

NYSERDA Residential Market Advisory Group

Q1 2024 Meeting

Single Family Residential, 03/06/2024

02:00 pm – 03:30 pm ET



NYSERDA

Meeting Agenda

- 02:00 – 02:05** **Welcome and Introductions**
- 02:05 – 02:20** **Residential Market Advisory Group Progress Updates**
- 02:20 – 02:40** **Experience Clean Heat Program Update**
- 02:40 – 03:25** **Updates on Inflation Reduction Act Home Energy Rebate Applications**
- 03:25 – 03:30** **Closing and Next Steps**

Meeting Ground Rules

Meeting Summary: Notes are being taken by the facilitation team and a summary of the meeting will be published on the RMAG webpage.

Question & Answer: Use the Q&A function on the panel on the right side of your screen. If you do not see the Q&A button, click the three dots on the rightmost side of the taskbar at the bottom of your screen and select the Q&A button.

Technical Difficulties? Please reach out to Michael Ding from Kearns & West via the Chat function or by email at mding@kearnswest.com

Recording: This meeting is being recorded. The recording may be distributed, and if so, any participation will not be attributed.

The RMAC is a forum for stakeholder engagement on the residential market's highest priority issues

Events

- Quarterly Meetings (In-Person and Virtual)
- Working Groups
- Expert Panels
- Listening Sessions

Functions

- Advance residential clean energy and efficiency market development and innovation
- Iterate on programmatic design and implementation with stakeholder feedback
- Provide policy updates and relevant knowledge sharing for residential actors
- Foster NYSERDA clean energy and energy efficiency thought leadership

RMAG Priority Setting and Progress Updates

Based on membership feedback in 2023, we developed the following priorities that have driven RMAG programming this year:

1. Improving market awareness and urgency for residential clean energy and energy efficiency
2. Improving the customer experience with Air Source Heat Pumps
3. Ensuring meaningful stakeholder engagement opportunities and clear communications about the Inflation Reduction Act for NYS residents and contractors

RMAG Programming Interests by Existing Priorities

Community Relationship Building

Consumer Decision Tree Mapping

EPA ENERGY STAR Program

Funding Case Studies

Inflation Reduction Act Home Energy Rebates



**Community -
Based
Organizations**



**Energy
Services
Consultancies**



**Distributors
and
Suppliers**



**Government
(Policymakers and
Staff)**



**Original
Equipment
Manufacturers**



**Technology Firms
(Software and
Hardware)**

Membership Showcase

In 2024, we are excited to build connections with RMAG members through programming that will highlight your work across the NY residential clean energy market.

2024 Goal Setting and Beyond

Priorities reflect areas that the membership feels are needed to meet New York State's climate goals in residential homes and that meet the objectives of the RMAG.

When thinking about our priorities for NYS and the RMAG:

- What does the industry look like five years from now? Ten years? Twenty years?
- What innovations need to happen to meet our goals?
- What “business as usual” is OK and what needs to change?
- What do we have to do less of, to achieve more?
- What would you do if you needed to grow your business 10x in the next year? What would you need to be successful?

Icebreaker Poll: Within the residential clean energy space, what is your business goal or aspiration for 2024?

Residential Market Advisory Group

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Experience Clean Heat

March 6, 2024



NYSERDA

Agenda

- **Experience Clean Heat Goals**
- **Consumer Side Progress**
- **Contractor Side Development (draft plan)**

Experience Clean Heat Goals

- **Raise awareness, overcome misinformation, garner confidence, and cultivate viral enthusiasm for heat pumps as a solution for whole building heating and cooling needs.**
- **Create opportunities for consumers and HVAC workers to directly experience working, living, and going about their day-to-day business in buildings heated and cooled with heat pumps.**
- **Magnify the impact of these experiences through sharing on social media (consumers) and peer-to-peer sharing (contractors).**

EXPERIENCE CLEAN HEAT

Active Site Participants

1. Artisanal Brew Works

Saratoga Springs
artisanalbrewworks.com

2. The Sweetish Chef

Ballston Spa
sweetish-chef.com

3. Tree Huggers

Ballston Spa
treehuggerschildrensapparel.com

4. Sustainable Sundry

Ballston Spa
sustainablesundry.com

5. Vischer Ferry General Store

Rexford
vischerferrygeneralstore.com

6. Taghkanic Town Hall

Ancram
taghkanic.org

7. Liquid Fables

Beacon
liquidfables.com

8. Studio 89

Highland
studio89hv.com

Pending Site Participants

9. Fort Ticonderoga

Ticonderoga
fortticonderoga.org

10. Springville Center for the Arts

Springville
springvillearts.org/sca

11. PowerHouse

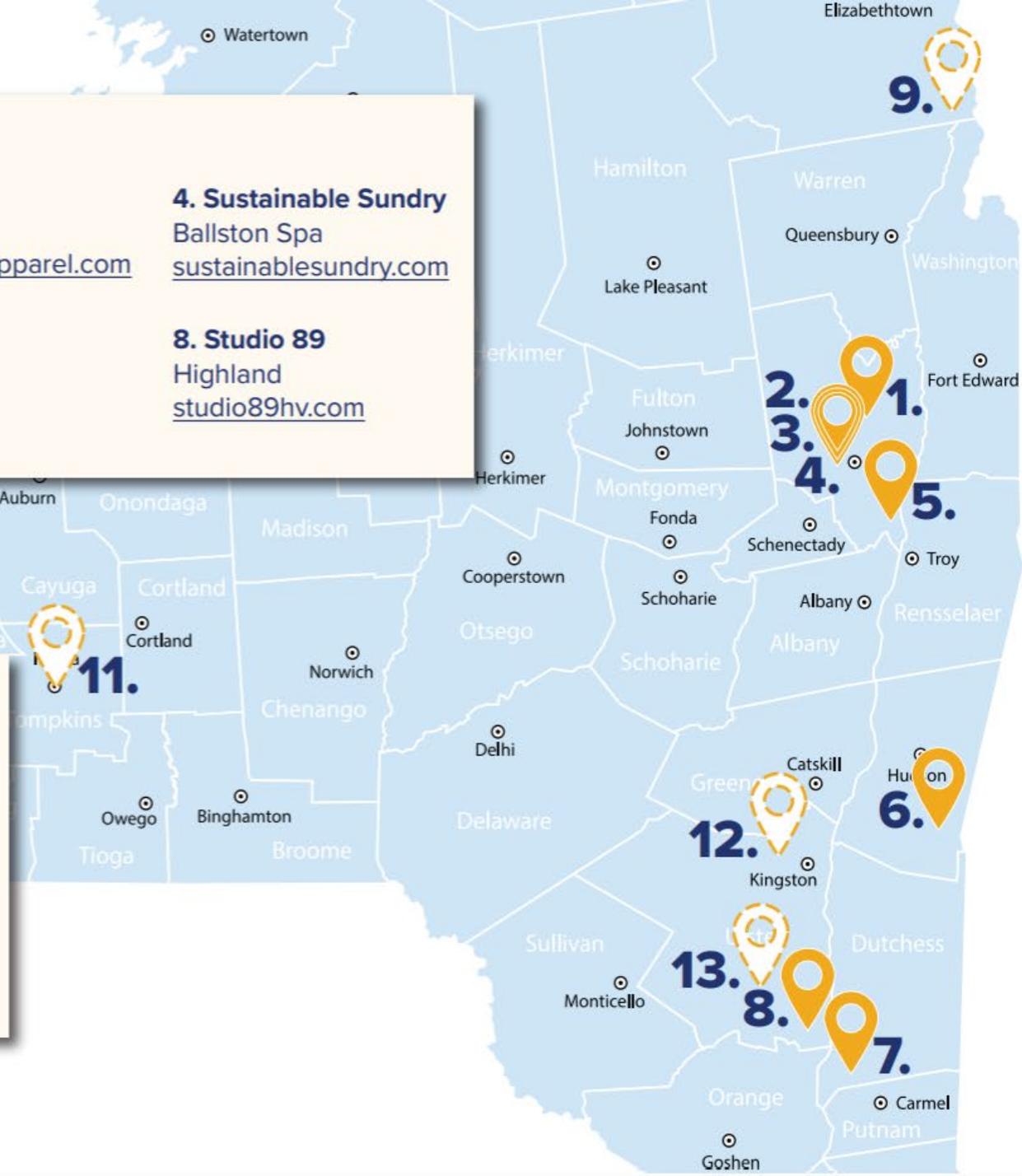
Ithaca
tinypowerhouse.org

12. Bearsville Theater

Woodstock
bearsvilletheater.com

13. Reformed Church of New Paltz

New Paltz
reformedchurchofnewpaltz.org



Paid Social Media, Events, and Giveaways

NYISERDA with **Tree Huggers**
Sponsored · 🌱

Cold-climate heat pumps are the cleaner, greener way to heat and cool your home. Don't just take our word for it: stop in to Tree Huggers and experience the benefits of clean heating and cooling for yourself! #ExperienceCleanHeat

Tree Huggers

Interested in going GREENER?

We were, too!
That's why Tree Huggers heats and cools with a cold-climate heat pump.

Selecting energy-efficient heat pumps over any other source for heating and cooling is a winning move towards a greener, healthier space for the fam.

And, did you know?
Heat pumps have the lowest carbon emissions of any heating source.

cleanheat.ny.gov
Experience clean heat with **Tree Huggers** [Learn more](#)

NYISERDA with **Vischer Ferry General Store**
Sponsored · 🌱

Cold-climate heat pumps are the cleaner, greener way to heat and cool your home. Don't just take our word for it: stop in to Vischer Ferry General Store and experience the benefits of clean heating and cooling for yourself! #ExperienceCleanHeat

Vischer Ferry General Store

Interested in going GREENER?

We were, too!
That's why Vischer Ferry General Store heats and cools with a completely renewable resource—a geothermal heat pump.

cleanheat.ny.gov
Experience clean heat with **Vischer Ferry General...** [Learn more](#)

NYISERDA with **The Sweetish Chef LLC**
Sponsored · 🌱

Cold-climate heat pumps are the cleaner, greener way to heat and cool your home. Don't just take our word for it: stop in to the Sweetish Chef and experience the benefits of clean heating and cooling for yourself! #ExperienceCleanHeat

The Sweetish Chef LLC

Interested in going GREENER?

We were, too!
That's why Sweetish Chef heats and cools with a cold-climate heat pump.

Selecting energy-efficient heat pumps over any other source for heating and cooling is a winning move towards a greener, healthier space for you and your fam.

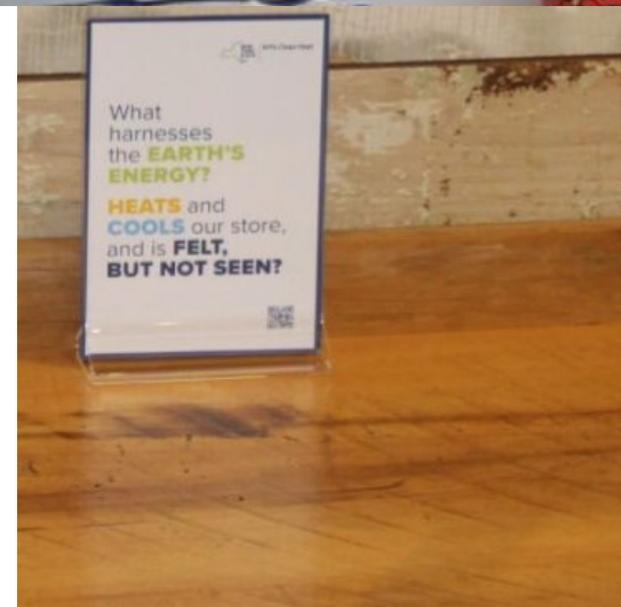
And, did you know?
Heat pumps have the lowest carbon emissions of any heating source.

cleanheat.ny.gov
Experience clean heat with **Sweetish Chef** [Learn more](#)

- Paid social media launched for **six** sites
- **Two** events completed to date with **120** attendees
- **Interactive** social media giveaways starting in coming weeks

Wall and tabletop signs for Sites

- Customized to their heat pump type and business
- Various sign types to meet their needs



Contractor Side – Planned Approach

HVAC contractors who are interested in heat pumps but need more **confidence** in the technology's functionality and profitability.

Ongoing internal employee focused campaign to determine the **barriers** for each staff type (owners, comfort consultants, installers, office admin) to promoting and installing more heat pumps. Tailoring **resources** to address their barriers and needs.

Coordinate with their existing heat pump distributor to facilitate that relationship.

Proposed Program Elements

Required

All comfort consultants receive manufacturer sizing and design training

Become NYSCH contractor

Participate in ongoing internal employee campaign which includes **bi-monthly meetings**

Optional Offerings (select a minimum of three)

Financial and technical support to install a heat pump in the office

Technical support to install a heat pump in select employees' homes

Heat pump sales training, marketing and lead generation support

Manual J and NYSCH Application Pre-submission review

Pre-application field-QC dry-run

On-call technical support

Poll Introduction

- > We will now complete three poll questions soliciting perspectives on what types of support will most incentivize contractor participation in the Experience Clean Heat program.
- > We will use the Poll Everywhere platform: Pollev.com/kwpoll2

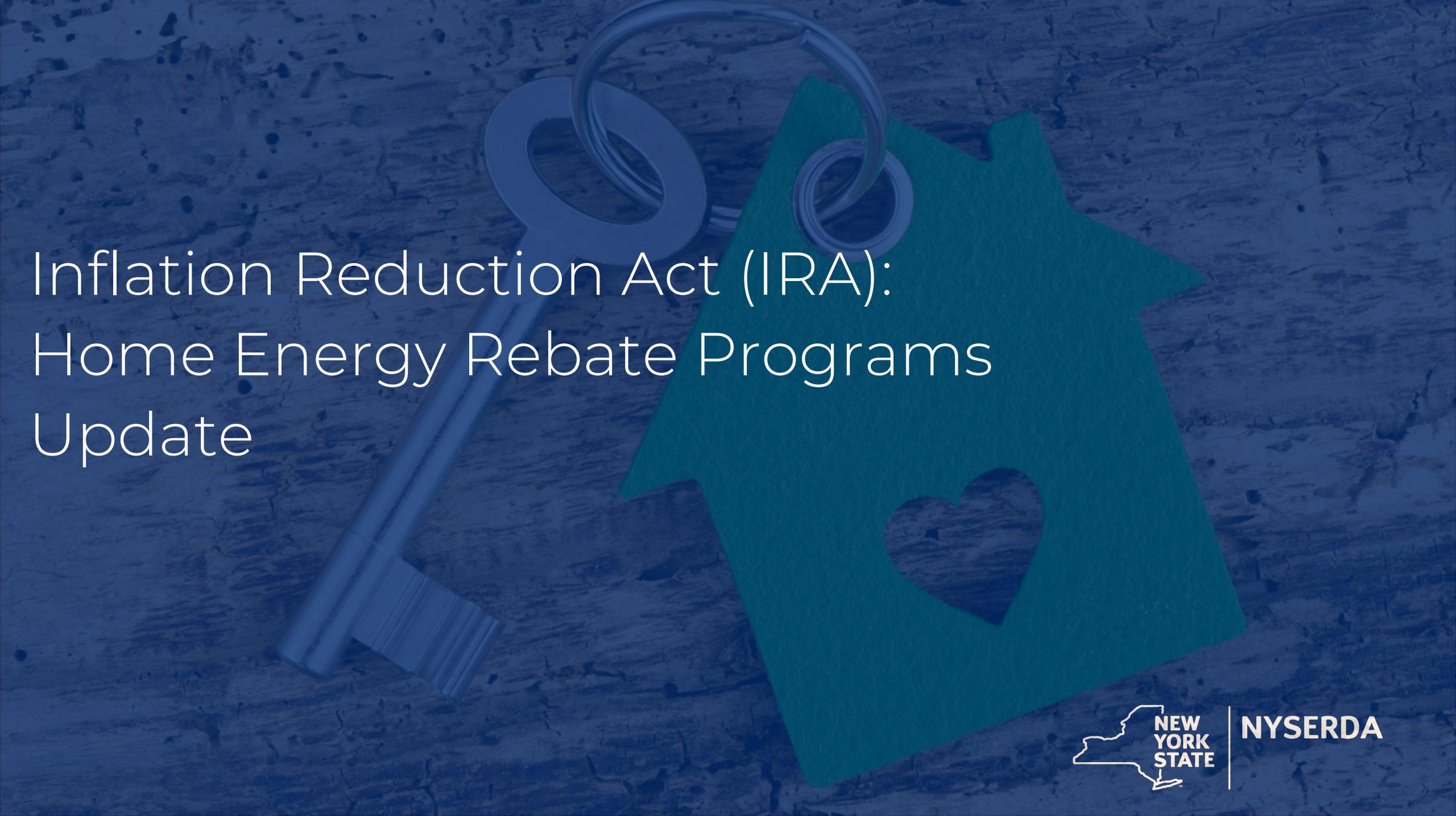
Experience Clean Heat Program Polling

Residential Market Advisory Group

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Inflation Reduction Act (IRA): Home Energy Rebate Programs Update



NEW
YORK
STATE

NYSERDA

What are the Home Energy Rebate Programs?

The Inflation Reduction Act of 2022 includes **two provisions** for rebates for home energy efficiency and electrification projects. These two provisions are:



Section 50121:

Home Energy Performance-Based, Whole House Rebates (Referred to as **Home Efficiency Rebates, or HER**)



Section 50122:

High-Efficiency Electric Home Rebate Program (Referred to as **Home Electrification and Appliance Rebates, or HEAR**)

Together, these provisions are referred to as the **Home Energy Rebates**

HER and HEAR Budgets Overview

New York State will receive a **total of \$317.7M** for the Home Energy Rebates, for a budget period no later than September 30, 2031.



HER | Total: \$159.3 million

\$127.5M in incentives

**\$31.8M for program administration
(20%)**



HEAR | Total: \$158.4 million

\$126.7M in Incentives

**\$31.7M for program administration
(20%)**

As an example, if the funds were to be used by New Yorkers over 5 years, the average incentive budget would be **\$50.8M annually**, about **\$25.4M** for each program.

Funding Allocations for Low-Income Households (HER & HEAR)

At a minimum, each state must adhere to low-income eligibility considerations:

- > Allocate a percentage of its rebate funding for each of the rebate programs in line with its percentage of low-income households.
 - In New York State, **approximately 41% of households are eligible for rebates** as low-income households (defined as <80% AMI)
 - In New York, **minimum rebate allocation** to low-income households is **\$104.2 million**
 - NYSERDA will also invest 35% of the funds, with the goal of 40%, in disadvantaged communities, in line with the NYS Climate Act and Justice 40 criteria
- > Allocate at least 10% additionally of its rebate funding to serve low-income multifamily buildings
 - In New York, **minimum rebate allocation** to low-income multifamily buildings is **\$25.4 million**

Which Households Qualify for Home Electrification and Appliance (**HEAR**) Rebates?



The law specifies that HEAR is available to:

- > Low- or moderate-income households, defined as **less than 150% Area Median Income (AMI)**
- > Individuals or entities that own a **multifamily building with low- or moderate-income households comprising at least 50% of the households**, and
- > Governmental, commercial, or nonprofit **entities implementing projects for low- or moderate-income households** or multifamily owners.

HEAR Eligible Measures and Rebate Amounts



Measure Type	Rebate Amount Per Housing Unit	80-150% AMI	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 50% of total project cost	Up to 100% of total project cost
Heat Pump	\$8,000		
Electric Cooking Appliance	\$840		
Heat Pump Clothes Dryer	\$840		
Electrical Service Upgrade	\$4,000		
Electrical Wiring Upgrade	\$2,500		
Insulation, Air Sealing, Ventilation	\$1,600		
Maximum per home	\$14,000		

Multifamily buildings require “not less than 50%” of households to meet the eligible income level to qualify

Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”

Appliances, systems, equipment, infrastructure, and components must be ENERGY STAR certified if applicable

Partial-scope Application for Federal Funds Low-Income, 1-4 Family Home



On December 28, 2023, NYSERDA submitted its initial application to the U.S. Department of Energy (DOE) for the first phase of deployment of the Inflation Reduction Act Home Energy Rebate programs funding.

Although this is the first step in a multi-step process, NYSERDA is excited by the opportunity to pursue this critical federal funding and looks forward to building home energy programs based on valuable stakeholder feedback so that all New York State residents benefit.



With support from DOE, NYSERDA delivered an accelerated partial-scope application for HEAR to expedite making rebates available to low-income communities as soon as possible.

NYSERDA is proposing to use the EmPower+ program as a vehicle for this first phase of funding. A full application is continuing to be developed for approval by DOE later this year covering the full spectrum of HER and HEAR Programs.

Fast Track Application Strategy – Partial Deployment of HEAR Rebates in First Phase

Partial-scope application submitted December 2023 and implementation blueprint planned for Q1 2024, for EmPower+ for the following Measures and Income Levels:

Measure Type	Rebate Max	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 100% of total project cost
Heat Pump	\$8,000	
Electrical Service Upgrade	\$4,000	
Electrical Wiring Upgrade	\$2,500	
Insulation, Air Sealing, Ventilation	\$1,600	
Maximum per home	\$14,000	
Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”		

Full-Scope application to be submitted in first half of 2024

Timeline for Home Energy Rebates: Phased Roll-Out

Spring/Summer '23

- Systems Planning
- RFI response submitted to DOE
- **Stakeholder engagements and cross-state collaboration**

Fall/Winter '23

- NYSERDA secured early Admin funding from DOE
- Rules review and clarification with DOE
- **Stakeholder engagement on HEAR/HER rules & considerations**
- Partial-scope application for HEAR for EmPower+ submitted to DOE to expedite New Yorkers' access to rebates and benefits

Q1 2024*

- DOE review and approval of partial-scope application and release of funding
- **Stakeholder engagement** on strategy and program design for “shovel-ready” elements of Rebate programs.
- **Implementation Blueprint Submission**
- Implementation planning for partial-scope HEAR roll out through EmPower+

Q2-Q4 2024*

- **Stakeholder engagement and working groups** to shape forthcoming offerings and drive continuous improvement of active programs.
- Launch of partial-scope HEAR for EmPower+
- NYSERDA delivers a **phased roll-out** of full range of Home Energy Rebate funding for all eligible customer segments by end of 2024.

* estimated

Implementation Blueprints

1. Community Benefits Plan
2. Consumer Protection Plan
3. Outreach and Education Strategy
4. Privacy and Security Risk Assessment for State Systems



The Community Benefits Plan has 4 objectives:

- 1) Supporting meaningful community and labor engagement
- 2) Engaging and supporting a skilled and qualified workforce
- 3) Advancing diversity, equity, inclusion, and accessibility (DEIA)
- 4) Contributing to the Justice40 Initiative with the goal that 40% of the overall benefits flow to disadvantaged communities

Plans must include at least one milestone per calendar year to measure progress on the proposed actions.

Group Activity:

Select at least one of the objectives and suggest a measurable goal that NYSERDA/NYS should strive to achieve with these IRA Home Energy Rebate Funds.



Support for Contractors on Home Energy Rebate Projects

Sec. 50123: Training for Residential Energy Contractors

- > To provide **training and education** to contractors involved in the installation of **home efficiency and electrification improvements**
- > DOE will allocate \$200 million total to states or other entities via formula and/or competitive grants
- > NYS Contractor Training formula grant allocation is **\$6.4 million**. Application was submitted January 2024
- > A state may use the funding to:
 - Reduce the cost of training contractor employees
 - Provide testing and certification of contractors trained and educated under a State program
 - Partner with nonprofit organizations to develop and implement a state program
- > NYSERDA expects additional competitive funding opportunities to be announced in 2024

Thank you for your input!

These discussions help ensure the IRA Home Energy Rebates funding and co-benefits flow to all eligible NY residents as smoothly as possible through thoughtful program design and robust community outreach.

> **Initial Stakeholder Sessions**

- Residential Market Advisory Group
- Community Stakeholders Workshops
- Participating Contractors Workshops
- Public webinar

> **We Encourage Continued Input on IRA's Home Energy Rebates and Training Grants**

- Send written comments to residential.ira@nyserda.ny.gov at any time

> **Upcoming Stakeholder Engagements and Working Groups:**

- Utility Collaboration
- Multifamily Market Partners and Affordable Housing Providers
- Contractors & Outreach Partners
- Retailers
- Product Manufacturers
- Others as needed

Resources

Links to Learn More and Stay Engaged

> **More Information on the Inflation Reduction Act:**

<https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act>

> **DOE Guidance on Home Energy Rebate Programs:**

<https://www.energy.gov/scep/home-energy-rebates-programs-guidance>

> **IRS Guidance on Energy-related Tax Credits and Deductions:**

<https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022>

> **State-Based Home Efficiency Contractor Training Grants:**

<https://www.energy.gov/scep/state-based-home-energy-efficiency-contractor-training-grants>

> **Stay engaged by following NYSERDA's Residential Market Advisory Group:**

<https://www.nyserda.ny.gov/Residential-Market-Advisory-Group>