



Context

On April 5, 2024, the New York State Energy Research and Development Authority (NYSERDA) hosted a multifamily focus group session to provide updates and gather input on multifamily residential programs that are part of New York’s implementation of the federal Inflation Reduction Act’s (IRA) Home Energy Rebate programs: the Home Efficiency Rebates (HER) Program and Home Electrification and Appliance Rebates (HEAR) Program. In total, 43 individuals attended the meeting, with representation from energy consulting firms, community-based organizations, contractors, developers, financial services, and local and state government.

This virtual focus group provided an overview of the proposed NYSERDA multifamily residential components of IRA Home Energy Rebate programs, implementation considerations, and how these programs can incentivize the transition to a cleaner, more efficient, and resilient building stock while delivering benefits to residents and businesses, specifically those in disadvantaged communities. Stakeholders received information on a “One-Stop Shop” multifamily program platform proposal and contributed insights into NYSERDA program design and implementation via facilitated conversation in breakout sessions.

This focus group session was part of NYSERDA’s comprehensive stakeholder engagement process on the topic of New York’s implementation of Home Energy Rebates funded by the federal Inflation Reduction Act. This process, aimed at gathering market insights to inform equitable program design and implementation, began in October 2023. Stakeholder input helped inform NYSERDA’s partial-scope application for the Home Electrification and Appliance Rebates (HEAR), submitted to the Department of Energy (DOE) in December 2023, for rebates to be delivered to low- to moderate-income (LMI) residents through NYSERDA’s EmPower+ program. This partial-scope application was approved by DOE in April 2024, and we expect initial HEAR funding to be available through EmPower+ in the summer of 2024.

MULTIFAMILY FOCUS GROUP-KEY TAKEAWAYS

Inflation Reduction Act Home Energy Rebates Program Stakeholder Engagement



NYSERDA

Summary of IRA Home Energy Rebate Program Takeaways

Thematic Commentary	What We Heard
Equity & Access	<ul style="list-style-type: none">• Participants indicated that CAPEX and OPEX associated with heat pump installations and other energy-efficient upgrades may be cost-inhibitive for segments of multifamily building owners, especially in affordable housing. Developing assistance programs akin to those managed by utilities was identified as a potential solution.• Stakeholders noted their understanding that LMI homes that are not located in a NYS-designated Disadvantaged Community (DAC) census tract are still considered to fall within the DAC classification for purposes of reporting, and that any mapping and/or program eligibility qualifications should reflect this.• CBOs indicated that affordable housing developments often incur substantial costs when trying to connect with contractors. Specifically, around the following issues:<ul style="list-style-type: none">• Lost time and expended capital searching for contractors willing to take on affordable housing projects. Participants proposed providing contractors a list of designated affordable housing types with the option to self-select projects that they are interested in working on. This approach could minimize lead time and costs that DACs and residents incur in sourcing contractors.• Another concern raised was the coordination challenges during the transition when dealing with contractors or firms that only specialize in either design or installation, not both. This restriction meant that prior design work products and assessments may be discarded or discredited by the implementation contractor. Participants suggested NYSERDA consider introducing a requirement for the upfront identification of a project team for the full project lifecycle as part of the initial pairing process between contractors and customers. This can help avoid stalled projects or unnecessary duplications of work when there are differing opinions on design.
Eligibility	<ul style="list-style-type: none">• Stakeholders discussed the challenge that heating and air conditioning are metered separately in affordable housing. Participants were concerned about how measures could be implemented given multi-unit metering, as well as how residents can be prepared for rising costs from electrification. Both technical and program design concerns were noted as topics worthy of additional follow-up.• Expanding access of Home Energy Rebates to building owners that do not pay into the Systems Benefit Charge was noted as important as it helps address affordable housing that use oil as the primary heating fuel. This was noted as especially important for supporting these building owners to achieve compliance with Local Law 97.

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NYSERDA

Summary of IRA Home Energy Rebate Program Takeaways continued

Thematic Commentary	What We Heard
Eligibility (continued)	<ul style="list-style-type: none"> Participants involved in clean energy project design and construction were concerned that the ENERGY STAR certification requirements would represent a significant challenge, potentially affecting uptake in LMI households and buildings in DACs. They attributed the slow uptake of Low Carbon Pathways Program projects for affordable multifamily buildings in part to the program’s ENERGY STAR certification requirements. Suggestions were made for NYSERDA to consider adopting the approach used in the New York Clean Heat Program where manufacturers are offered an incentive, thus making the ENERGY STAR certified equipment more affordable.
Layering of Funds	<ul style="list-style-type: none"> Stakeholders suggested introducing the following digital resources to facilitate understanding of program offerings and nuance: Rebate Calculator that shows how incentive levels change when different rebates are combined simultaneously. There will be confusion in the market given that incentive rates change depending on the number and types of qualifying measures included in the project. Guidance on how to Stack Incentives: Guides on how qualifications for different programs overlap and how projects can combine federal, state, and other incentives was noted as especially important for contractors. How HER and HEAR rebates interact with the Weatherization Assistance Program, the Green and Resilient Retrofit Program (GRRP) from HUD, and funding via the Environmental Protection Agency’s Greenhouse Gas Reduction Fund were noted as programs of interest.
Qualified Contractors	<ul style="list-style-type: none"> Participants discussed how the expectation that contractors provide the upfront capital for the installation of qualifying measures is an access issue, especially for small businesses who don’t have access to financing. Several potential solutions were discussed, including: Progress payments for contractors. Offer zero-percent interest (0% interest) bridge financing for contractors. Identify advantageous financing opportunities through private markets and public, like the New York Green Bank.

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Summary of IRA Home Energy Rebate Program Takeaways

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One-Stop Shop Application	<ul style="list-style-type: none">• Participants representing CBOs indicated that the Common Application is valuable as it streamlines administrative responsibilities. Aggregators who support customers in the design of projects and project administration indicated excitement for a single portal addressing coordination needs for multiple residential clean energy and energy efficiency program administrators. It addressed the following:• Streamlines administrative responsibilities• Live process tracker for application to be used by customers• Role of Advisors of the primary coordinator of the application• Portal design can be similar an efficient Comparable Program - the NYSERDA Low-Carbon Capital Planning Support for Multifamily Buildings• The value of having a single contractor or solution provider serve as the primary coordinator and interface between customers and program administrators was discussed. Several participants noted that given complexity of the process that energy advisors will be an important component of a successful rollout and that connecting customers with advisors should be a major consideration.• CBOs and engineering firms that offer project design and implementation in LMI households and for multifamily properties in DACs indicated that the Common Application approach, if done effectively by coordinating amongst various program administrators on the backend while providing a unified customer experience, can help energy advisors actualize more incentives for customers and substantially reduce the administrative costs of managing a project’s capital stack.

MULTIFAMILY FOCUS GROUP-KEY TAKEAWAYS

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NYSERDA

Summary of IRA Home Energy Rebate Program Takeaways

Thematic Commentary	What We Heard
Outreach and Further stakeholder engagement recommendations	<ul style="list-style-type: none">• NYSERDA was encouraged to consider how to coordinate rollout and messaging with local agencies. Specifically, local housing agencies seek additional clarity on timeframe for the availability of Home Energy Rebates to help guide their project planning and pursuit of funding and financing opportunities.• NYSERDA was implored to collaborate with existing CBOs, non-profits like the NYC Accelerator, the Association of Energy Engineers (AEE), and other external parties to collect information shared in multiple venues by multiple organizations. NYSERDA can raise awareness via presentations on the available programs and solicit expert insight to inform program design.• Recommendations were made by participants on communications strategies that NYSERDA and others should pursue in program design and implementation. These communication strategies could use the following channels; Digital Materials, Intergovernmental Coordination Platforms, and Planning Workshops. The following are topics of interest that participants identified:<ul style="list-style-type: none">• Expand messaging beyond climate• Financing Workshops• Coordinate with Other State Agencies on Messaging• Customer journey workshop• Comprehensive Frequently Asked Questions