

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES
Elizabeth Mahony, Commissioner

Federal IRA Rebates Overview: HER and HEAR

November, 2023

HER Summary: Home Efficiency Rebates

- Formerly "HOMES" the **Home Efficiency Rebates** (HER) funding provides rebates for energy efficiency improvements in existing residential homes
- Maximum Incentives Available
 - \$2,000 for homes that reduce energy 20%-35%
 - \$4,000 for homes that reduce energy by 35%+
- Rebates doubled (to \$4,000 or \$8,000) where income qualified:
 - <80% AMI for single family,
 - or 50%+ tenants are <80% AMI for multifamily

HER for Massachusetts

- MA DOER will receive **\$73,233,910**
 - Funds can be distributed over up to 8 years (2024-2032)
- Minimum performance improvement (20%+ energy savings) can be determined by either a modelled or measured approach. DOER is considering a modeled approach due to challenge of measuring delivered fuels
- Modelled approach requires audit software calibrated to historical utility & delivered fuel use

HER Existing Building Types Under Discussion

DOER has not finalized any plans or approaches at this time. These building segments are purely suggestions for discussion purposes.

Single Family in Muni utility territory (MLPs)

- Uneven funding for weatherization & heat pumps
- MLP audit software meets federal requirements
- Recommend limit to < 80% AMI households

2-4 Unit Renters

- Market to Landlords of Duplexes & Triple Deckers
- Naturally Occurring Affordable Housing
- Help Mass Save to serve more small rental units

Multi-Family Managed Affordable 10+ units

- Avoids AMI verification hassle
- Expand on DOER \$50 Million LMI grants
- Modest impact in \$80-100k/unit retrofits

HEAR Summary: Home Electrification

- Formerly "HEERHA" the **Home Electrification Appliance Rebate** (HEAR) funding provides rebates for residential electrification
- Rebates can be used for existing buildings or new construction
- Rebates work as a cap per technology that vary by income eligibility
 - Under 80% AMI – Total cost coverage up to cap
 - 80% - 150% AMI – 50% cost coverage up to cap

Technology/Equipment	Rebate Cap @ < 80% AMI
Heat Pump – HVAC	\$8,000
Heat Pump Water Heater	\$1,750
Electric Stove/Cooktop	\$840
Heat Pump Clothes Dryer	\$840
Electric Panel Upgrade	\$4,000
Electrical Wiring	\$2,500
Weatherization	\$1,600

HEAR for Massachusetts

- MA DOER will receive **\$72,809,130**
 - Funds can be distributed over up to 8 years (2024-2032)
 - Rebates require income verification
- HEAR can be combined with HER or Mass Save, but not for the same measures
- DOER is considering programmatic ways to distribute rebates as opposed to a retail model

HEAR Building Segments Under Discussion

DOER has not finalized any plans or approaches at this time. These building segments are purely suggestions for discussion purposes.

Single Family in Mass Save or MLP territory

- Can supplement less cost-effective items (e.g. wiring)
- Leverage Mass Save/MLP support for heat pumps
- Recommend limit to 80% AMI households

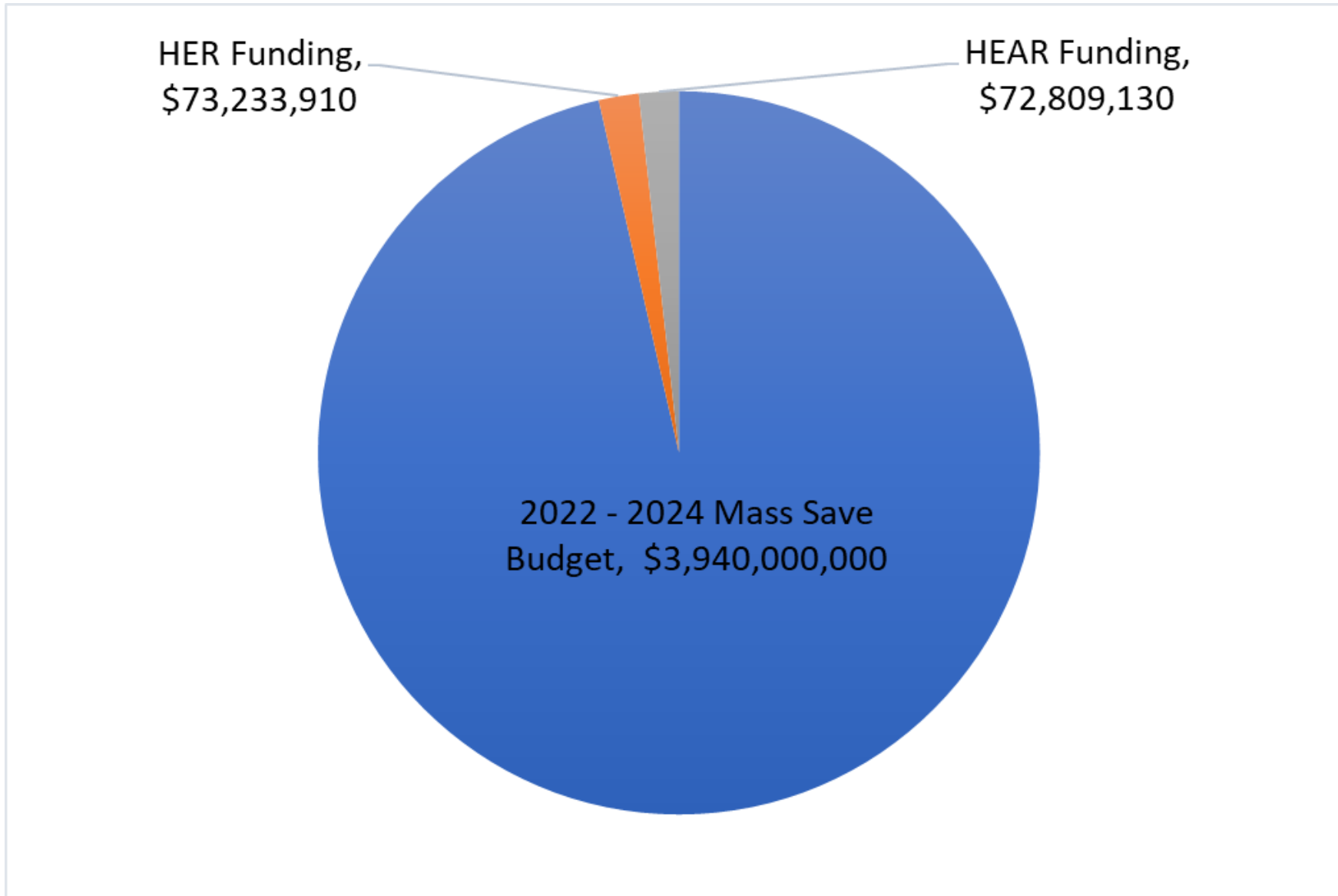
2-4 Unit Renters

- Market to Landlords of Triple Deckers
- Naturally Occurring Affordable Housing
- Mass Save under-serving small rental

Managed Affordable

- Avoids AMI verification hassle
- Expand on \$50 Million
- Less impact in \$80-100k/unit retrofits

Scale of Funds



High Level Policy Considerations

Equity

- Administration's equity goals and commitments
- HER+HEAR funds are maximized for residents under 80% AMI
- DOER is working with DOE on streamlining income verification

Enhance and Supplement Mass Save and MLP

- HER+HEAR funds are a small % compared to Mass Save
- Supplement MLP growing investment in electrification
- Can be stacked with other funding sources including Mass Save

Market Transformation

- Massachusetts wants to continue to lead on efficiency and electrification
- HER+HEAR can be deployed as a targeted intervention

Major Sectors Under Consideration



DOER has not finalized any plans or approaches at this time.

Workforce Funding

- MA DOER will receive **\$2,797,870** under the State-Based Home Energy Efficiency Contractor Training Grants
- Funds will be used for workforce development programs to prepare staff for home renovation contractors and align with HER and HEAR programs
- DOER will be working with MassCEC on this program
 - Contractor input and partnership is welcome!

Timelines

- Fall/Winter 2023 – Engage with stakeholders and partners on potential approaches
- Winter 2024 – Finalize proposal and seek internal and external consensus
- Spring 2024 – Submit HER+HEAR plan to DOE
- Summer 2024 - Workforce
- Summer/Fall 2024 – Program launches begin

THANK YOU!