



Context

On April 11, 2024, the New York State Energy Research and Development Authority (NYSERDA) held a virtual focus group session to provide updates and gather input on program design elements of Retail Point-of-Sale (POS) appliance rebates for the residential market. In total, 68 individuals attended the meeting, including 11 NYSERDA staff, with the following market segments represented: community-based organizations, contractors, retailers, energy consulting firms, manufacturers, financial services, and local and state government.

This virtual focus group provided an overview of the Retail Point-of-Sale (POS) appliance rebate components of the Inflation Reduction Act (IRA) Home Electrification and Appliance Rebates (HEAR) program as well as implementation considerations. NYSERDA staff presented a preliminary draft approach and design methodologies to the Retail POS Focus Group to solicit their initial feedback and identify opportunities to further develop programs to align with market needs. Attendees provided input via polls throughout, and an expert panel participated in facilitated discussions on Program Approach, Program Design, and Program Communications subjects.

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 2024, 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 this initial HEAR funding to be available through EmPower+ in the summer of 2024.

This program aims to incentivize the transition to a cleaner, more efficient, and resilient building stock, and deliver benefits to residents and businesses – specifically those in disadvantaged communities.

Key Takeaways

Summary of IRA Home Energy Rebate Program Takeaways

Key Thematic Commentary	What we Heard
Equity and Access	<ul style="list-style-type: none"> • Participants noted that for purposes of the contractor incentive, Disadvantaged Community (DAC) bonuses should be made eligible to any installations made in Low- to Moderate-Income (LMI) households, based on the understanding that LMI homes are zoned as DACs for the purposes of New York State’s DAC criteria, even if the LMI homes are not located in a designated DAC census tract. It was noted that this would incentivize contractor participation and enhance uptake in LMI homes. • Discussion around the purchase phase underscored the need for clearer guidelines on who is responsible for making purchases and how these transactions are handled to prevent abuse. Concerns were also raised about the financial uncertainty faced by low-income consumers regarding the costs associated with necessary electrical upgrades. This uncertainty could deter participation, as potential applicants might fear unforeseen expenses that could render the upgrades unaffordable. Panelists emphasized the need for upfront, transparent communication about all possible costs to enhance program accessibility and success. • Throughout the discussion, the need for clear, concise, and accessible messaging was emphasized across all audience categories. Panelists advocated for simplified, streamlined processes that reduce barriers to participation and make the program more approachable for all potential participants, especially those from disadvantaged backgrounds. The integration of digital channels and the strategic use of trusted community advisors were highlighted as effective methods to enhance the reach and impact of the program.
Eligible Measures	<ul style="list-style-type: none"> • Panelists sought clarification across multiple topics, including the DOE requirement that qualifying measures for electric cooking appliances must provide proof of a gas-to-electric replacement to qualify for the rebate. • The need for a clear strategy that includes an assessment of housing insulation and air sealing before installation was noted as essential for ensuring effective energy use and cost savings for participants. • NYSERDA was urged not to restrict cooking appliance product eligibility to induction cooktops and ranges only. The big decarbonization win is getting people to switch from gas to electric; there are many lower cost conventional electric models available (including ovens); an \$840 rebate will only offset a small fraction of the average cost of induction ranges.

Summary of IRA Home Energy Rebate Program Takeaways continued

Key Thematic Commentary	What we Heard
Qualification of Contractors	<ul style="list-style-type: none"> Panelists discussed the need for coordinated efforts to address the challenges contractors will face when trying to access the programs, like local licensure requirements, retailer and contractor coordination, and further alignment on program administration requirements.
Timelines	<ul style="list-style-type: none"> The development of a real-time income verification system was discussed as a critical component to streamline the application process and ensure program integrity. Recommendations were made to unpack asynchronous versus real-time verification opportunities and how they implicate market uptake. Participants recommended that these assessments explore ideal use cases, including retailers obtaining coupons and applying rebates in real-time at their point-of-sale, in communication with NYSERDA's back-end.
	<ul style="list-style-type: none"> Retailers expressed concerns about their role in the verification process, particularly regarding their responsibilities once a discount is given at the point-of-sale. There was a consensus on the need for clear guidelines to ensure that retailers are not held accountable for customer compliance issues, and discussions on how to make the reimbursement process as seamless as possible. Panelists discussed the logistical and technical challenges of installations for participating retailers for gas-to-electric conversions. Require certain skillsets and licenses that a retailer's existing in-house or third-party provider may not hold. Laden with regulatory and safety implications, thus opening appliance dealers to liability which could deter their participation and inhibit program success. Under the current design, retailers will rely on contractors delivering qualifying post-installation proof to receive reimbursement, which could discourage participation. The requirement for proof of a 'gas-to-electric' conversion could limit some retailers' eligibility to participate in the electric cooking measure as their in-house appliance installation service provider model does not cover gas-to-electric transitions. Out of the four Point-of Sale design areas presented (installation, post-installation, purchase, and shopping), most respondents (44%) indicated that post-installation required additional clarity or represents the greatest challenge. Post installation covered DAC Bonus Verification, Retailer Reimbursement, QA/QC, and Reporting to DOE.

Summary of IRA Home Energy Rebate Program Takeaways continued

Key Thematic Commentary	What we Heard

<p>Increasing Retailer Participation (continued)</p>	<ul style="list-style-type: none"> • Enhancing coordination with the retailers on the post-installation process was identified as paramount. A panelist underscored that consumers make most home appliance purchase decisions out of necessity rather than desire, so raising awareness in advance will be key to ensure retailers are ready to capitalize on the opportunity. • NYSERDA was encouraged to incorporate the use of DIY retail point-of-sale workflows into the design of New York’s HEAR program, an example of Department of Energy (DOE)’s two published workflows, via the Pacific Northwest National Lab (PNNL), for do-it-yourself retail POS purchases. Under these workflows, reimbursement of the rebate to retailers is decoupled from subsequent steps related to installation. • Electrification Rebate Initiated by The Building Owner for Coupon Redemption at Vendor for A Single-Family, Owner-Occupied Home (DIY) • Electrification Rebate Processed Through Marketplace
<p>Communication and consumer outreach strategies</p>	<ul style="list-style-type: none"> • Panelists also discussed the importance of timely and effective educational outreach to potential consumers to illustrate the benefits of the program and how it aligns with their needs. Creating a market for these energy-efficient technologies involves not just making funds available but also ensuring that potential users understand the relevance and accessibility of these offerings. This is particularly vital in communities that may view such programs as out of reach or too complex. • The panel recognized the potential for manufacturers to contribute to awareness campaigns. Participants discussed examples of outreach models that could be emulated to bring together various manufacturers on joint awareness raising campaigns, such as: Building Decarbonization Coalition and Rewiring America. Additionally, regionally targeted awareness campaigns were suggested to incentivize manufacturer participation and overall enhance program visibility. • Panelists highlighted the effectiveness of digital marketing strategies that focus on financing options in addition to rebates. They noted that many consumers begin their product research online, and digital advertising that clearly communicates financing options has proven to drive high conversion rates.