

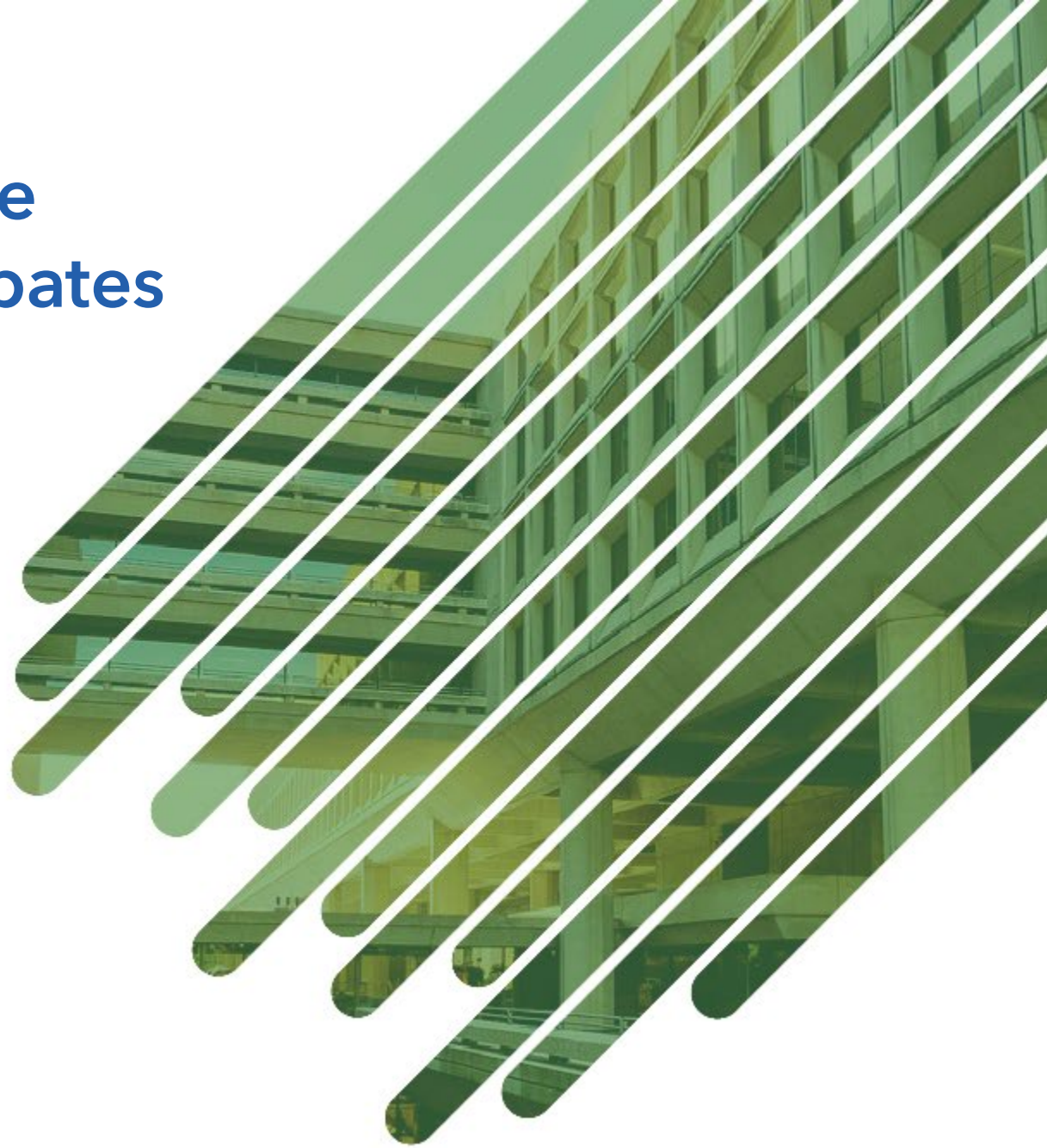
Home Efficiency Rebates & Home Electrification and Appliance Rebates

Inflation Reduction Act Provisions 50121 & 50122




SCEP

STATE & COMMUNITY ENERGY PROGRAMS




It's Finally Here!



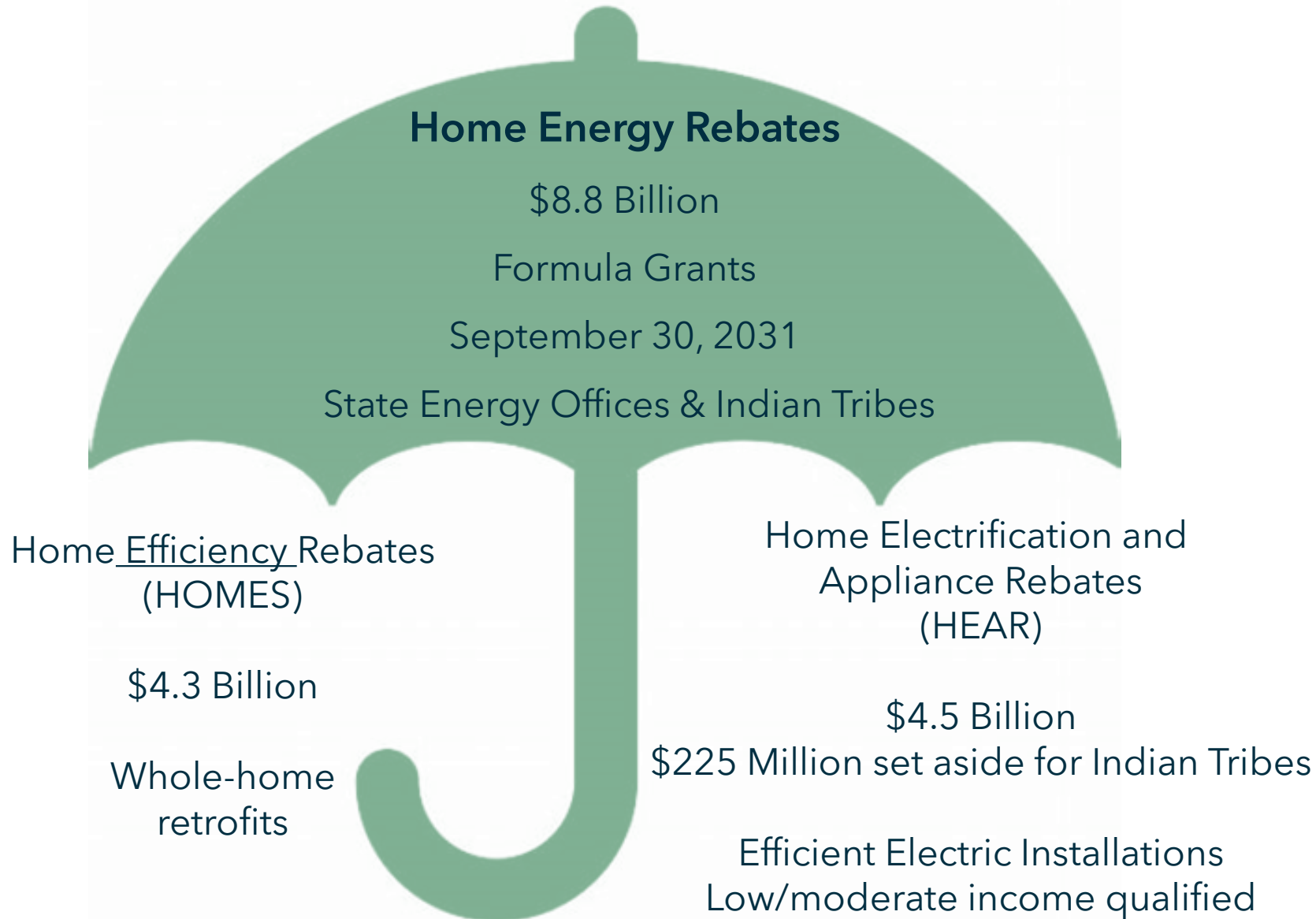
State guidance is here for Home Energy Rebates Programs

States and territories can now submit applications to develop home efficiency and home electrification and appliance programs



SCEP
STATE & COMMUNITY ENERGY PROGRAMS

Home Efficiency & Electrification Rebates



Eligible to Single Family and Multi Family Homes

Payments increase for low and moderate income

Low Income - less than 80% Area Median Income

Moderate Income - 80-150% Area Median Income

Prohibition on Combining with other federal rebates

Home Energy Rebate Provisions: Details

50121: Efficiency “Whole Home” Rebates Administered by States/Territories

Level of Savings	Maximum Rebate Amount Greater than 80% AMI / Less than 80% AMI
20-35% savings	<ul style="list-style-type: none"> \$2000 / \$4000 Up to 50% Cost / Up to 80% Cost
More than 35% savings	<ul style="list-style-type: none"> \$4000 / \$8000 Up to 50% Cost / Up to 80% Cost
Exception for Low-Income (<80% AMI)	<ul style="list-style-type: none"> States can request to raise rebate amount
Exception for “Measured Savings” Approach	<ul style="list-style-type: none"> Can begin as low as 15% savings No maximum savings or rebate amount Increased payment rate for low-income

50122: Electrification and Appliance Rebates Administered by States/Territories/Tribes



Upgrade Type	Equipment/Service	Maximum Amount
Appliance Upgrades	Heat Pump Water Heater	\$1,750
	Heat Pump for Space Heating or Cooling	\$8,000
	Electric Stove, Cooktop, Range, Oven, or 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 per home or unit		\$14,000

Potentially Eligible Equipment & Housing Types



IRA authorizes some type of Home Energy Rebate for the following technologies and housing types



Electric Heat Pump Clothes Dryer



Electric Heat Pump for Heat & A/C



Electric Heat Pump Water Heaters



Whole Home Air Sealing



Duct Sealing & Insulation



& Potentially Other Energy-Saving Technology!



Attic, Wall, or Foundation Insulation



Ventilation Systems



Smart, Energy-Saving Technology



Electric Panel & Wiring Upgrades



Electric Stove, Cooktop, Range, Oven



Single-Family Homes & Multifamily Buildings



New Construction & Existing Housing Units



Owner-Occupied & Rental Properties

State & Territory Home Energy Rebate Allocations

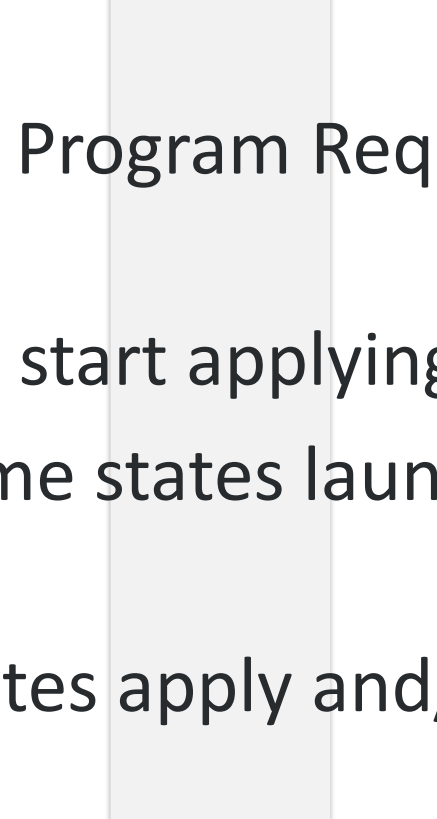
Alabama	\$146 M	Iowa	\$121 M	New Mexico	\$88 M	Virginia	\$189 M
Alaska	\$75 M	Kansas	\$106 M	New York	\$318 M	Washington	\$166 M
Arizona	\$153 M	Kentucky	\$134 M	North Carolina	\$209 M	West Virginia	\$88 M
Arkansas	\$105 M	Louisiana	\$213 M	North Dakota	\$74 M	Wisconsin	\$149 M
American Samoa	\$50 M	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		
Connecticut	\$99 M	Michigan	\$211 M	Pennsylvania	\$259 M		
District of Columbia	\$59 M	Minnesota	\$148 M	Puerto Rico	\$85 M		
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		
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		

Up to 20% of these funds may be used for program administration.

Allocation of \$225M designated for Indian Tribes has not yet been determined.

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>

Timeline

- **August 2022:** IRA Passes
 - **July 2023:** DOE issues Home Energy Rebates Program Requirements and opens application process
 - **December 2023:** State Energy Offices (SEOs) start applying
 - **Spring 2024:** SEOs continue to apply and some states launch programs
 - **Summer 2024- January 2025:** Remaining states apply and/or launch programs
- 

Key Multifamily Considerations

- Rebates are renter and multifamily building owner friendly
 - States are to design each rebate program to be capable of delivering the rebate allocations to low-income single-family and multifamily households.
- States must allocate at least 10% of their rebate funding to serve low-income multifamily buildings.
 - **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.
 - **Low-income multifamily building.** A building with at least 50% of households with incomes less than 80% AMI (<80%).
- Rebates can be applied to fund efficiency and electrification upgrades in common areas and central systems
- Individual household rebate limits can be aggregated in multifamily buildings
- States and territories must enforce minimum affordability requirements and tenant protections for renters

Summary of Rebates for Affordable Housing

The following rebates are available for single family homes where household income is below 80% AMI and in multifamily buildings where more than half of households have incomes below

Rebate Type	Rebate Amount
Efficiency Rebates	<p>Rebate level varies depending on the level of efficiency improvements, with the higher rebates requiring energy savings $\geq 35\%$.</p> <p>Limits (*states can raise caps for low-income MF buildings):</p> <ul style="list-style-type: none">• Not to exceed 80% of project costs• Not to exceed \$8,000 per home or per housing unit• Not to exceed \$400,000 per multifamily building
Electrification Rebates	<ul style="list-style-type: none">• Up to 100% of project costs not to exceed max rebate level in statute or \$14,000 per home or per housing unit

Opportunities for Affordable Multifamily Housing

- **Establish relationships/partnerships with State Energy Offices**
 - Is there a direct role for HFAs (e.g., marketing and outreach to owners, support energy audits/planning for building owners)?
 - How can rebate funds be integrated into capital stacks of LIHTC projects?
 - What do you need from an owner-perspective? What's working in the state, what isn't?
- **Braid rebates with existing programs serving LMI households (e.g., WAP and utility-funded programs)**
 - What programs are offered throughout the state that support EE and/or electrification? How can you engage with those program administrators? Have you done energy planning for your portfolio?
 - Guidance forthcoming on combining rebates with out federal, state, and local resources
- **Evaluate in-state multifamily workforce**
 - Is there a workforce actively involved in whole-home energy efficiency and electrification in multifamily buildings? What resources can help strengthen and expand this workforce?

- Released 2/15
- <https://www.energy.gov/scep/articles/case-study-using-whole-home-energy-rebates-preserve-affordable-multifamily-housing>



Home Efficiency Rebates (IRA Section 50121) Case Study: Using Whole Home Energy Rebates to Preserve Affordable Multifamily Housing

February 2024

Table of Contents

Introduction.....	2
Background on Home Efficiency Rebates.....	2
Background on LIHTCs	3
Focus on Affordability and Multifamily Housing within the Home Efficiency Rebates Program	5
Income Verification and Categorical Eligibility	6
Guidance Regarding Multifamily Building Owners	6
Guidance Regarding Multiple Sources of Federal Funding	7
Coordinating Home Efficiency Rebates and LIHTC.....	8
Example of Blending Home Efficiency Rebates and LIHTC.....	10
Additional Approaches.....	12
Conclusion.....	12

Key Takeaways

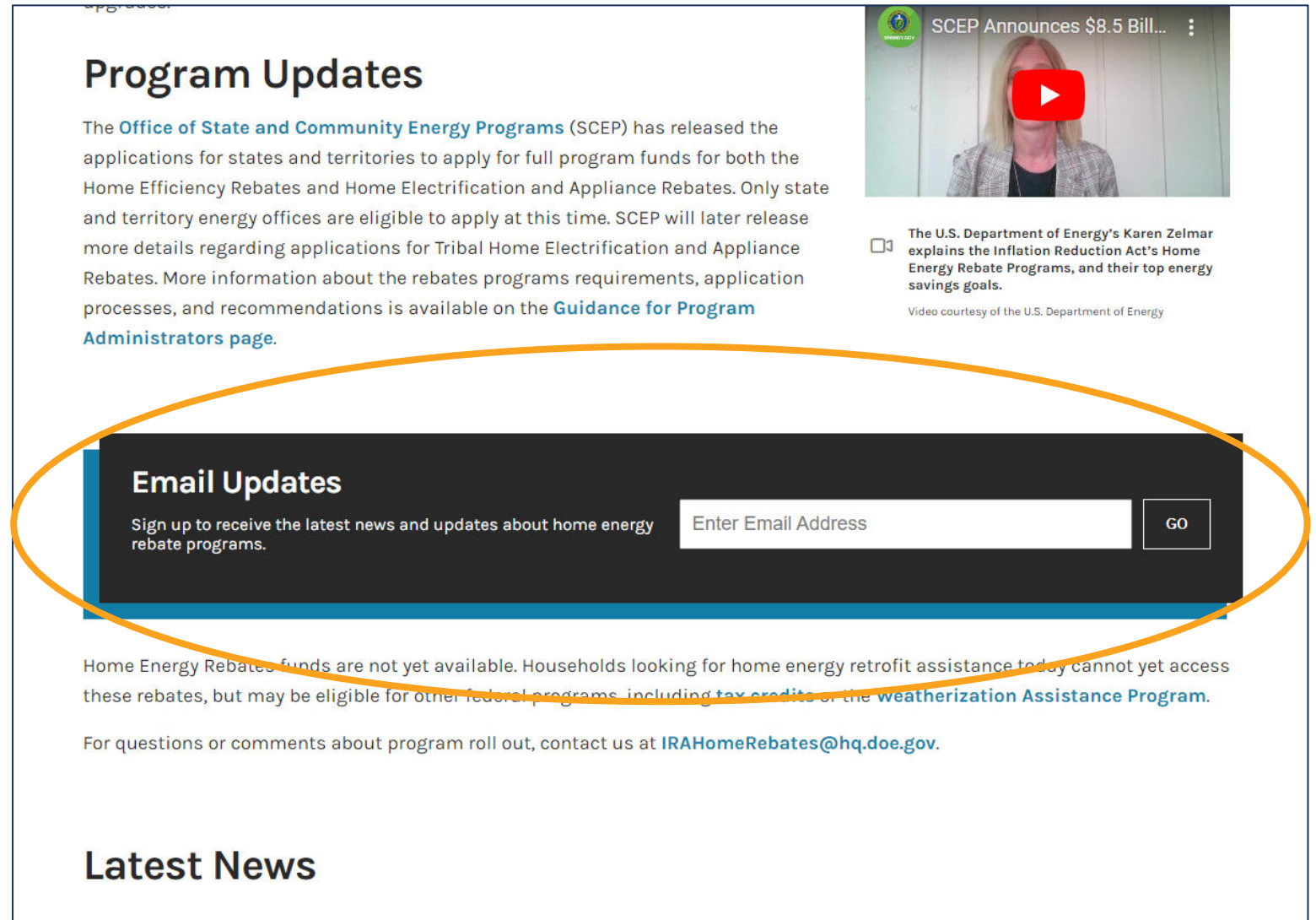
- Rebates cannot be administered as loans but can be an important source of gap funding
- Combining rebates and LIHTC is feasible; however, design will vary across states and projects.
- FAQ: Can a part-owner of a multifamily building apply for and receive a rebate as the building's owner?"
 - “Yes, as long as the entity (e.g., partnership, LLC, etc.) that owns the building agrees in writing that the part owner who will apply for and receive the rebate (1) is authorized to do so, (2) will be the sole recipient of the rebate on behalf of the entity, and (3) is authorized to carry out the work on behalf of the entity.”
- The impact on eligible basis, taxable income, the expense of bridge lending, and timing of the funds will also vary.

Example Project Approach Workflow

Eligible rebate recipient May be any member of a tax credit partnership, with the consent of the other members	State Energy Office or Designated Subgrantee
1. Applies for rebate reservation, using the modeled pathway	2. Issues a rebate reservation letter if the model is approved and demonstrates at least a 20% energy savings
3. Closes on construction financing, including the cost of the work to be funded by the rebates	
4. After improvements are complete, submits post-construction information to claim rebate funds	5. Processes the request and remits rebate funds within four weeks to the eligible rebate recipient
6. Loans or grants rebate funds to the tax credit partnership to take out a portion of the construction loan prior to conversion to permanent financing	

How Do I Hear About Updates?

Be sure to sign up for program updates on the DOE SCEP Home Energy Rebates Program Website!



Program Updates

The **Office of State and Community Energy Programs** (SCEP) has released the applications for states and territories to apply for full program funds for both the Home Efficiency Rebates and Home Electrification and Appliance Rebates. Only state and territory energy offices are eligible to apply at this time. SCEP will later release more details regarding applications for Tribal Home Electrification and Appliance Rebates. More information about the rebates programs requirements, application processes, and recommendations is available on the [Guidance for Program Administrators page](#).

Video: SCEP Announces \$8.5 Bill...
The U.S. Department of Energy's Karen Zelmar explains the Inflation Reduction Act's Home Energy Rebate Programs, and their top energy savings goals.
Video courtesy of the U.S. Department of Energy

Email Updates

Sign up to receive the latest news and updates about home energy rebate programs.

Enter Email Address

GO

Home Energy Rebates funds are not yet available. Households looking for home energy retrofit assistance today cannot yet access these rebates, but may be eligible for other federal programs, including [tax credits](#) or the [weatherization Assistance Program](#).

For questions or comments about program roll out, contact us at IRAHomeRebates@hq.doe.gov.

Latest News

Thank You



SCEP

STATE & COMMUNITY ENERGY PROGRAMS