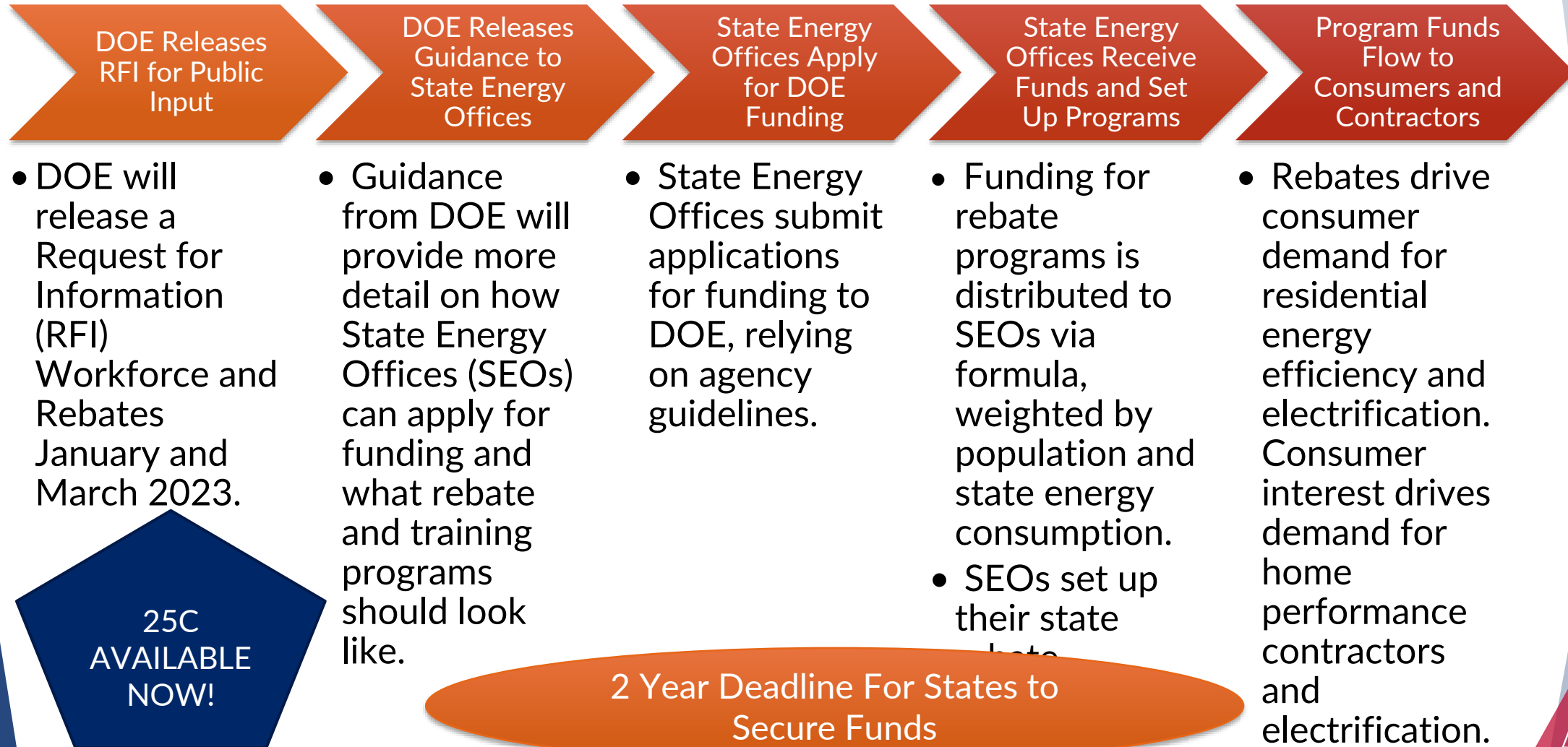
- ▶ In both HOMES and Electrification Rebates:
 - ▶ “may not be combined with any other Federal grant or rebate, including a rebated under [HEEH] rebate program...**for the same single upgrade**”
- ▶ IRA does not include any provision prohibiting combining federal rebates with state rebates.
- ▶ DOE has confirmed HOMES and HEEHR rebates may be stacked with energy efficiency tax credits like 25C.
- ▶ What is “combined”? Is that the same as layering?
- ▶ The difference between combining or layering? And state incentives vs federal incentives.

IRA: HOMES and HEEHR Funding Allocations

MEEA STATE	HOMES	HEEHR
ND	\$37,338,470	\$37,121,060
SD	\$34,379,110	\$34,178,990
NE	\$45,813,680	\$45,547,120
KS	\$52,971,870	\$52,663,910
MO	\$75,807,060	\$75,366,640
IA	\$60,827,450	\$60,473,810
MN	\$74,459,590	\$74,027,440
WI	\$74,904,830	\$74,470,200
IL	\$132,219,190	\$131,452,470
IN	\$91,302,840	\$90,772,430
OH	\$124,875,180	\$124,150,970
MI	\$105,904,990	\$105,291,160
KY	\$67,319,140	\$66,927,750
WV	\$44,275,290	\$44,017,970

- ▶ On November 2, DOE announced **state-by-state funding allocations** for state HOMES and HEEHR rebate programs.
- ▶ States will still need to **apply for funding - and receive approval** from DOE on their rebate program plans.

|IRA – Implementation Timeline for Rebates





IRA: State-Based Home Energy Efficiency Contractor Training Grants

- ▶ IRA provides \$200 million for State-Based Home Energy Efficiency Contractor Training Grants.
 - ▶ Grants to states through the State Energy Program to support energy efficiency and electrification contractor training.
- ▶ Specifications will be left up to DOE in implementation.
- ▶ Additional training funding in IIJA (\$40M Energy Auditor Training Grants & \$10M Career Skills Training).

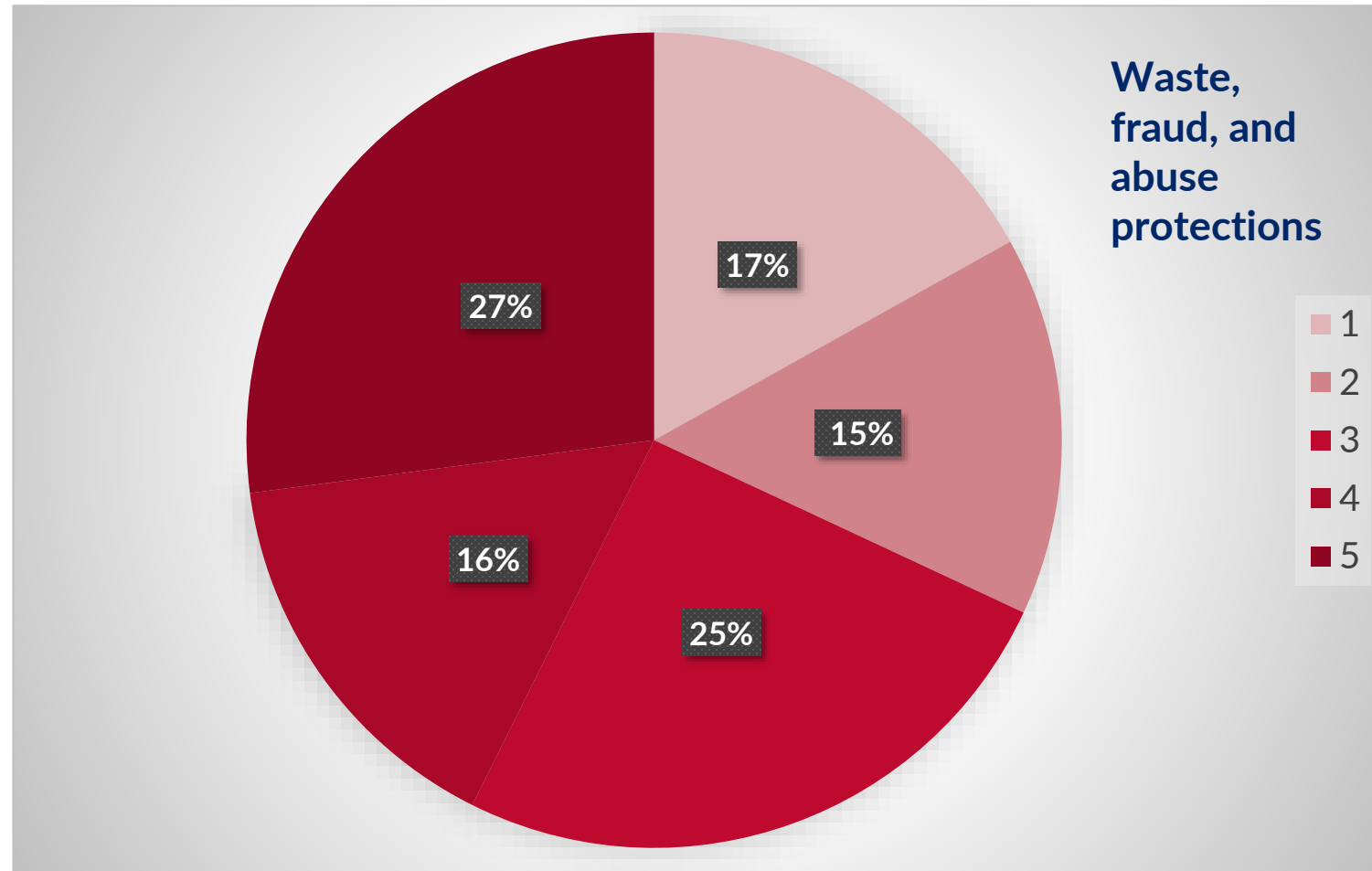
Implementation Update

- RFI RESPONSE: <https://building-performance.org/workforce-rfi-response/>

Contractor Survey on HOMES, HEEHR, and Training Grants

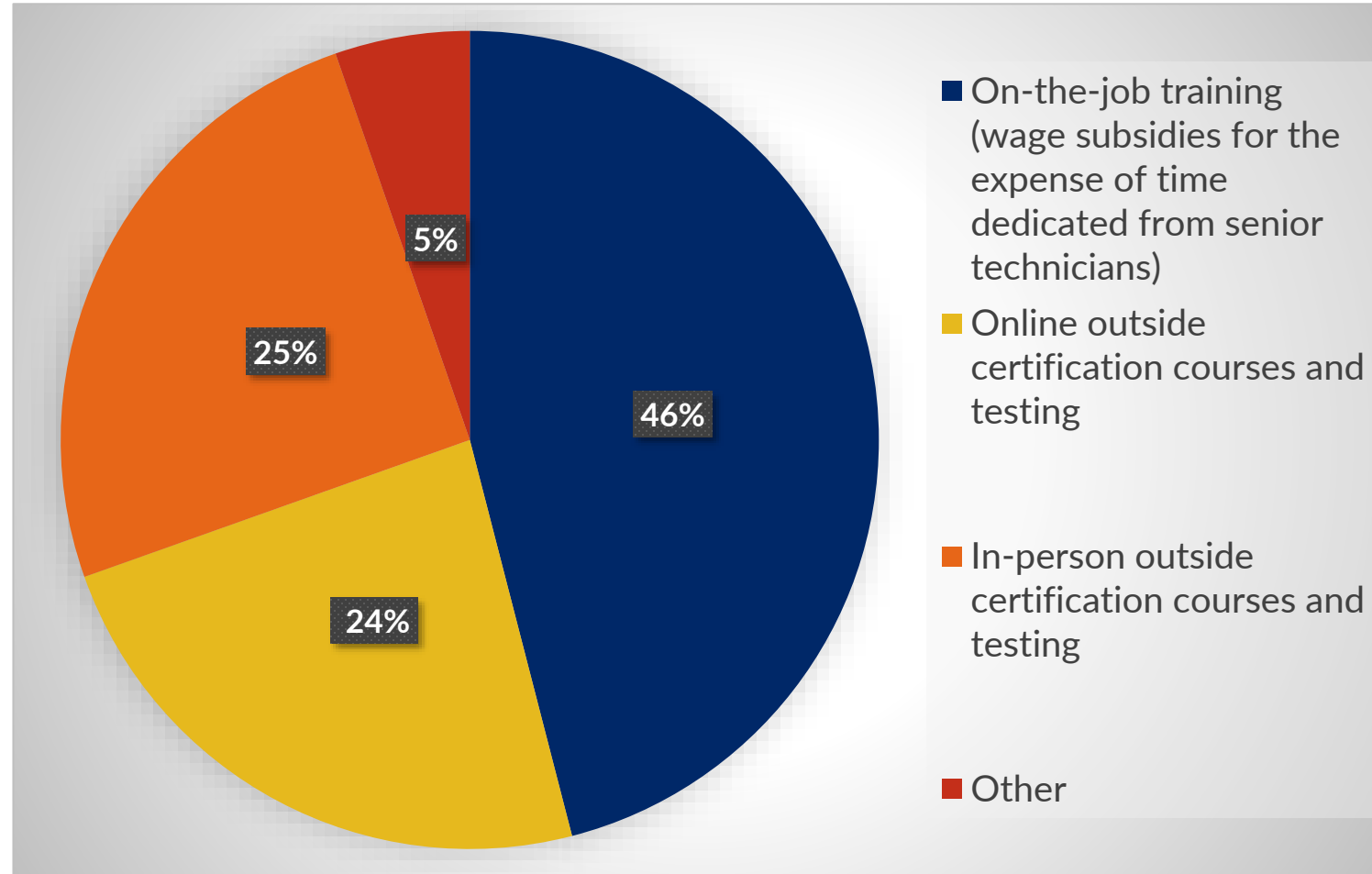
- ▶ Contractor survey input compiled and shared with DOE and State Energy Offices to help contractors have a voice during implementation.
- ▶ Collected results from mid-November to early January.
 - ▶ ~80% completion rate (responses **required**).
 - ▶ Average completion time: **10 minutes**.
- ▶ Distributed by the Building Performance Association, E4TheFuture, NAIMA, Elevate, Pearl Certification, box stores, and others.
- ▶ **1,154** total respondents operating in **all 50 states + D.C.**
- ▶ Still disaggregating. Initial results see <https://www.anndyl.com/wp-content/uploads/2023/01/AnnDyl-Contractor-Survey-Initial-Results.pdf>

How concerned are you that [waste, fraud, and abuse protections] would present undue burdens to accessing program funds? (1 is not at all concerned, 5 is very concerned)



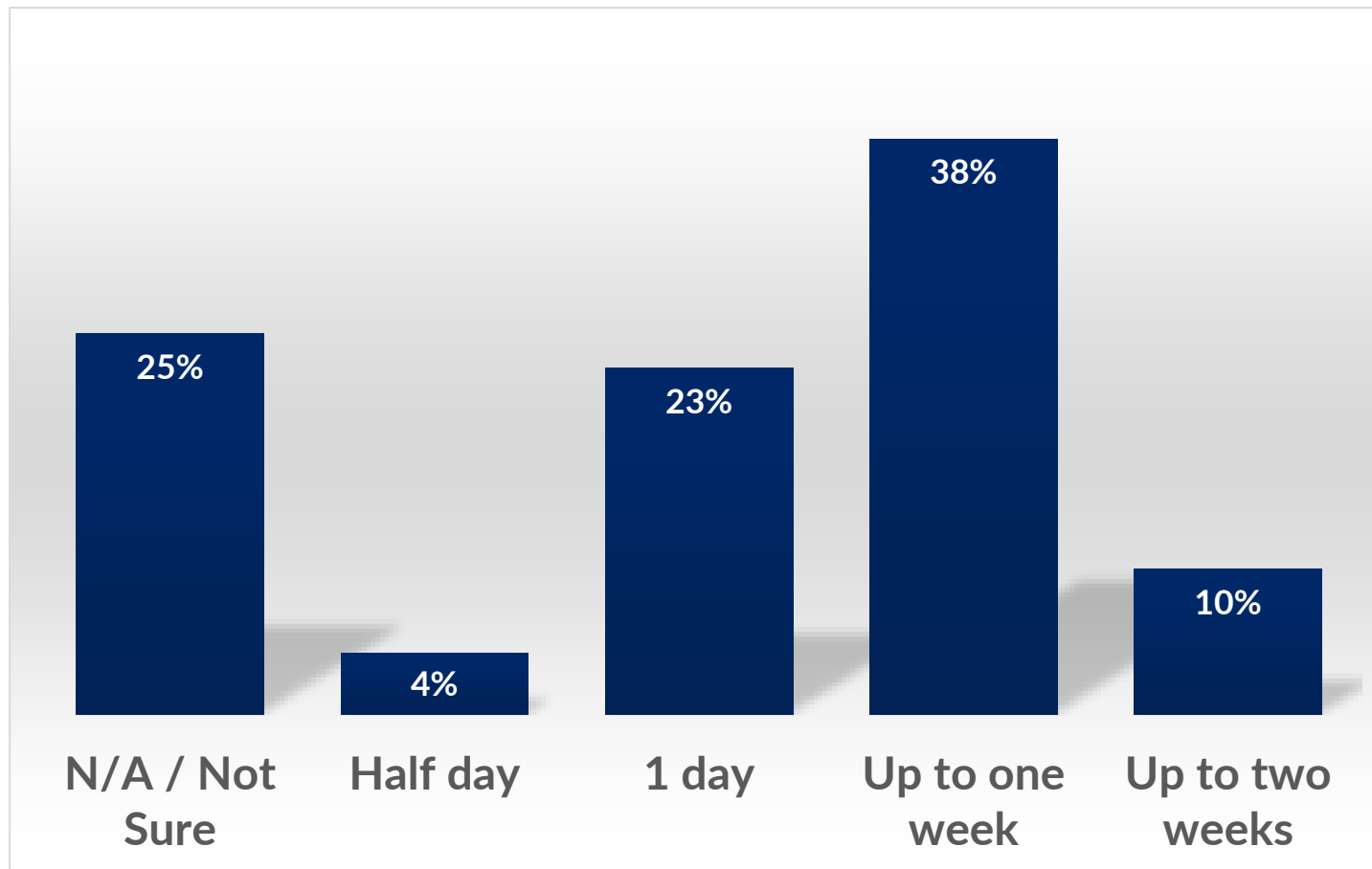
N = 964

If your business received training subsidies, what would be your preference for training? (First choice ranks)



N = 920

How many days would you be willing to allow employees to take to pursue outside certification?



N = 915

Thank you!

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