

Inflation Reduction Act Rebate Programs

Presentation for REPA Members
Tuesday, December 10, 2024

Agenda

- Introductions
- Inflation Reduction Act (IRA) of 2022 and its program objectives
- IRA Eligibility and Rebate Amounts Specific to NH
 - Section 50122 – HEAR (Home Electrification and Appliance Rebate) program
 - Section 50121 – HER (Home Efficiency Rebate) program
- Program Status and Timelines
- Sample of a Rebate Process
- Incentives for Energy Efficiency Businesses
- What Entities Will Be Involved In The Programs?
- Additional Resources

Inflation Reduction Act of 2022 and its program objectives

The Inflation Reduction Act authorized the US Department of Energy (US DOE) to carry out two Home Energy Rebate Programs. Specifically, IRA Section 50121 established the Home Efficiency Rebates (HER), and IRA Section 50122 established the IRA Home Electrification and Appliance Rebates (HEAR). These rebate programs together authorize \$8.8 billion in funds for the benefit of U.S. households and home upgrades.

The US 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.

Additional goals of the programs include:

- Supplement, not replace, existing funding and programming in the states
- Provide at least 40% of the program benefits to disadvantaged communities (DACs)
- Save households money on their energy bills
- Grow American manufacturing and clean energy jobs
- Fight climate injustice

IRA Energy Rebate Program Objectives

The specific objectives of the HEAR and HER programs are:

- Help rebate eligible households enjoy lower energy bills and more comfortable homes
- Make it easier to access and implement residential energy improvements
- Attract and retain a qualified workforce to serve both single and multifamily households
- Spur durable market demand for residential efficiency and electrification by demonstrating value

Eligibility and Rebate Amounts

50122 – Home Electrification and Appliance Rebates Program (HEAR)

Single or multifamily homes with <80% AMI (Area Median Income) and
Single or multifamily homes with 81% -150% AMI (Area Median Income)

Qualifying Activity	Maximum Rebate*
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
Electric load service center	\$4,000
Insulation, air sealing, and ventilation	\$1,600
Electric wiring	\$2,500

NH is allocated \$34,749,580 for this program

**Based on the maximum rebates shown, eligible rebate recipients are eligible to receive rebates based on their AMI as follows:*

- *Recipients who earn less than 80% of the AMI are eligible to receive a rebate of up to 100% of the project cost*
- *Recipients who earn more than 80% but less than 150% of the AMI are eligible for a maximum rebate of 50% of the project cost*

The program timeline as stated by the US DOE begins on the program launch date and ends in August 2031

Program Status and Timelines

Home Electrification and Appliance Rebates (HEAR)

- March 2024 – NH submitted the application and additional documentation to the US DOE for review and approval
- August 2024 – After several rounds of feedback, the US DOE approved the design of the program and allocated funds to NH DOE
- August 2024 – Secured the first wave of funding from the US DOE and submitted documentation/forms to the US DOE for review as required
- September 2024 – The Departments Request for Proposal for an implementer was closed
- Late Quarter 2 2025 – Projected program launch*

** The program launch date indicated in this timeline is an estimate and may be updated as required due to outside factors including US DOE and internal reviews and program updates.*

Eligibility and Rebate Amounts

50121 – Home Efficiency Rebates Program (HER)

- The Department's goal is to reimburse up to 100% of project costs to eligible rebate recipients, with a focus in Disadvantaged Communities (DACs).
- If the project cost exceeds the maximum allowable rebate, additional funding sources will be investigated with the potential to avoid any out-of-pocket costs for the eligible rebate recipient.

Modeled Savings	Maximum Rebate*
20-34% energy savings	100% of project cost OR up to \$15,000 of project cost (whichever is less)
35% or more energy savings	100% of project cost OR up to \$20,000 of project cost (whichever is less)

NH is allocated \$34,882,819 for this program

** The maximum rebate amounts shown here represent what has been proposed to the US DOE. They are pending US DOE approval. US DOE approval is also required for NH to prioritize multi family dwellings whose residents earn less than 80% of AMI.*

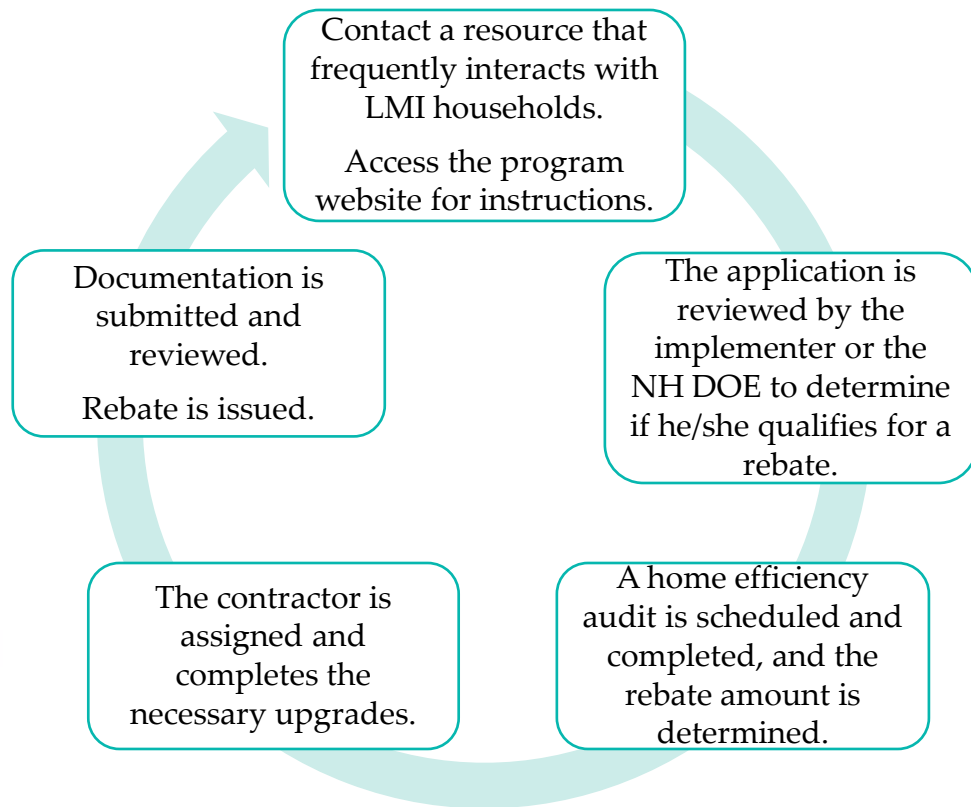
**The program timeline as stated by the US DOE begins on the program launch date and ends in August 2031*

Program Status and Timelines Home Efficiency Rebates (HER)

- August 2024 – NH submits the application and additional documentation to the US DOE for review and approval of program design
- October 2024 – Round 1 of comments received from the US DOE based on their review of submitted application materials and submitted updated application materials for review.
- November 2024 – Round 2 of comments received from the US DOE based on their review of application materials submitted in October and submitted updated application materials for review.
- Quarter 1 2025 – Receive feedback on Round 2 of the US DOE feedback and respond.
- Quarter 2 2025* – US DOE approves the program and allocates funds to NH DOE
- Quarter 4 2025* – Projected program launch

** The approval and launch dates represent estimates and may be updated as required due to outside factors including US DOE reviews and program updates.*

Sample of a Rebate Process (simplified)



While this is a simplified example of the process, it provides a view of who is engaged in each step of the process.

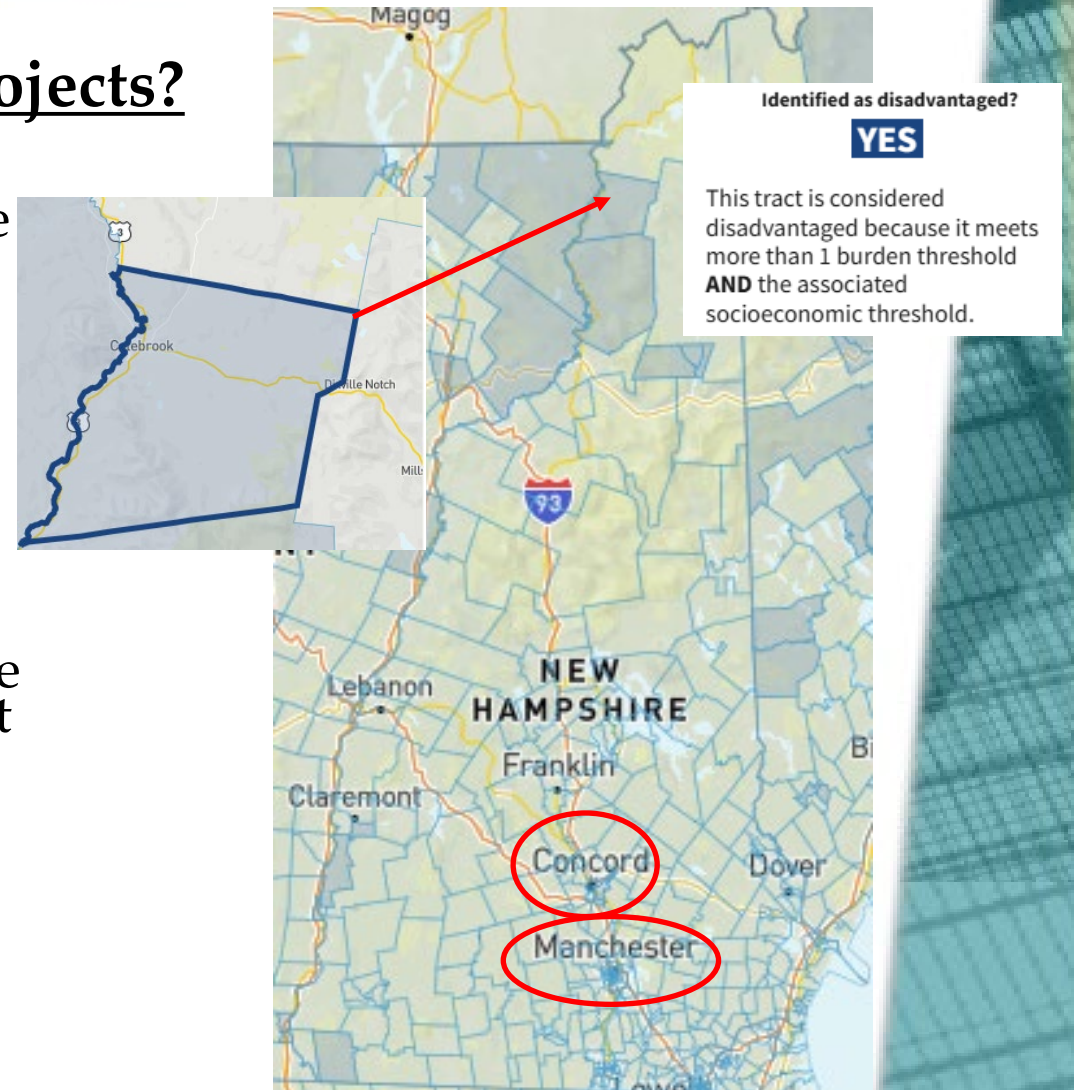
It starts with information provided by a resource that frequently interacts with LMI households. As the consumer proceeds through the process, the implementer and assigned contractor partner to complete and submit the required documentation through the rebate tracking system provided by the US DOE. A representative of the NH DOE will provide support throughout the process, as necessary.

Are there any incentives to complete projects?

Yes.

For any **eligible projects completed**, an incentive (\$200 maximum) will be provided to the contractor completing the project if the dwelling is located within a Disadvantaged Community (DAC).

DACs are identified through the use of the Climate and Economic Justice Screening Tool (CEJST) as shown on the right. Note that there are several areas located within New Hampshire that are designated as disadvantaged communities. These are identified in dark shading in the map. DACs also include portions of cities and towns which are also identified as DACs.



What entities will be involved in the programs?

There are four key partners that will be involved in the implementation and support of the HEAR and HER programs. They are:

- Representatives of entities that frequently interact with LMI households
- Local businesses/contractors who specialize in energy efficiency upgrades/retrofits
- An implementer
- NH Department of Energy resources

Additional information regarding each entity's involvement is provided on the following slides

What entities will be involved in the programs?

Representatives of entities that frequently interact with LMI households

Representatives that frequently interact with LMI households play an important role in the success of the programs by providing general information to consumers about the programs. In most cases, they will be the first point of contact for low-income consumers due to their participation in other state or federal programs. In addition, we envision their role to include:

- Collaborate with the Department and the implementer to create “take away” marketing materials (flyers, program descriptions, etc.) for use by the consumer
- Provide marketing materials to a consumer who would benefit from one (or both) of the programs
- Determine if the consumer qualifies for the program based on whether they are “categorically eligible” (they are already enrolled/participating in an approved government program).

What entities will be involved in the programs?

An Implementer

Because the program requirements of the rebate programs are extensive, the NH Department of Energy requires additional support from a partner (an implementer) to provide their expertise and guidance in the development and ongoing support of the programs. Some of the activities that the implementer will be responsible for include the following:

- Develop user interfaces and systems for applicants to use for rebate processing
- Data reporting and analysis
- Conduct consumer surveys
- Implement activities to improve access to rebates and where possible, facilitate the braiding of program funds with existing programs in an effort to provide 100% reimbursement for completed projects.
- Provide technical assistance when required
- Leverage existing communication channels and community-based partnerships to develop marketing and education information for eligible rebate recipients

What entities will be involved in the programs?

Private Energy Efficiency Businesses

Energy efficiency businesses will act as the “intermediary” between the consumer and the Department and/or the implementer. These businesses provide their knowledge, expertise, and recommendations to the consumer regarding ways to make their dwelling more energy efficient. Energy Efficiency Businesses and their employees are key resources for either program and will provide the following services as they relate to the programs:

- Partner with the implementer to schedule and complete projects
- Prepare invoices on projects that have been completed for entry into the US DOE's rebate processing system
- Collaborate with the consumer to determine the scope of the project
- Estimate the cost, estimated range of energy savings, and potential impacts to the consumer's utility bill if the project(s) are completed
- Complete the TREC training course to gain/increase their knowledge about the programs and the requirements provided by the US DOE to ensure a successful outcome.

What entities will be involved in the programs?

Resources at the Department of Energy

The program managers at the Department have been involved with the development and oversight of each program through ongoing collaboration with the US DOE to adhere to program requirements. In addition, we have provided documentation that substantiates for any customized requirements that we feel are critical due to the nature of the state's population and its housing stock. The resources at the Department will:

- Collaborate with each of the other three entities
- Provide issue resolution as needed
- Oversee the general processes related to the running of the program
- Assist in the development and updating (as needed) of program specific marketing materials
- Escalate any unresolved issues to the US DOE as needed

Additional Resources

You can find additional information and updates regarding the IRA Rebate Programs on various online resources indicated here:

US Department of Energy:

Frequently Asked questions:

<https://www.energy.gov/scep/home-energy-rebates-frequently-asked-questions>

Home Energy Rebates Programs (information for homeowners and renters and contractors:

<https://www.energy.gov/scep/home-energy-rebates-programs>

NH Department of Energy:

Home Electrification and Appliance Rebates:

<https://www.energy.nh.gov/funding-opportunities/funding-opportunities-homeowners/home-electrification-and-appliance-rebates>

Home Efficiency Rebates:

<https://www.energy.nh.gov/funding-opportunities/funding-opportunities-homeowners/home-efficiency-rebates-program>

Questions?

If you have any additional questions after today's presentation, please contact us at the following email address:

irarebates@energy.nh.gov