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December 6, 2022

MEMORANDUM

TO: Power Committee Members

FROM: Annika Roberts, Resource Policy Analyst

SUBJECT: USDOE Home Energy Rebate Program

BACKGROUND:

Presenter: Danielle Walker, Program Analyst from the Office of State and Community Energy Programs US Department of Energy

Summary: The recently passed Inflation Reduction Act (IRA) includes \$8.8 billion in rebates for home energy and electrification projects. Danielle Walker is with the Office of State and Community Energy Programs (SCEP) and is working to distribute these funds to states. SCEP is in the very early stages of developing the program and is currently in the public outreach/ engagement phase working with stakeholders to inform program design and develop a successful program for getting this funding to the states.

In her presentation Danielle will talk the Council through some background on the SCEP and the IRA and will then describe the Home Energy Provisions and their applications.

Relevance: The Inflation Reduction Act, and the prior Bipartisan Infrastructure Bill, are two landmark pieces of legislation that will have widespread impacts on the country's energy sector. In a later presentation to the full Council, staff will discuss these acts more holistically, but this presentation is a more specific illustration of the concrete ways these bills are being enacted and will intersect with the Council's work.

Background: <https://www.energy.gov/scep/home-energy-rebate-program?auHash=nKeZcLYEpyKdTlibD26DQcVltGMix1DTABHm5teUzkw>

HOME ENERGY REBATE PROGRAM

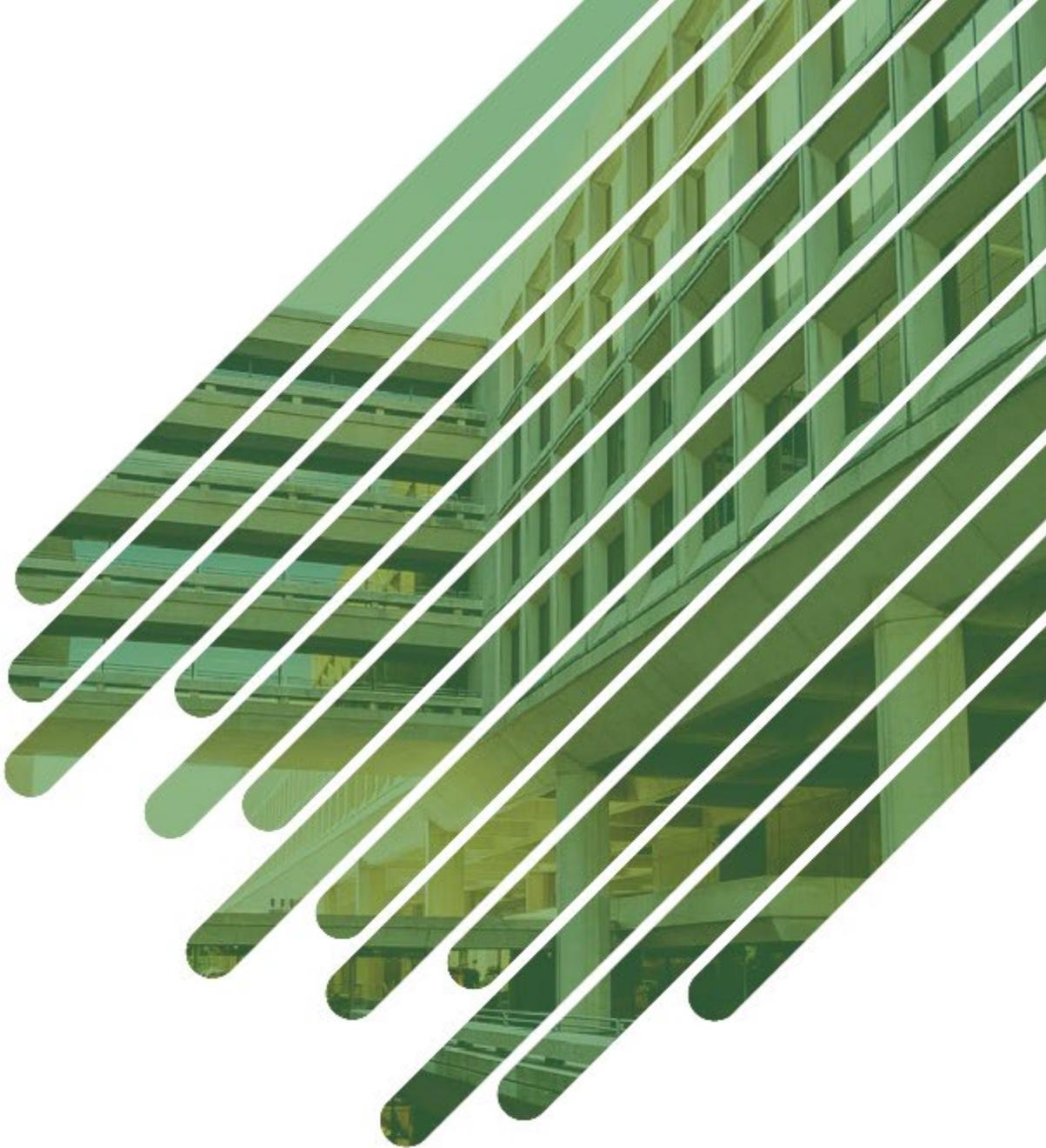
Provisions Authorized through the Inflation Reduction Act

December 2022



SCEP

STATE & COMMUNITY ENERGY PROGRAMS



What We'll Discuss

- ✓ State & Community Energy Programs (SCEP) Team & Mission
- ✓ Inflation Reduction Act
- ✓ Home Energy Rebates
- ✓ Timeline and Engagement





SCCEP

STATE & COMMUNITY ENERGY PROGRAMS

Office of State and Community Energy Programs (SCEP)

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



Deploy clean energy technologies



Center equity and deliver on J40 priorities



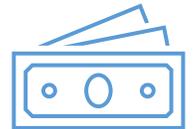
Catalyze local economic development



Create jobs



Avoid pollution through place-based strategies



Reduce energy costs

Programs Coming Out of SCEP

\$3.5B for
Weatherization Assistance Program

\$250M for
Energy
Efficiency
Revolving Loan
Funds

\$260M for
Building
Efficiency
Workforce
Training

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

\$50M for
Energy
Efficiency for
Non-Profits

\$500M for
State Energy
Program

\$500M for
Energy Efficiency
& Conservation
Block Grants
Program

\$8.8B for Home Energy Rebates

About The Inflation Reduction Act



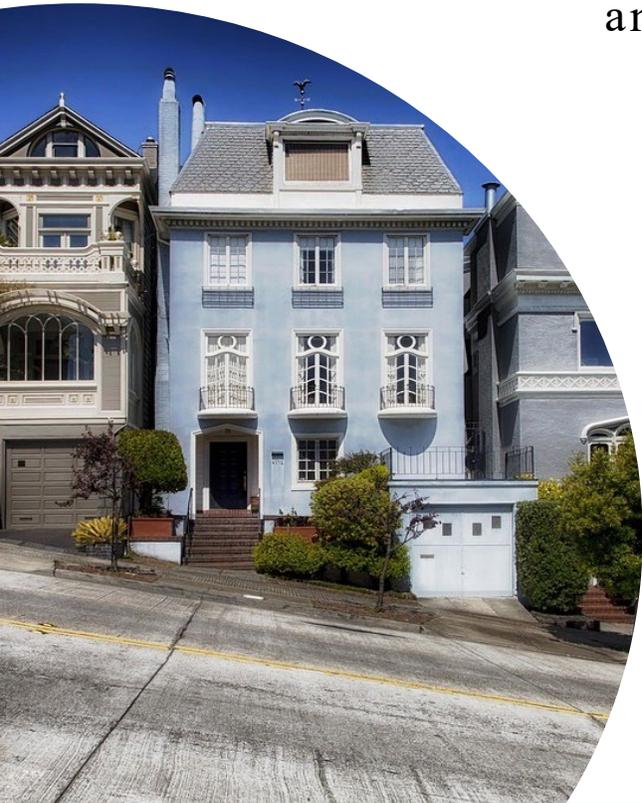
The Landmark Inflation Reduction Act (IRA) of 2022

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

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

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

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



Mobilizing Clean Energy Investment Through IRA



Home Energy
Rebates

\$9B
U.S. DOE



Energy Code
Assistance

\$1B
U.S. DOE



Clean Energy
Business Loans

\$14B
U.S. DOE



Energy Grid &
Industry

\$9B
U.S. DOE



Affordable
Housing

\$1B
U.S. HUD



Clean
Transportation

\$7B
U.S. EPA



Energy Tax
Credits

~\$277B*
U.S. Treasury



Greenhouse Gas
Reduction Fund

\$27B
U.S. EPA



Enviro. Justice
Block Grants

\$3B
U.S. EPA



Rural Energy
Assistance

\$12B
USDA



Coastal Climate
Resilience

\$2.6B
NOAA



+ Other
Programs
~\$7B
Various Agencies

*Congressional Budget Office (CBO), [Estimated Budgetary Effects](#)

DOE's Role in IRA Clean Energy Investment



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U.S. DOE



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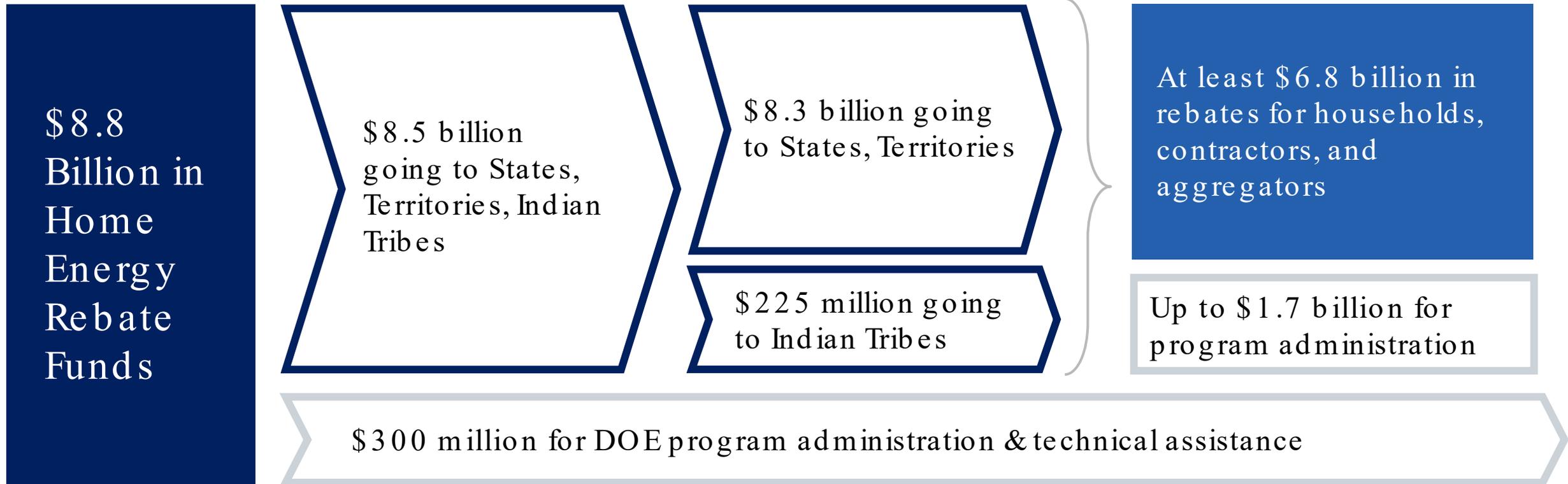


+ Other
Programs

~\$7B
Various Agencies

*Congressional Budget Office (CBO), [Estimated Budgetary Effects](#)

Where Will the Home Energy Rebate Funds Go?



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

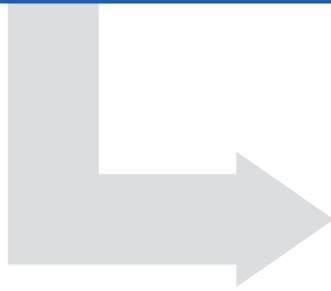
State & Territory Home Energy Rebate Allocations

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

Program Process

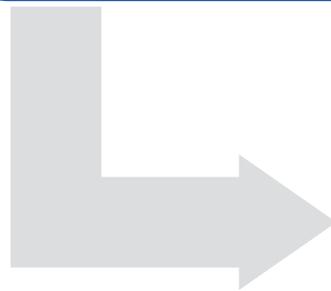
DOE

- Publishes guidelines and allocates funding



States

- Submits application and executes program



Homes

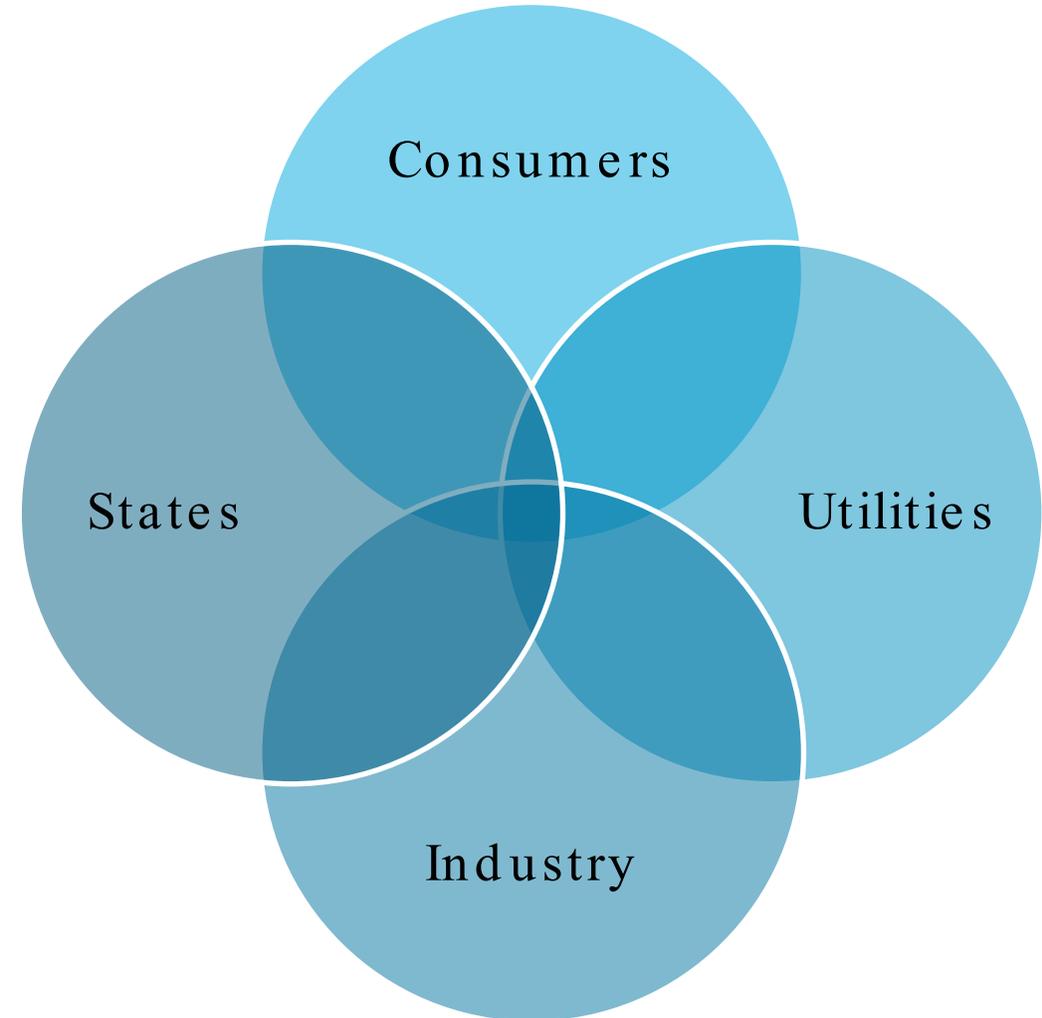
- Receive rebates

Home Energy Rebates Program



IRA Home Energy Rebate Program Objectives

- ✓ Help households across the US enjoy lower energy bills and more comfortable homes
- ✓ Attract and retain qualified workforce to serve both single and multifamily markets
- ✓ Support market transformation by demonstrating value of energy upgrades and efficient homes to homeowners, tenants, and investors
- ✓ Leverage existing programs and networks



Home Energy Rebates

	Total Appropriations & Availability	Allocation of Funds	Program Description
 Home Efficiency Rebates SEC. 50121	\$4,300,000,000 Until September 30, 2031	State Energy Offices (SEOs)	Develop and implement rebate program for single-family and multi-family households to accomplish whole-home retrofits that save at least 20% of household energy.
 Home Electrification Rebates SEC. 50122	\$4,500,000,000 Until September 30, 2031	State Energy Offices (SEOs) & Indian Tribes	Develop and implement rebate program for low- and moderate-income single-family and multi-family households to purchase high-efficiency electric equipment.

Potentially Eligible Equipment & Housing Types

Electric heat pump clothes dryer

Electric panel & wiring upgrades

Electric stove, cooktop, range, or oven

Heat pump for space heating and cooling

Heat pump water heaters

Air sealing

Duct sealing

Insulation

Materials to improve ventilation

& Potentially other energy-saving technologies

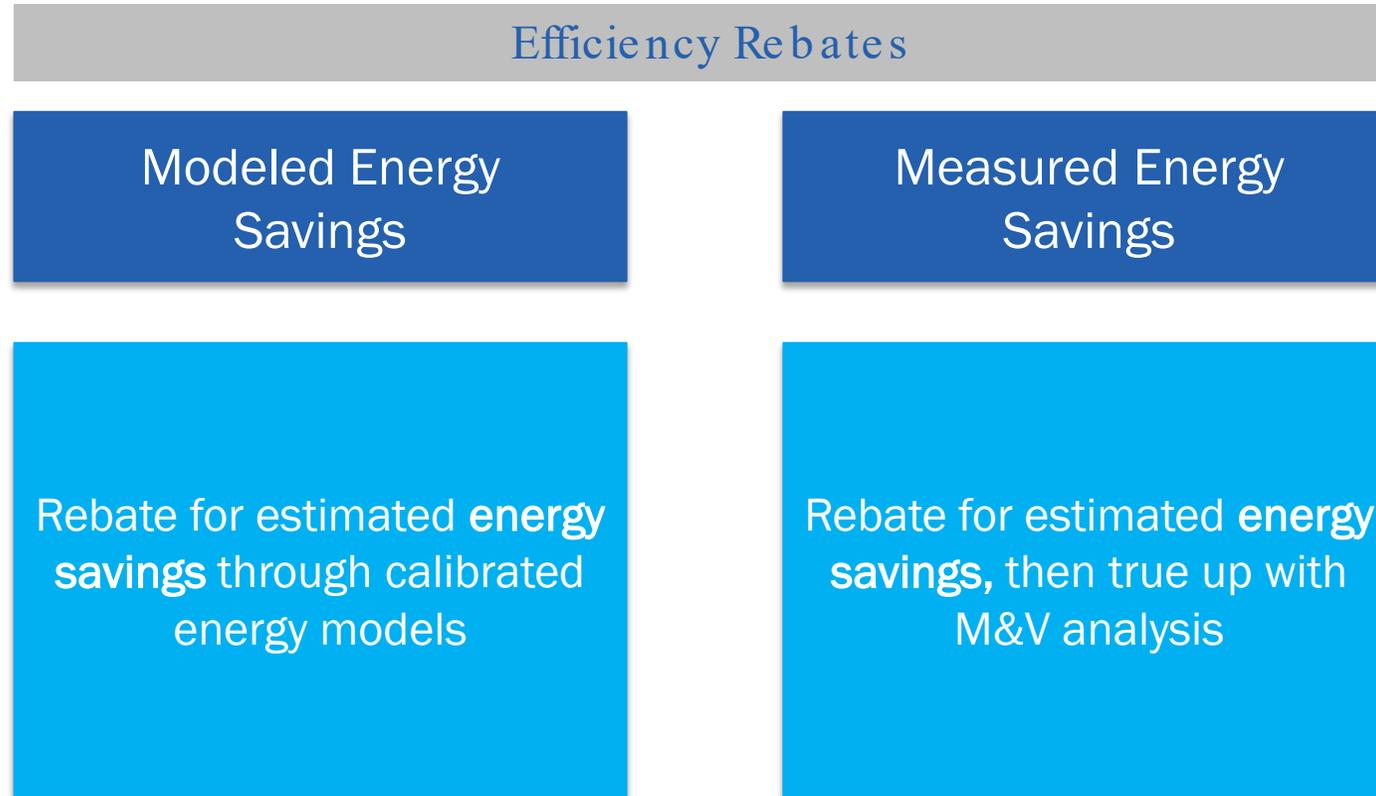
Single-family

Multi-family

New
Construction

Rental
Properties

Estimating Energy Savings



Home **Efficiency** Rebate Amounts

Percent of <i>Modeled</i> Energy Savings	Single-Family	Multifamily
20 –34 %	Up to \$2,000	Up to \$2,000 per unit, max of \$200,000
	LMI* Households: Up to \$4,000	
35 % and over	Up to \$4,000	Up to 4,000 per unit, max of \$400,000
	LMI* Households: Up to \$8,000	
Percent of <i>Measured</i> Energy Savings	Single-Family	Multifamily
At least 15%	A payment rate per kwh saved equal up to \$2,000 for a 20% reduction of energy use of the average housing unit in the state	
	LMI* Households: A payment rate per kwh saved equal up to \$4,000 for a 20% reduction of energy use of the average housing unit in the state	

* LMI households are defined as a household that makes less than 80 percent of area median income.

In addition to these rebates, State Energy Offices may provide up to \$200 for entities that perform the installation in disadvantaged communities.

Home **Electrification** Rebate Amounts

Equipment/Service	Maximum Rebate \$ Amount	Maximum Rebate as Percent of Cost	
		Households 80% - 150% of Area Median Income*	Households Less Than 80% of Area Median Income*
Heat Pump Water Heater	\$1,750	50%	100%
Heat Pump for Space Heating or Cooling	\$8,000	50%	100%
Electric Stove, Cooktop, Range, Oven, or Electric Heat Pump Clothes Dryer	\$840	50%	100%
Electric Load Service Center Upgrade	\$4,000	50%	100%
Insulation, Air Sealing, and Ventilation	\$1,600	50%	100%
Electric Wiring	\$2,500	50%	100%
Total maximum rebate available:	\$14,000	50%	100%

Timeline & Next Steps



Near-Term Engagement Strategy

Stakeholder Engagement, Consultation

Webinars and Conferences November - February

- ✓ DOE and organization hosted meetings
- ✓ Webinars recorded and made available on websites
- ✓ Conference sessions and informal discussions

Smaller Listening Sessions November - January

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

Other Engagements December, January

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

Request For Information (RFI)

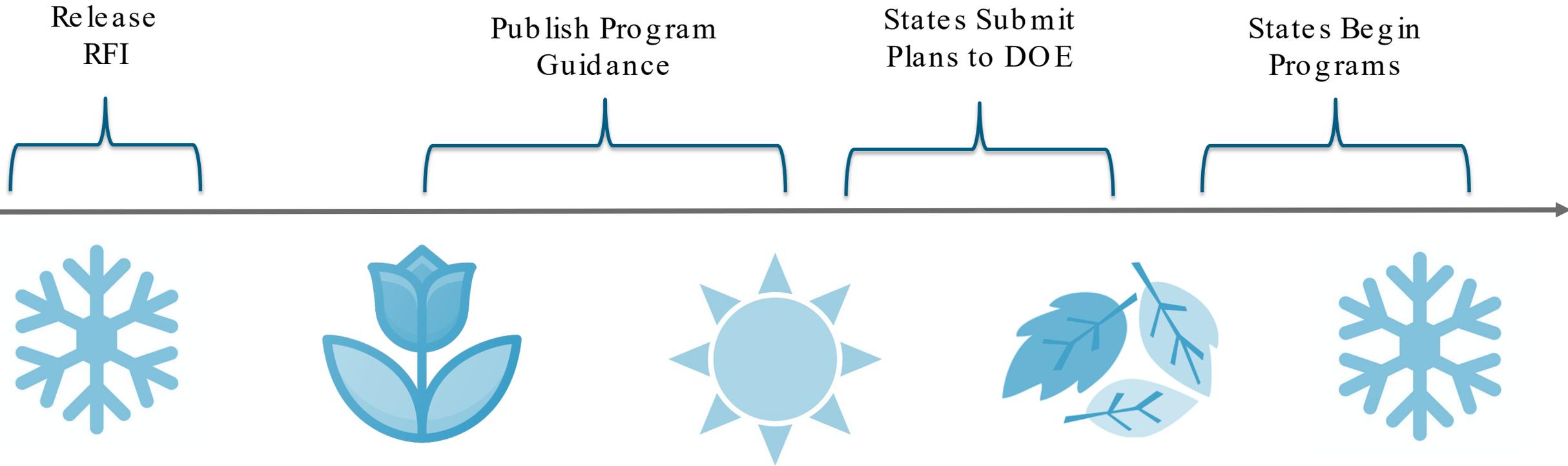
Release: January / February 2023

Just launched! Program website: <https://www.energy.gov/scep/home-energy-rebate-program>

Rebate Program Key Questions for Assuring High Impact

Program Design	<p>What elements of a rebate program would benefit from having regional or national consistency?</p> <ul style="list-style-type: none">• E.g., determination of participant eligibility, proof of replacement, haul-away and recycling requirements, application submittal and processing, requirements for program partners, etc.
Technical Assistance	<p>What program design and implementation support from DOE and national labs would be most useful to states, tribes, and other program implementers?</p>
Program Administration	<p>What are best practices for administering/processing the rebates?</p> <ul style="list-style-type: none">• e.g., rebate processors, coordination between program implementers, utilities, retailers, wholesalers, contractors
Income Eligibility Verification	<p>How can we make income eligibility verification simple and effective? What are best practices and preferences for various point of sale rebate claiming systems and consumer payment types?</p> <ul style="list-style-type: none">• E.g., first-come, first-serve, vouchers, discounts, check, prepaid card, etc.

Estimated Program Development Timeline



Stay Connected

- Visit our website for more information:
www.energy.gov/scep/home-energy-rebate-program
- For questions, contact us at irahomerebates@hq.doe.gov
- Sign up to receive news, events, and more from the [State and Local Solution Center](#).

Thank You!

Questions or Comments?
IRAHomeRebates@hq.doe.gov
EEWorkforcePrograms@hq.doe.gov



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