

Welcome!

New York State Public Webinar:
Inflation Reduction Act (IRA): Home Energy
Rebate Programs & Training Grants

December 6, 2023
Webinar




NYSERDA

Webinar Logistics

WebEx Chat and Q&A Functionality

- **Chat Function** is visible to Presenters/Hosts only. Participants should only use Chat to seek help with webinar-related technical issues. Kearns & West's Facilitation Team will respond and resolve as quickly as possible.
- **Q&A Function** should be used to contribute **written comments or questions**, particularly for those registrants who, due to high demand, may not have an opportunity to provide verbal comments. All verbal and written stakeholder input received in prior convenings, during today's webinar, and submitted to NYSERDA by 12/20 will be incorporated into NYSERDA's published summary response expected to post early 2024.

Simultaneous Interpretation: Mandarin Chinese, Russian, Spanish, Yiddish

- 1 Before you join or during the meeting or webinar, click **Interpretation** .
- 2 Select your preferred interpretation language or **Original audio (floor)**, if you want to hear the audio without interpretation.
- 3 Use the sensitivity slider to balance the audio between the interpreter and the original audio.
- 4 Click **Join meeting**.

If the original audio is in the same language as your preferred interpretation language and the interpreter stops speaking, after a few seconds, you hear the original audio.

Our Agenda

9:00 – 9:05 | Introductions and Webinar Logistics

9:05 – 9:45 | IRA Overview & Housing-Focused Decarbonization & Contractor Training Funding

> Overview of Inflation Reduction Act (IRA)

> The IRA Home Energy Rebate Programs & Contractor Efficiency Training Grant

- How do these Federal programs work?
- How much funding will NYS receive?
- How can households qualify for the rebates?
- How do these programs support contractors?

> How will NYSERDA ensure the Home Energy Rebate Program funds reach New York households?

9:45 – 10:00 | What's Ahead

10:00 – 11:00 | Participant Comments

Introductions

NYSERDA:

Susanne DesRoches

Vice President, Clean and Resilient Buildings

Courtney Moriarta

Director, Single Family Residential

Kearns & West:

Trevor Reddick

Director



IRA Background and Overview

Historic Federal Climate Action

Landmark action by the Biden Administration and Congress through the Bipartisan Infrastructure Law (BIL), CHIPS and Science Act, and Inflation Reduction (IRA) will ...

deliver benefits for New York households and accelerate progress toward New York's climate and equity goals.

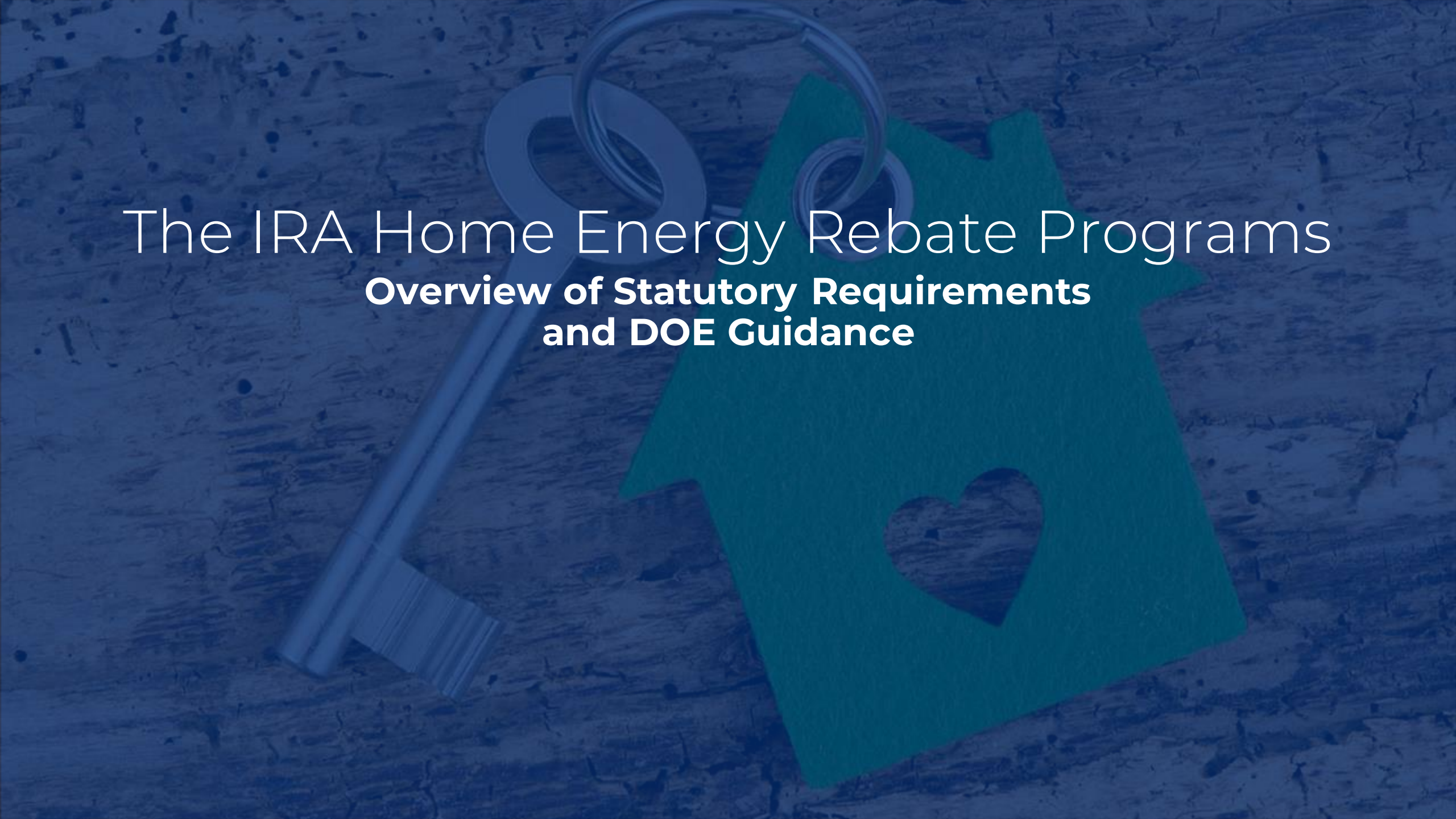
Historic Federal Climate Action – Inflation Reduction Act (IRA)

Benefits:

- > Federal funding is additional to – not a replacement for – State or ratepayer investments
- > Allows NYSERDA to serve customers statewide, including those areas (e.g., Long Island, customers of municipal electric utilities) ineligible for other programs funded by the Systems Benefits Charge (SBC)
- > Encourages coordination of funding with existing State agency and utility programs to ensure the funding is accessible to households and contractors and supports a range of initiatives and robust home improvements
- > Facilitates formal and informal partnerships specific to the federal funding with market and governmental partners with aligned interests and goals

Challenges to Navigate:

- > Careful review and compliance with federal rules and guidance will be necessary to allow leveraging federal funding in full conformance with requirements while streamlining customer journey
- > Certain rules and requirements complicate our ability to integrate funding with certain existing programs



The IRA Home Energy Rebate Programs

Overview of Statutory Requirements and DOE Guidance

What are the Home Energy Rebate Programs?

The Inflation Reduction Act of 2022 includes **two provisions** for rebates for home energy efficiency and electrification projects. These two provisions are:



Section 50121:

Home Energy Performance-Based, Whole House Rebates (Referred to as **Home Efficiency Rebates, or HER**)



Section 50122:

High-Efficiency Electric Home Rebate Program (Referred to as **Home Electrification and Appliance Rebates, or HEAR**)

Together, these provisions are referred to as the **Home Energy Rebates**

New York State will receive a total of **\$317.7 million** for the Home Energy Rebates, for a budget period no later than **September 30, 2031**

HER | Total: \$159.3 million

HEAR | Total: \$158.4 million

Home Energy Rebate Programs

DOE's Overarching Outcomes

States may take various approaches in developing their implementation plans to emphasize these outcomes:

Well established exemplary and innovative efficiency and electrification programs

Widespread access and uptake for disadvantaged communities and lower energy burden for low-income households

Proven value streams and roles for sustained investments to continue market transformation

Reduced pollution from buildings in support of climate action and improved public health

Which Households Qualify for the Performance-based Home Energy Rebate (**HER**) Program?



Rebates are available to households of any income.

Single-family homes and multifamily buildings are eligible.

Rebates are available to individuals and aggregators carrying out energy efficiency upgrades of single-family homes and multifamily buildings.

New construction projects are not eligible.

States may choose to restrict program eligibility to a narrower set of households, existing conditions, and/or technologies than those articulated in the law.

HER Rebate Amount



Energy Savings (whole house)	Income >80% AMI		Income <80% AMI	
20-34% Modeled	\$2,000/home (max \$200,000 for MF)	Up to 50% of total project cost	\$4,000/home	Up to 80% of total project cost
35%+ Modeled	\$4,000/home (max \$400,000 for MF)		\$8,000/home	
----- OR -----				
15%+ Measured	Per kWh rate equivalent to \$2,000 for a 20% reduction of energy use for average home in the state	Up to 50% of total project cost	Per kWh rate equivalent to \$4,000 for a 20% reduction of energy use for average home in the state	Up to 80% of total project cost
MF buildings require “not less than 50%” of occupants to meet the eligible income level to qualify				

Which Households Qualify for Home Electrification and Appliance (**HEAR**) Rebates?



The law specifies that HEAR is available to:

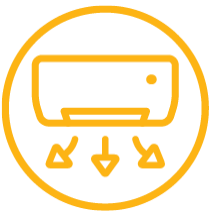
- > Low- or moderate-income households, defined as less than 150% Area Median Income (AMI)
- > Individuals or entities that own a multifamily building with low- or moderate-income households comprising at least 50% of the residents, and
- > Governmental, commercial, or nonprofit entities implementing projects for low- or moderate-income households or multifamily owners.

HEAR may cover up to 100% of a total qualified electrification project's cost for households with a total annual income less than 80% AMI.

States may decide if new construction projects are eligible.

States may choose to restrict program eligibility to a narrower set of households, existing conditions, and/or technologies than is articulated in the law but may not further restrict income eligibility rules.

HEAR Eligible Measures and Rebate Amounts



Measure Type	Rebate Amount	80-150% AMI	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 50% of total project cost	Up to 100% of total project cost
Heat Pump	\$8,000		
Electric Cooking Appliance	\$840		
Heat Pump Clothes Dryer	\$840		
Electrical Service Upgrade	\$4,000		
Electrical Wiring Upgrade	\$2,500		
Insulation, Air Sealing, Ventilation	\$1,600		
Maximum per home	\$14,000		

Multifamily buildings require “not less than 50%” of occupants to meet the eligible income level to qualify

Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”

Appliances, systems, equipment, infrastructure, and components must be ENERGY STAR certified if applicable

HER and HEAR for Multifamily

Multifamily buildings are eligible for both HER and HEAR

- > DOE requires a minimum of 10% of total rebates (~\$25.4M) be allocated to multifamily low-income (<80% AMI)
- > DOE defines multifamily differently than NYSERDA and NY utilities, as follows:
 - **U.S. DOE:** buildings with 2+ dwelling units
 - **NYSERDA/Utility programs:** buildings with 5+ dwelling units
- > Multifamily buildings with at least 50% income-eligible residents qualify for both HER/HEAR Rebates
- > DOE provides a list of federal programs approved for categorical LMI eligibility (e.g. LIHTC, WAP, Section 8, Public Housing)
- > ENERGY STAR requirements might limit eligibility for some measures



Support for Contractors on Home Energy Rebate Projects

Sec. 50123: Training for Residential Energy Contractors

- > To provide training and education to contractors involved in the installation of home efficiency and electrification improvements
- > DOE will allocate \$200 million total to states or other entities via formula and/or competitive grants
- > NYS Contractor Training formula grant allocation is \$6.4 million. Application is due January 2024.
- > A state may use the funding to:
 - Reduce the cost of training contractor employees
 - Provide testing and certification of contractors trained and educated under a State program
 - Partner with nonprofit organizations to develop and implement a state program
- > NYSERDA expects additional competitive funding opportunities to be announced in 2024.



How will NYSERDA ensure Home Energy Rebates and training opportunities reach NYS Households?

Key Program Design and Implementation Objectives

- > Leverage existing NYSERDA programs to accelerate and simplify New Yorkers' access to Home Energy Rebates and enable braiding of other funding sources, where possible, to meet customer needs.
- > Minimize market confusion by avoiding having competing offers in the market
- > Create a seamless experience for customers and contractors
- > Provide clear, concise information on all available offers
- > Offer customized, decision-quality recommendations to customers to enable informed decision-making and maximize impact
- > Ensure equitable distribution of funding across single family, small multi-unit residences (2-4 units), and larger multifamily building (<5 units)

Maximizing Rebate Impact: Braiding Funding

Stacking Home Energy Rebates with non-federal funds (like NYSERDA's programs) is **generally allowable and encouraged** only if the **total rebated value does not exceed the total cost of the project**

Stacking HER and HEAR incentives is **allowable at the project level**, but cannot be combined at the measure level

NYSERDA already manages multiple funding sources, especially for EmPower+, and funding braiding must be designed in a way to optimize each source's priorities, regulations, and budget cycles

DOE is working to develop guidance materials for fund braiding and more information will be available at a later date

Funding Allocations for Low-Income Households (HER & HEAR)

At a minimum, each state must adhere to low-income eligibility considerations:

>Allocate a percentage of its rebate funding for each of the rebate programs in line with its percentage of low-income households.

- In New York State, **approximately 41% of households are eligible for rebates** as low-income households (defined as <80% AMI).
- In New York, **minimum rebate allocation** to low-income households is **\$104.2 million**
- NYSERDA will also invest 35% of the funds, with the goal of 40%, in disadvantaged communities, in line with the NYS Climate Act and Justice 40 criteria

>Allocate at least 10% additionally of its rebate funding to serve low-income multifamily buildings.

- In New York, **minimum rebate allocation** to low-income multifamily buildings is **\$25.4 million**



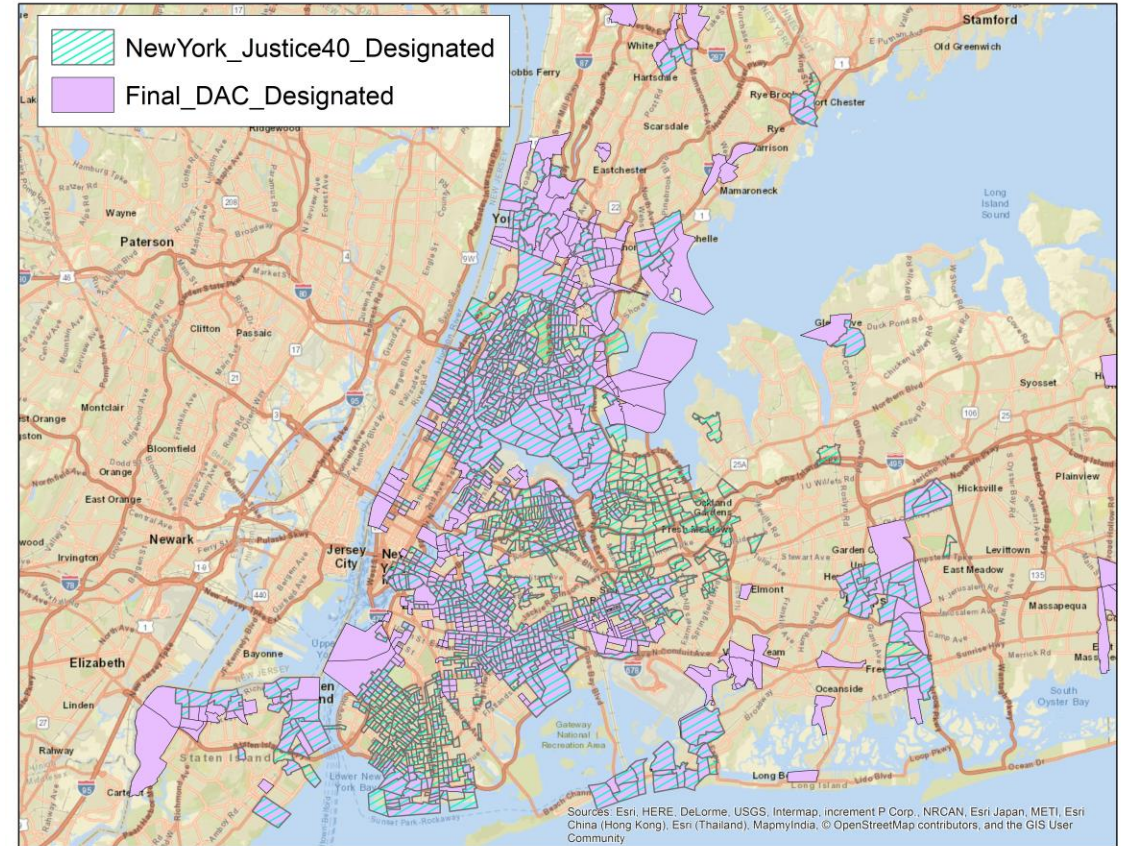
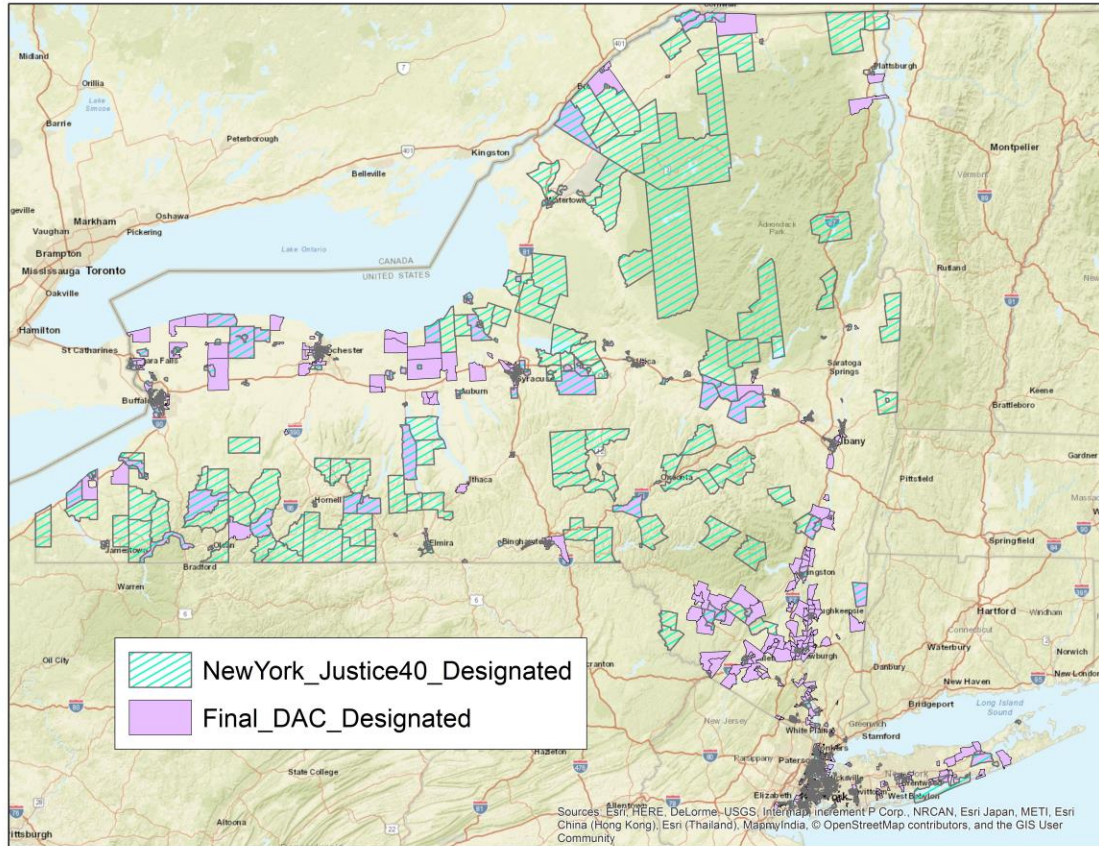
Workforce Development

Provide states the ability to develop and implement a state workforce energy program that prepares workers to deliver energy efficiency, electrification, and clean energy improvements, including those covered under HOMES and HEAR.

- > Subsidize certifications and associated training for energy auditors, homes performance contractors, and HVAC contractors
- > Offer higher incentives for:
 - Individuals who are residents of Disadvantaged Communities and/or meet NYSERDA's Priority Population criteria
 - Employees of Minority-Owned, Women-Owned, Service-Disabled Veteran, and Veteran Owned Businesses

These activities will provide career pathways for new and existing workers and promote Diversity, Equity, Inclusion, and Accessibility in related workforce programs

NYS Disadvantaged Communities and Federal Justice 40 Alignment



- > Justice 40 objectives require that 40% of all benefits from Federal investments flow to disadvantaged communities (DACs)
- > HER program provides for \$200 bonus incentive to contractors for projects within DACs



What's Ahead?

DOE Application Requirements & Considerations

States are required to submit an application followed by an implementation "blueprint" that collectively address all of the following elements. States may rely on existing programs and infrastructure to meet these requirements.

- > Budget Allocations
- > Community Benefits Plans
- > Consumer Education and Outreach Plan
- > Consumer Protection Plan through Quality Assurance
- > Customer Application Process
- > Data Collection and Evaluation
- > Data Protection and Data Standards
- > Delivering Rebates to Consumers
- > Energy Savings Calculations
- > Home Energy Assessments
- > Integrating with Other Programs
- > Market Transformation Plan
- > Maximize Rebate Impact
- > Multifamily Considerations
- > Post Installation Certificate
- > Qualified Measures
- > Quick Start Program
- > Utility Data Access Plan
- > Privacy and Security Risk Assessment for State Systems

Timeline for Home Energy Rebates: Phased Roll-Out

Spring/Summer '23

Fall/Winter '23

Q1 2024*

Q2-Q4 2024*

- Systems Planning
- RFI response submitted to DOE
- **Stakeholder engagements and cross-state collaboration**

- NYSERDA secured early Admin funding from DOE
- Rules review and clarification with DOE
- **Stakeholder engagement on HEAR/HER rules & considerations**
- Possible pursuit of accelerated application to DOE to expedite New Yorkers' access to rebates and benefits (*tentative/TBC*)

- Possible DOE review and approval of application and release of funding (*tentative/TBC*)
- **Stakeholder engagement** on strategy and program design for "shovel-ready" elements of Rebate programs.
- Contractor training & customer outreach
- Possible in-market launch of rebate funding for certain "shovel-ready" elements.

- **Stakeholder engagement and working groups** to shape forthcoming offerings and drive continuous improvement of active programs.
- NYSERDA delivers a phased roll-out of full range of Home Energy Rebate funding for all eligible customer segments by end of 2024.

* estimated

Thank you for your input!

These discussions help ensure the IRA Home Energy Rebates and Training funding and co-benefits flow to all eligible NY residents as smoothly as possible through thoughtful program design and robust community outreach.

> **Initial Stakeholder Sessions**

- Residential Market Advisory Group
- Community Stakeholders Workshop
- Participating Contractors Workshop
- Today's public webinar!
 - 1,300 registrants and ~150 questions submitted

> **We Encourage Continued Input on IRA's Home Energy Rebates & Training Grants**

- Send written comments to residential.ira@nyserda.ny.gov by Wed., December 20th
- In early 2024, NYSERDA will publish a comprehensive summary of and responses to stakeholder input and its influence on proposed program plans.

> **Upcoming Stakeholder Engagements and Working Groups:**

- Utility Collaboration
- Multifamily Market Partners & Affordable Housing Providers
- Contractors & Outreach Partners
- Retailers
- Product Manufacturers
- Others as needed

RESOURCES

Links to Learn More and Stay Engaged

> **More Information on the Inflation Reduction Act:**

<https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act>

> **DOE Guidance on Home Energy Rebate Programs:**

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

> **IRS Guidance on Energy-related Tax Credits and Deductions:**

<https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022>

> **State-Based Home Efficiency Contractor Training Grants**

<https://www.energy.gov/scep/state-based-home-energy-efficiency-contractor-training-grants>

> **Stay engaged by following NYSERDA's Residential Market Advisory Group:**

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Participant Comments

Please use the **Q&A Function** to submit all content related questions and commentary.

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Thank you

