

# Braiding and Leveraging IRA rebates with existing programs

**Applies to: All utilities**

**Proposed by: NRDC, NCLC, AG, CUB, PCR, CIC, ACES 4 YOUTH**

- **The Inflation Reduction Act provides Home Owner Managing Energy Savings (HOMES) Rebates Program or Home Efficiency Rebates Program (IRA Sec. 50121), and the High-Efficiency Electric Home Rebates or Home Electrification and Appliance Rebates (HEEHRA or HEAR) Program (IRA Sec. 50122).**
- **HOMES** rebate program: \$132,219,190
- **HEEHRA** program: \$131,452,470
- **Total:** \$263,671,660

All utilities should commit to:

- Encouraging IL EPA to implement a "one-stop-shop" approach to implementation of various rebate and tax credit programs, helping customers to leverage the stacking of these offerings with other state, federal, and utility funding streams for whole-home retrofits, including at a minimum, pre-weatherization repairs, weatherization, as well as electrification.

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- **The HOMES energy performance-based, whole-house rebates provide rebates for:**
  - Energy efficiency retrofits from \$2,000-\$4,000 for individual households and up to \$400,000 for multifamily buildings.
  - Up to \$2,000 for retrofits reducing energy use by 20 percent or more, and up to \$4,000 for retrofits saving 35% or more (\$4,000 and \$8,000 for low-income households (below 80% AMI)).
  - **States can increase maximum rebates for low-income households up to 100% of project costs.** Under the HOMES statute and DOE Guidance, states can ask the Department of Energy for permission for the HOMES rebate to cover up to 100% of project costs for low- or moderate-income households. *See* 42 U.S.C. § 18795(c)(3); IRA Rebates Guidance § 3.1.2 at 11, 12–13, 16; § 3.1.2, at 25.

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- **High Efficiency Electric Home Rebate Act (HEEHRA) or Home Electrification and Appliance Rebates (HEAR)**, includes provides direct rebates for low- and moderate-income households.
- For low-income households, HEEHRA/HEAR covers new, efficient electric appliances, providing rebates of up to \$14,000, covering:
  - Energy Star electric heat pump installation for space heating and cooling, up to a cap of \$8,000;
  - Energy Star electric heat pump water heater, up to \$1,750;
  - Energy Star electric stove, cooktop, range or oven or Energy Star electric heat pump clothes dryer, up to \$840, and
  - Up to \$4,000 for an upgraded breaker box, \$2,500 for upgraded electrical wiring, and \$1,600 for insulation, ventilation and sealing.
- For moderate income households, the same rebates are available to cover 50% of the costs.
- DOE estimates the program will allow roughly one million low- and moderate-income households to go electric nationally.

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## Best practice leveraging:

- **Maximize investment in low-income homes so that families are not asked to finance measures**
- **Sequencing matters: Ensure electrification measures are right-sized by investing in weatherization measures first.**
- **Ensure communication and data sharing among parties and partners.**

When rebates become available during the 2026-2029 EE Plan period, utilities will play an active role in marketing the rebate programs and the state's one-stop shop to its customers to both ease and increase participation in the utilities' EE programs through Company and/or trade ally outreach and marketing channels, such as e-mail, social media, or in-person events.

Utilities should encourage IL EPA to prioritize treatment of low-income households and ensuring zero cost retrofits by allocating more than the federally required 50% set-asides for low-income customers, as well as considering an additional set-aside for low-income multifamily buildings.

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## Best practice implementation strategies:

- Encourage the state to make rebates accessible by using categorical eligibility and self-attestation for income verification, if such eligibility verification is required.
  - To facilitate the state use of categorical eligibility, DOE has prepared a detailed list of programs that are approved for categorical eligibility for the states' rebate programs.
- Support the state in developing a plan for contractor outreach and training as part of its state plan. Utilities should also provide education and outreach to currently approved company contractors to ensure they are aware of all opportunities available to customers.
- Coordinate with various state agencies, non-profits, and housing providers who were/will be awarded funds through the following funding sources:
  - HOMES and HEEHRA Rebates
  - Green Housing Gas Reduction Fund
  - Climate Pollution Reduction Grants
  - Green and Resilient Retrofit Programs
  - Energy Efficiency Home Improvement Tax Credit (25C)
  - New Energy Efficiency Home Tax Credit for New Construction
- For more guidance, see <https://www.energy.gov/scep/slsc/home-energy-rebate-program/designing-and-planning-home-energy-rebate-programs>