

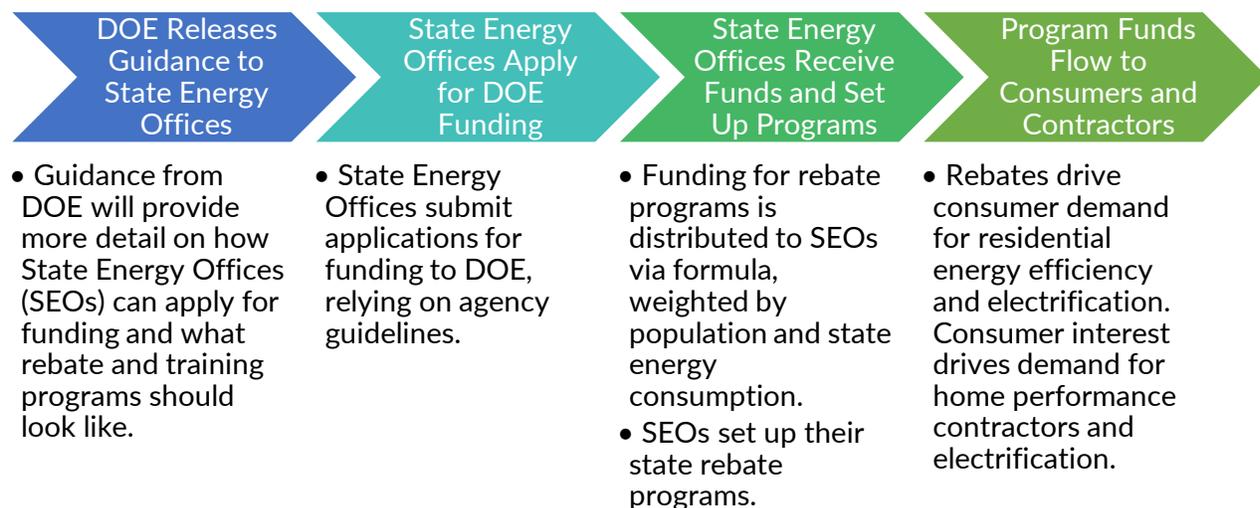
HOPE for HOMES in the Inflation Reduction Act

August 31, 2022

The Inflation Reduction Act of 2022 ([H.R. 5376](#)) invests **\$9 billion** in the HOPE for HOMES Act and High-Efficiency Electric Home Rebate Program to provide rebates and workforce training for home energy efficiency (EE) and electrification.¹ Below, learn more about this funding and how it will flow from the Department of Energy (DOE) to states, consumers, and contractors.

Funding Timeline

Note: As of August 31, 2022, **DOE guidance has not been released, so IRA funding from State Energy Offices is not yet available to consumers and contractors.**



Home Energy Performance-Based, Whole-House Rebates (HOMES)

Total Funding: \$4.3 billion (available through September 2031, or until expended)

State Energy Offices will set up new Home Energy Performance-Based, Whole-House (HOMES) Rebate Programs.

- ▶ Rebates are **doubled** for low- and moderate-income individuals making **less than 80 percent of Area Median Income**.
 - See your area's median income [here](#), as reported by the U.S. Department of Housing and Urban Development (HUD).
- ▶ Contractors providing retrofits under HOMES state programs can also claim a **\$200 rebate per home** they service in an underserved community.
- ▶ IRA **prohibits combining** HOMES rebates with any other **Federal** grant or rebate – including the new High-Efficiency Electric Home Rebate Program.
- ▶ IRA **does not prohibit combining** HOMES rebates with state/utility rebate programs.
- ▶ IRA **does not prohibit combining** HOMES rebates with federal tax credits like 25C (Energy Efficient Home Improvement Credit).

¹ See Secs. 50121-50123 of the Inflation Reduction Act of 2022 for more information.

HOMES Tiered Incentive Pathways

HOMES rebate programs will feature an array of tiered incentives for consumers based on **two** different pathways to home performance: **modeled energy savings** and **measured energy savings**.

Modeled Energy Savings

Projects must achieve modeled energy savings of at least **20 percent** to qualify for rebates.

Larger rebates are available for projects achieving modeled energy savings of at least **35 percent**.

Rebates **double** for low- and moderate-income individuals.

Measured Energy Savings

Portfolios of projects must achieve measured energy savings of **15 percent** across the portfolio to qualify for rebates.

Payment rate is per kWh and equal to **\$2,000** for a 20% reduction of energy use for the average home in the state.

Rebates **double** for low- and moderate-income individuals.

Modeled Energy Savings Pathway

Projects using the **modeled** energy savings pathway must be calibrated to historical energy usage for a home **consistent with BPI 2400**. DOE guidelines will provide more details.

| Energy Savings | Single-Family | Multifamily |
|------------------------|---|---|
| 20 – 35 percent | <p>\$2,000 or 50 percent of the project cost (whichever is less).</p> <p>For low- and moderate-income (LMI) individuals, \$4,000 or 80 percent of the project cost (whichever is less).</p> | <p>\$2,000 per dwelling unit, with a maximum of \$200,000 per multifamily building.</p> |
| Over 35 percent | <p>\$4,000 or 50 percent of the project cost (whichever is less).</p> <p>For LMI individuals, \$8,000 or 80 percent of the project cost (whichever is less).</p> | <p>\$4,000 per dwelling unit, with a maximum of \$400,000 per multifamily building.</p> |

Measured Energy Savings Pathway

Projects using the **measured** energy savings pathway must use open-source advanced measurement and verification software, as approved by DOE, to determine and document monthly and hourly (if available) weather-normalized home energy use, both before and after home efficiency retrofits. DOE guidelines will provide more details.

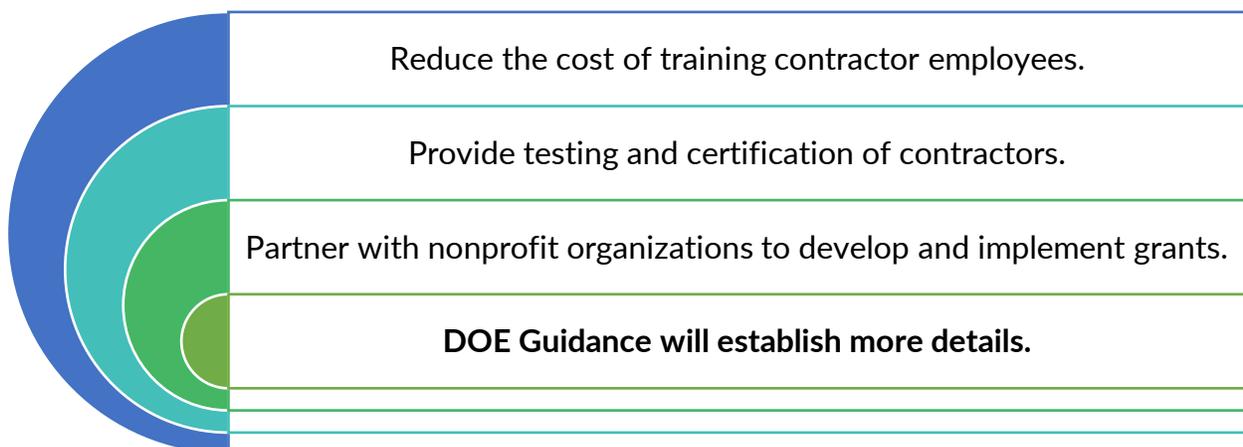
| Energy Savings | Single-Family & Multifamily |
|-------------------------------|---|
| <p>Over 15 Percent</p> | <p>\$2,000 payment rate per kilowatt hour saved equal to a 20 percent reduction for the average home in the state, or 50 percent of project cost.</p> <p>For LMI individuals, \$4,000 payment rate per kilowatt hour saved equal to a 20 percent reduction per home or dwelling unit, or 80 percent of project cost. For multifamily buildings to qualify, at least 50 percent of residents must be LMI.</p> <p>Energy baselines are calculated based on the average energy use of single-family homes or multifamily buildings in the State.</p> |

State-Based Home Energy Efficiency Contractor Training Grants

Total Funding: \$200 million (available through September 2031, or until expended)

State Energy Offices will develop and implement programs to support training home energy efficiency and electrification contractors. *Note: in prior legislative proposals, this program was called “Home On-line Performance-Based Energy Efficiency (HOPE) Contractor Training Grants.”*

Eligible Uses of Funds:

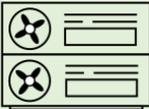
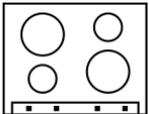
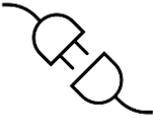
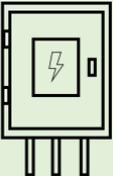


High-Efficiency Electric Home Rebate Program

Total Funding: **\$4.5 billion** (available through September 2031, or until expended)

State Energy Offices will set up new High-Efficiency Electric Home Rebate Programs. These programs will provide **point-of-sale rebates** for electric appliances for **exclusively** low- and moderate-income households. Rebates **cannot** be combined with HOMES rebates, but **IRA does not prohibit combining rebates** with federal tax credits and state/utility rebates.

- ▶ Rebates are capped at **\$14,000 total** per recipient.
- ▶ For households with **less than 80 percent** Area Median Income, **100 percent of costs are covered**. For households with **between 80-150 percent** Area Median Income, **50 percent of costs are covered**.
- ▶ **\$225 million** is reserved for tribal communities.

| | Appliance | Rebate Amount (Maximum) |
|---|---|-------------------------|
|  | Heat Pump (for space heating and cooling) | \$8,000 |
|  | Electric Stove, Cooktop, Range, or Oven, or Clothes Dryer | \$840 |
|  | Heat Pump Water Heater | \$1,750 |
|  | Electric Wiring | \$2,500 |
|  | Electric Load Service Center (Breaker Box) | \$4,000 |
|  | Insulation, Air Sealing, and Ventilation | \$1,600 |

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