

Overview of Inflation Reduction Act Home Rebates Programs

Public Information Sessions

June 17, 18, and 20, 2024

Updated June 21, 2024



Agenda

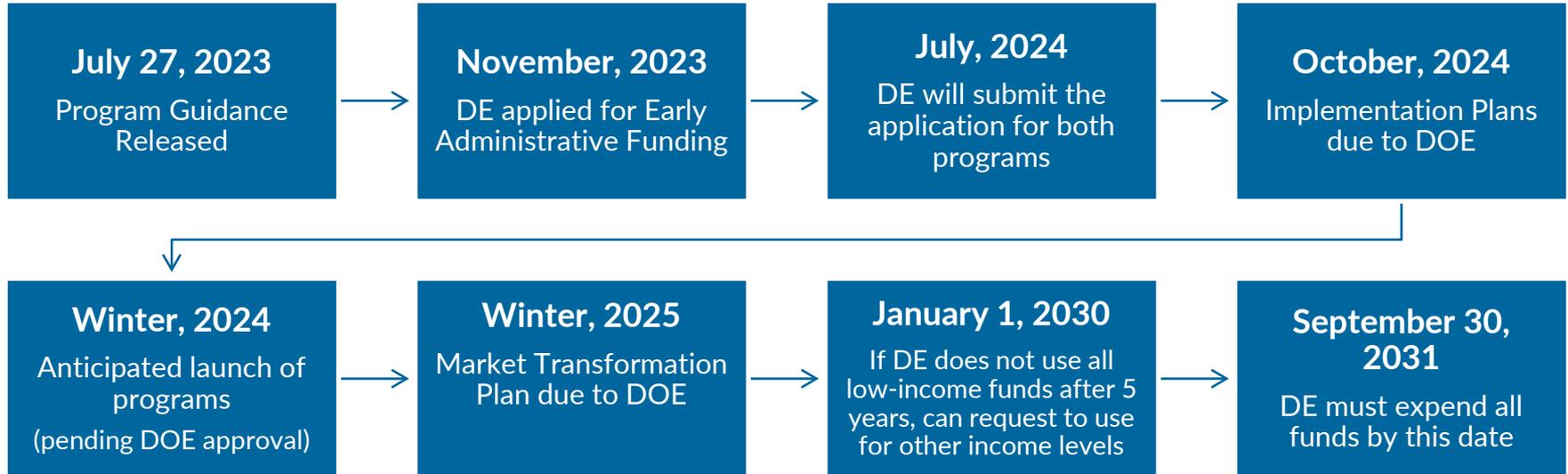
- ❖ Welcome and Introductions
- ❖ Introduction to IRA Home Energy Rebate Programs
- ❖ High-Level Overview & Guidelines
- ❖ Electrification Program
- ❖ Efficiency Program
- ❖ Next Steps



Introduction

- ❖ 50121: Home Efficiency Rebates (Efficiency)
- ❖ 50122: Home Electrification and Appliance Rebates Program (Electrification)
- ❖ Administrative and Legal Requirements Document (ALRD)
 - The ALRD serves as a comprehensive guide outlining the administrative procedures and legal obligations that must be adhered to within the Home Energy Rebates program application processes.
 - This includes the registration requirements, award information, eligibility, application requirements and submission, award distribution, common questions, agency contacts, reference materials, and other relevant legal and administrative information.

Key Dates



Funding Allocation

DOE Required Allocations	Efficiency	Electrification ²
Total	\$32,964,663	\$32,837,400
Program Support Services	20%	20%
Percent Required for Low-Income (LI) (<80% AMI) ¹	39.8%	39.8%
Percent Required for Low-Income Multifamily (LI MF)	10%	10%

¹ Area Median Income (AMI) values are calculated by household size of the median income of the area in which the individual or family resides, as reported by the Department of Housing and Urban Development.

² Program eligibility is for LI household (less than 80% AMI), a moderate-income household (80%-150% AMI), or an individual or entity that owns a multifamily building not less than 50% of the residents of which are LMI.

Equitable Benefits

❖ Justice40 Initiative (J40)

- Provides the goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

❖ Tools to identify Justice40 areas

- [Whitehouse's Climate and Economic Justice Screening Tool](#)
- [EPA's Environmental Justice Screening and Mapping Tool](#)
- [DNREC's Environmental Justice Area Viewer](#)

❖ Disadvantaged Community (DAC)

- Census tract communities marginalized and overburdened by pollution and underinvestment.
- 34% of Delaware's population is in a DAC.



Funding Installments

Tranche #	Portion of awarded grant funds released	Required Deliverable(s) or Milestone(s)	LI Target*	LI Minimum†	LI MF Target*	LI MF Minimum†
1	25% funds	Negotiated and approved state grant application				
2	30% funds (55% total)	Approved Program Launch Approved State Implementation Blueprint	10-15%	5%		
3	25% funds (80% total)	Approved Market Transformation Plan	50-60%	35%	25%	5%
4	20% funds (100% total)	Approved independent privacy and security review Approved review of QA Plan Completed review of incentive implementation	80%	60%	70%	25%

Applicants must submit a continuation application to the DOE 90 days prior to achieving these deliverables and/or milestones for review and approval. DOE approval is required in order to move to the next tranche and for funds to be released.

* Targets indicate DOE's expected performance towards expending LI and LI MF allocations. Applicants should strive to achieve targets.

† Minimums must be met to receive the next tranche of funds.

Categorical Eligibility

- ❖ [List of Programs – Approved for Categorical Eligibility for DOE Home Energy Rebates](#)
- ❖ Households participating in these programs are eligible because the programs require an income level that is equivalent or less than the income requirements for both Home Rebates Programs.
- ❖ Must have been approved for the program in the last 12-months.

Approved Programs	
Low Income Home Energy Assistance Program (LIHEAP)	National School Lunch Program – Free (NSLP)
Medicaid	Housing Improvement Program (HIP)
Supplemental Nutrition Assistance Program (SNAP)	Housing Opportunities for Persons with AIDS
Head Start	Supplemental Security Income (SSI)
Lifeline Support for Affordable Communications (Lifeline)	WIC
Food Distribution Program on Indian Reservations (FDPIR)	Other (approved by DOE through State application process)

Income Eligibility

- ❖ Eligibility for these programs is based on Area Median Income (AMI).
- ❖ Customers must fall into one of two income categories to qualify for these programs:
 - ❖ Below 80% AMI
 - ❖ Between 80% and 150% AMI
- ❖ AMI requires that income must be verified at the county-level in Delaware.

Income Level	Household Size	Kent Co.	New Castle Co.	Sussex Co.
Less than 80% AMI	1	\$50,300	\$64,250	\$54,750
	2	\$57,500	\$73,400	\$62,550
	3	\$64,700	\$82,600	\$70,350
	4	\$71,850	\$91,750	\$78,150
	5	\$77,600	\$99,100	\$84,450
	6	\$83,350	\$106,450	\$90,700
	7	\$89,100	\$113,800	\$96,950
	8	\$94,850	\$121,150	\$103,200
80% - 150% AMI	1	\$97,800	\$120,450	\$102,600
	2	\$107,800	\$137,650	\$117,250
	3	\$121,250	\$154,850	\$131,900
	4	\$134,700	\$172,050	\$146,550
	5	\$145,500	\$185,850	\$158,300
	6	\$156,300	\$199,600	\$170,000
	7	\$167,050	\$213,350	\$181,750
	8	\$177,850	\$227,150	\$193,450

2024 AMI levels – subject to change annually

Renter Procedures

- ❖ For low-income dwelling units occupied by renters:
 - ❖ The owners cannot raise rent based on improvements made as result of this program between the receipt of the rebate and program ending date of September 30, 2031. If the landlord participated in the last two years of the program, rent must be held constant for at least two years.
 - ❖ Owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
 - ❖ Owners agrees not to increase the rent of any tenant of the building as a result of the energy improvements, with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
 - ❖ In the event the owner does not comply, there will be penalties, including repayment of the rebate amount.
 - ❖ The owners agrees that if the property is sold between receipt of rebate and September 30, 2031, the above conditions apply to the new owner and must be part of the purchase agreement.

Rebate Process

- ❖ Contractor will complete work according to program guidelines.
- ❖ Contractor will deduct rebate amount, in the form of an instant discount, from customer invoice.
- ❖ Contractor will send all completed paperwork to the program.
- ❖ Contractor will be reimbursed within 4 weeks from receipt of completed paperwork.

HOMES Electrification

High-Level Program Summary



HOMES Electrification: Rebate Amounts

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
	Electric Wiring	\$2,500
Rebates paid must not exceed a collective total of \$14,000 for a dwelling unit		

- Customers are eligible for rebates, **at program launch**, there is no retroactivity available for these rebates.
- All appliances must be ENERGY STAR® certified.
- Prior to a heat pump installation, an audit must be completed; no other upgrades require an audit.
- Heat pumps include: ducted and non-ducted central air source heat pumps, ground source heat pumps, and variable refrigerant flow heat pumps. For multifamily buildings where there is no ENERGY STAR certification for central heating and cooling systems suitable, Delaware will work with the DOE for approval on alternate efficiency standards.
- Low-income multifamily dwellings can combine individual rebates to provide a central rebate (e.g., 10 households could combine heat pump rebates of \$8,00 each to provide \$80,000 for a central heat pump system).



HOMES Electrification: Income Eligibility and Project Costs

Sector	Income Level	Rebate Amount Not to Exceed
Single family	Less than 80% AMI	100% of qualified project cost
Single family	80% - 150% AMI	50% of qualified project cost
Multifamily	At least 50% of residents with income less than 80% AMI	100% of qualified project cost
Multifamily	At least 50% of residents with income between 80% and 150% AMI	50% of qualified project cost

HOMES Electrification: Installer Incentives

Qualifying Activity	Maximum Incentive
Substantial installation located within a disadvantaged community (excludes installations of electric stoves and electric heat pump dryers) per dwelling unit	\$200
Installation of one or more electric heat pump water heaters	\$150
Installation of one or more electric heat pumps for space heating and cooling per dwelling unit - ducted	\$300
Installation of one more electric heat pumps for space heating and cooling per dwelling unit - unducted	\$200
Installation of one electric stove, cooktop, range, or oven	\$0
Installation of one electric heat pump clothes dryer	\$0
Installation of one or more electric load service center	\$150
Installation of insulation per dwelling unit	\$250
Installation of air sealing and materials to improve ventilation per dwelling unit	\$250
Installation of electric wiring per dwelling unit	\$250

State must use a portion of its funds for installer incentives to serve certain populations (low-income and DACs).

Incentive must not exceed a **collective total of \$500.**

HOMES Efficiency

High-Level Program Summary

HOMES Efficiency: Overview

- ❖ DOE awards grants to states to provide rebates that discount the price of energy-savings retrofits in single-family and multifamily buildings.
 - Legislation passed was fuel-neutral, so the focus is on energy consumption; reporting in kWh and kWh-equivalencies.
- ❖ Designed for residential air sealing, weatherization, and building envelope measures.
 - Performance-based.
 - Projects must achieve a minimum of 20% energy savings.
- ❖ A home audit is required for every program participant.
 - For single-family dwellings, audits must use DOE-approved BPI-2400 software.
 - For multifamily dwellings, there are various data points that must be collected that are a representation of a Level II energy audit based on ASHRAE Standard 211.

HOMES Efficiency: Modeled Pathway

- ❖ Modeling
 - BPI-2400 standard to estimate energy savings or similar tool approved by DOE
 - Provide rebates for homes **predicted** (forward-looking) to achieve a minimum of 20% of energy savings
 - **Savings must be achieved at the individual home level**
- ❖ Rebates
 - Energy savings rebates **can be stacked with Electrification** – provided they are for a different single upgrade
 - **Can be stacked** with IRA tax credits and all state/utility/local incentives
 - Unlike Electrification, there is not a list of eligible measures. Instead, eligible measures include the recommendations provided during the home audit.



HOMES Efficiency: Single-Family Income Eligibility and Project Costs

Sector	Income Level	Rebate Amount Not to Exceed
Single family	Less than 80% AMI	Homes achieving a minimum of 20% energy savings receive: 100% of qualified project cost, up to \$8,250
Single family	80% - 150% AMI	Homes achieving 20% - 34% energy savings receive: Lesser of \$2,000 or 50% of project cost Homes achieving 35% or higher energy savings receive: Lesser of \$4,000 or 50% of project cost



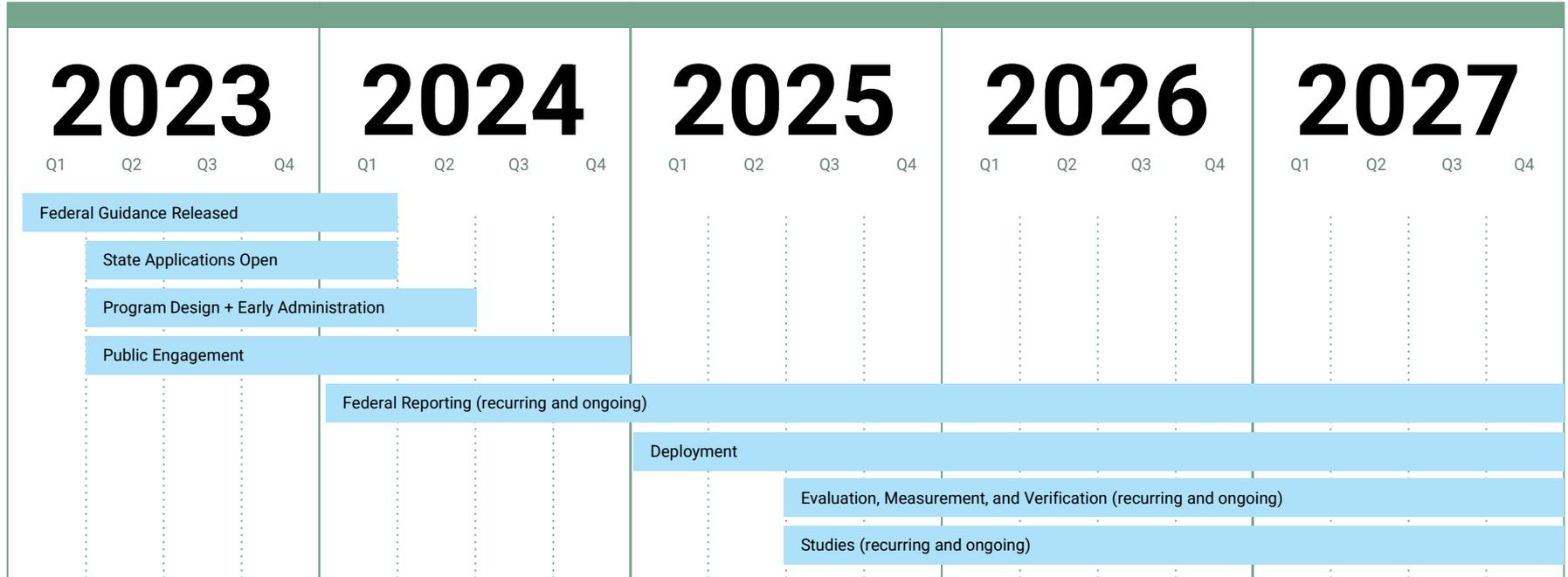
HOMES Efficiency: Multifamily Income Eligibility and Project Costs

Sector	Income Level	Rebate Amount Not to Exceed
Multifamily	A building with at least 50% of households with incomes less than 80% AMI.	Homes achieving a minimum of 20% energy savings receive: 100% of qualified project cost, up to \$8,250 per dwelling unit
Multifamily	A building with at least 50% of households with incomes between 80% AMI and 150% AMI.	Homes achieving 20% - 34% energy savings receive: \$2,000 per dwelling unit, up to \$200,000 per building Homes achieving 35% or greater energy savings receive: \$4,000 per dwelling unit, up to \$400,000 per building

HOMES Efficiency: Retroactivity for Audits

- ❖ If a customer began energy upgrades or retrofits on or after August 16, 2022, customer may be eligible for a rebate. To be considered, the project must meet all requirements listed below:
 - Customer received a final invoice for home energy upgrade project on or after August 16, 2022.
 - A home assessment (BPI-2400 audit) was conducted on customer home prior to the installation of equipment and/or materials.
 - The home assessment included a summary of equipment and/or materials.
 - The home assessment estimated the project's energy savings to be at least 20% of the total home energy usage.
 - Customer received an estimate of the impact to their energy bill if equipment and/or materials were installed.
 - Contractor collected written acknowledgement from the customer of the estimated impact to customer energy bill.
 - Contractor provided customer with an invoice of the completed upgrade that includes the total cost of the project and all equipment and materials.
 - Project included the installation of a heat pump, heat pump water heater, or insulation.
 - Project did not include electric generation technology (e.g., solar panel installation).
 - Collected all data required by DOE for the HOMES Efficiency Program, as listed in the [IRA Home Energy Rebates: Data & Tools Requirements Guide](#).

Next Steps To Home Programs Rollout



▲ AND BEYOND

Thank you!

The screenshot shows the Delaware.gov website with a navigation bar at the top containing 'Agencies', 'News', 'Topics', and 'Contact'. The main content area is titled 'Home Energy Rebate Programs' and includes a 'Listen' button. A left sidebar lists navigation options: Home, Contact Us, I Am a..., Climate Action Plan, State Energy Office, Renewable Energy, Energy Efficiency, Transportation, Communities, and Coastal Programs. The main text describes the Home Efficiency Rebate Program and Home Electrification and Appliance Rebate Program, noting they are expected to launch once funding is received later this year. It also mentions that the funds will come from the federal Inflation Reduction Act. Two callout boxes provide contact information for Ed Synoski (302-735-3480) and public information sessions (June 17, 18, and 20, 2024).

Contact us for more:

- de.gov/homes
- 302-735-3480
- DNREC.EnergyPrograms@delaware.gov