

Inflation Reduction Act (IRA) Home Energy Rebate Program Update

ILLINOIS EPA – OFFICE OF ENERGY

IN COLLABORATION WITH ILLINOIS DEPARTMENT OF
COMMERCE & ECONOMIC OPPORTUNITY



Illinois Environmental
Protection Agency

50121 - Home Efficiency Rebate Program

The program provides energy efficiency rebates to low-income households, defined as those earning less than 80% of Area Median Income (AMI) or those that are categorically eligible. Rebates are available for both single-family and multifamily residential properties.

Rebate Tiers:

- Up to **\$8,000** for homes achieving **20%–34%** modeled energy savings
- Up to **\$16,000** for homes achieving **35%** or greater modeled energy savings

In addition, households may receive up to **\$1,500** to cover the cost of exhaust and ventilation system upgrades, if required to meet health and safety standards.

50121 - Home Efficiency Rebate Program

Status: Received Full Award in January 2025

Total Award: \$131,952,374

Launch TBD: Aiming to launch a pilot in Q3 2025 with two Local Administering Agencies, one in the northern region and one in the southern region of Illinois.

50121 - Home Efficiency Rebate Program

IWx Software Updates – IRA Integration

- IRA Program Requirements are currently being integrated into the IWx system, with completion targeted for mid-August.
- A testing period of several weeks will follow to ensure functionality and compliance before the release to LAAs participating in the pilot.
- The application interface will closely mirror the existing IHWAP program application, ensuring a familiar user experience.
- Energy Audit Software Enhancements
- A menu of measures will be available on the backend to support braiding of funds to ensure compliance with federal requirements and that funding is correctly allocated across eligible measures.

50121 - Home Efficiency Rebate Program

Requirements to Launch

1. DOE Approved Implementation Blueprints

- Outreach and Education Plan – *Submitted; pending DOE approval*
- Consumer Protection Plan – *Submitted; evaluating comments*
- Utility Data Access Plan – *Submitted; evaluating comments*
- Evaluation Plan – *Submitted; awaiting DOE feedback*
- Privacy and Security Risk Assessment (State Systems) – *In progress*

50121 - Home Efficiency Rebate Program

Requirements to Launch Continued:

2. Energy Audit Software Approval

- Must meet BPI 2400 requirements for Single-Family Residential
- Illinois is working with NREL on software approval
 - Received a waiver to test in 2 of the 6 required nationwide locations
 - Illinois audit tool is state-specific, but DOE requires testing in 6 distinct states (not including Illinois)

3. Budget Justifications

- Submit budget justifications for two Pilot Local Administering Agencies (LAAs) to DOE for approval

Note: The program may initially launch with Multifamily-only availability if Energy Audit Software approval for single-family homes is delayed.

50121 - Home Efficiency Rebate Program

Potential Factors That Could Delay 50121 Program Launch

- Limited DOE staffing, potentially slowing review and approval timelines
- Delays in receiving official launch approval from DOE
 - Other states, such as Florida and Pennsylvania, have reported waiting for approval since May 2025
- IWx system integration delays, which may impact application readiness and pilot deployment

50121 - Home Efficiency Rebate Program

50121 Tranche 1 Rebate Allocation

- **Total Allocation:** \$19,787,390
- **Funding Period:** Through December 31, 2026
- **Local Allocations:** Amounts allocated to Local Administering Agencies will be shared once finalized by DCEO

50122 - Home Electrification and Appliance Rebate Program

The program will provide rebates in the following amounts and will primarily serve low-income households earning less than 80% of Area Median Income (AMI) or categorically eligible.

- Illinois will allocate a limited portion of funds to low- to moderate-income households, but this group will not be prioritized at program launch

50122 - Home Electrification and Appliance Rebate Program

Product Rebates		
Upgrade Type	Qualified Product	Rebate Amount Not to Exceed
Appliance	Heat Pump Water Heater	\$1,750
	Heat Pump for Space Heating and Cooling	\$8,000
	Heat Pump Clothes Dryer	\$840
	Electric Stove, Cooktop, Range, or Oven	
Building Materials	Electric Load Service Center	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600
	Electric Wiring	\$2,500
Maximum Rebate		\$14,000

50122 - Home Electrification and Appliance Rebate Program

Program Status

- **Early Administrative Funds Awarded:**
 - July 2024 – \$2,500,000 awarded for program/IWX development and blueprint preparation
- **Full Application Submitted:**
 - December 2024
- **Conditional Award Received:**
 - January 2025 – Funds are obligated, but cannot be spent until federal negotiations are finalized
 - Total Program Award: \$131,452,470
- **Launch TBD:** No timeline on when negotiations will pick back up.

50122 - Home Electrification and Appliance Rebate Program

Requirements to Launch

1. DOE Approved Implementation Blueprints

- Five blueprints are required
- Currently in draft form and closely aligned with the 50121 blueprints

2. Submit Budget Justifications

- Budget justifications for Local Administering Agencies must be submitted and approved by DOE prior to launch

Braiding of IRA Rebate Programs, and Other Funding Sources

- IRA Rebate funds may be used on the same project, but not on the same measure
- IRA Rebate funds may be used on the same project as DOE or HHS funds, but again not on the same measure
- IRA Rebate funds can be braided with Utility or State funds on the same measure, provided all program requirements are met

Contractor Training Programs

50123 – Training for Residential Energy Contractors (TREC)

- Received Conditional Award received – *January 2025*
- Award Amount: \$5,000,000
- Interagency collaboration with DCEO, formula funding

Energy Auditor Training (EAT) Grant

- In final negotiations as of *January 2025*
- Estimated Award: \$2,000,000
- Train 120 LAA Energy Auditors in multifamily assessments & recruit and train an additional 15
- Competitive application with DCEO

Questions

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