

# VIRTUAL FOCUS GROUP SUMMARY OF QUESTION AND ANSWERS

## Inflation Reduction Act Home Energy Rebates Program Stakeholder Engagement



**NYSERDA**

### CONTEXT

On Thursday July 11, 2024, the New York State Energy Research and Development Authority (NYSERDA) hosted an information session on the implementation of Home Energy Rebate Programs from the Federal Inflation Reduction Act

The webinar provided an update on the full application status, with a specific focus on NYSERDA's implementation blueprints that shall be submitted to the DOE for review. The webinar presented an opportunity for key stakeholders and the public to provide input on program design considerations and features.

Stakeholder input helped inform the finalization of New York State's full proposal to DOE for funds to develop and implement two rebate programs: the Home Efficiency Rebates (HER) Program and the Home Electrification and Appliance Rebates (HEAR) Program. NYSERDA intends to administer these programs to help the state meet the greenhouse gas emission reduction and equity requirements under the 2019 Climate Leadership and Community Protection Act (Climate Act).

Summary of IRA Home Energy Rebate Program Questions Received and Responses **KEY QUESTIONS & ANSWERS**

WHAT WE HEARD	NYSERDA RESPONSE
<p>Clarify and make centrally available resources explaining the differences between in-place NYSERDA Program requirements and the NYSERDA Program requirements when incorporating HER and HEAR funding.</p>	<p>NYSERDA's IRA HEAR &amp; HER program is designed to integrate with multiple funding sources to make a seamless process for residents and contractors to access the most beneficial combination of rebates for eligible projects. NYSERDA is implementing a phased rollout, starting with EmPower+, and will add more programs over time. Program requirements are subject to change, and will be outlined in the respective Program Manual(s).</p> <p>For EmPower+, please see here: <a href="https://www.nyserderda.ny.gov/All-Programs/Become-a-NYSERDA-Qualified-Contractor/Residential-Existing-Homes-Contractor/Become-an-Empower-Contractor">https://www.nyserderda.ny.gov/All-Programs/Become-a-NYSERDA-Qualified-Contractor/Residential-Existing-Homes-Contractor/Become-an-Empower-Contractor</a></p> <p>NYSERDA is waiting for DOE approval of its application covering the full spectrum of HER and HEAR Programs that includes multifamily and retail point-of-sale. A phased rollout over the fall and early winter is anticipated. Details will be shared for the other programs as they become available.</p>

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<p>Clarify contractor network details, including interactions with existing contractor networks, contractor requirements by qualifying HER and HEAR measure, QA/QC and Case Escalation protocols, and other network management considerations.</p>	<p>As of the date of publication, NYSERDA anticipates leveraging both EmPower+ and Comfort Home programs and contractor networks to support deployment of the HER (Homes) rebates for single family residential homes, 1 to 4 units. NYSERDA will utilize its existing network of approximately 180 contractors currently participating in the EmPower+ and Comfort Home programs statewide to complete energy assessments and most installations.</p> <p>NYSERDA has an open enrollment process for companies to apply to be a participating contractor. Requirements include demonstrating proper credentials and meeting all program requirements per the program’s Participation Agreement.</p> <p>For EmPower+, see: <a href="https://www.nyserderda.ny.gov/All-Programs/Become-a-NYSERDA-Qualified-Contractor/Residential-Existing-Homes-Contractor">https://www.nyserderda.ny.gov/All-Programs/Become-a-NYSERDA-Qualified-Contractor/Residential-Existing-Homes-Contractor</a></p> <p>For Comfort Home, see: <a href="https://www.nyserderda.ny.gov/All-Programs/Comfort-Home-Program/Become-a-Participating-Comfort-Home-Contractor">https://www.nyserderda.ny.gov/All-Programs/Comfort-Home-Program/Become-a-Participating-Comfort-Home-Contractor</a></p> <p>For the Retail Point-of-Sale HEAR Program and the Multifamily HEAR and HER Program, NYSERDA is presently designing the ‘Qualified Contractor’ requirements for the NYS’ Home Energy Rebates Program delivery including details of how the Qualified Contractor list will work and how applications for this list will be processed. NYSERDA will continue to solicit stakeholder feedback as needed throughout the planning process.</p> <p>Details will be made publicly available in a Consumer Protection Plan that will be available on NYSERDA’s website upon launch of programs.</p>

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<p>Clarify equipment qualification criteria and equipment selection guidance, covering topics like ENERGY STAR certified equipment standards?</p>	<p>As of the date of publication, for the active partial HEAR program, NYSERDA is expediting rebate availability to low-income residents and building owners through the existing EmPower+ program. With the combined HEAR and EmPower+ offering, income qualifying residential households can access up to 100% of the total eligible project cost, with a maximum rebate per dwelling unit of \$14,000, for the following measures that meet program guidelines:</p> <ul style="list-style-type: none"> <li>• \$1,750 for ENERGY STAR qualified Heat Pump Water Heaters</li> <li>• \$8,000 for ENERGY STAR qualified Heat Pumps used as the primary heating source with capacity for heating the majority of the home’s heating load</li> <li>• \$4,000 for Electric Service Upgrades</li> <li>• \$2,500 for Electrical Wiring Repairs</li> <li>• \$1,600 for ENERGY STAR qualified insulation, air sealing, and ventilation</li> </ul> <p>NYSERDA is aware of some current limitations of ENERGY STAR insulation materials readily available in the market and will continue to cover insulation materials in EmPower+ with other, existing funding sources up to the existing program caps, and apply the HEAR rebate to air sealing or ventilation measures, as applicable in a home.</p> <p>For multifamily buildings, NYSERDA has raised the concern with DOE that there are limited to none ENERGY STAR certified electrification equipment. DOE has modified the ENERGY STAR requirement to allow for States to propose an alternative equipment efficiency standard for DOE review and approval.</p> <p>Program requirements are subject to change and will be outlined in the respective Program Manual(s) and a Consumer Protection Plan that will be published for each program.</p>
<p>Clarify how Regional Clean Energy Hubs are participating in, informing, and can support HER and HEAR implementation?</p>	<p>New York’s regionally based Clean Energy Hubs are community-based organizations across the State that help connect residents to various programs based on their individual needs. The regional Clean Energy Hubs work directly with residents to understand their unique needs and will work to identify the availability of other complementary services and programs that may not be covered under energy programs, such as housing repair.</p> <p>NYSERDA will leverage existing resources, including its regional Clean Energy Hubs, to provide a variety of channels for homeowners, contractors, stakeholders, and the public at large to learn about the rebate programs that are available. In addition to general assistance, Clean Energy Hubs can help customers submit applications.</p>

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<p>Clarify marketing investments, marketing strategy, and marketing performance, including timing of marketing efforts and their alignment with the rollout of HER and HEAR rebates.</p>	<p>Each program will be responsible for its own individual marketing and outreach, timed and aligned with the rollout of the programs.</p>
	<p>Regarding the Retail Point-of-Sale program, NYSERDA recognizes the questions and complexities noted by stakeholders. To summarize the launch approach, NYSERDA is developing the Residential Market Engagement System (RMES), which is a Salesforce-based system that the program will use for appliance (heat pump dryers for launch) and electrical panel and/or wiring upgrade applications. Please note that electrical upgrades (both wiring and panel) are only allowed for appliance installations that require them.</p> <p>Applications will be approved by NYSERDA's Implementation Contractor who will authorize the reservation of the appliance and electrical upgrade coupons. Customers (homeowners, building owners, and renters) will be allowed to submit applications as well as Participating Contractors (PCs) and the Regional Clean Energy Hubs on their behalf. Once authorized and reserved, these program participants will receive a Participating Retailer-specific appliance and NYSERDA-specific electrical upgrade coupon(s) (automatically reserved for customers, selected by PCs) worth the customer's eligible rebate range. Coupon codes will be sent to participants via email. Participants can redeem coupons for their eligible amount at Participating Retailers, and electrical upgrade(s) coupons with their respective Participating Contractor in the RMES. Both coupon types will be voided immediately after use.</p> <p>NYSERDA will enroll qualified contractors and retailers in the Retail Point-of-Sale program through an open enrollment solicitation that will be open for the duration of the program. The solicitation will detail the respective requirements to qualify as Participating Contractors and Retailers. Installation incentives will be available for Participating Contractors who perform appliance and electrical upgrade(s) installations. Customers will not be eligible for these installation incentives. For the most part, it will be the contractor who verifies the install on the rebate, however there is both a customer-driven path where the customer handles all aspects of the rebate. The post-installation photos may not be necessary for Retail Point-of-Sale. The DOE is in the process of revising that requirement for retail purchases, but until the DOE does that, it will be up to the contractor to take and submit the post-installation photo.</p>

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Clarify Retail Point-of-Sale considerations, including how Do-it-Yourself (DIY) equipment rebates will work. (continued)	Appliance installations may be done by the customer in accordance with New York State and the applicable municipal local laws, codes, and permits. Under the Retail Point-of-Sale program, customers will not be permitted to perform work that requires a licensed plumber and/or electrician. NYSERDA will enroll such types through the previously mentioned open enrollment solicitation to provide customers with qualified contractors for this necessary work.
Clarify state tax considerations of HER and HEAR program implementation, including tax implications of installed measures, Home Energy Assessments, and more.	<ul style="list-style-type: none"><li>• NYSERDA cannot provide tax advice.</li><li>• Some parts of the process have no tax implications – for example, Home Energy Assessments are provided at no cost to consumers.</li><li>• The current understanding of IRS clean energy tax credit guidance is that the dollar value of the HEAR incentive for a qualifying measure would need to be deducted from the total cost of a substantial qualifying measure before the tax incentive is applied. See the IRS webpage on clean energy tax credits for more information</li><li>• <a href="https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022">https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022</a></li></ul>
Clarify the role of union labor in HER and HEAR program implementation.	NYSERDA’s workforce training team does provide funds to community-based organizations, pre-apprenticeship training, which leads to union jobs, and union apprenticeship and journey worker training programs. All of NYSERDA’s funding for training programs aimed at training a new worker has to serve at least 50% from a DAC or priority population with higher funding provided if they serve 100% from these targeted populations.
Clarify what financing or financing support is available to enhance access to HER and HEAR qualifying measures for households that may not traditionally qualify for financing.	NYSERDA and the NYGB have several current offerings to support EE/BE measures for low to moderate income households such as Green Jobs Green New York and the NYGB Community Decarbonization Fund. We are actively exploring additional financing solutions and welcome input and feedback on gaps and opportunities.

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<p>Clarify what other municipal, state, and federal incentives can be 'stacked' with HER and HEAR rebates to further reduce costs for consumers?</p>	<p>NYSERDA’s IRA HEAR &amp; HER program is designed to integrate with multiple funding sources to make a seamless process for residents and contractors to access the most beneficial combination of rebates for eligible projects. Currently income-eligible homeowners and landlords of one-to-four family homes can use EmPower+ funding to lower the upfront cost of energy efficiency improvements and all-electric equipment in their homes.</p> <p>Low-income, single-family households are eligible for no-cost energy efficiency improvements capped at \$10,000 per project.</p> <p>Moderate-income single-family households are eligible for no-cost energy efficiency improvements capped at \$5,000 per project.</p> <p>It may be possible to stack EmPower+ and HEAR with other local programs, depending on the specific measures and combinations of funding sources.</p> <p>NYSERDA has established processes for working with other related programs to maximize funding for residents, such as the Weatherization Assistance Program and NYS Utility programs, such as the NYS Clean Heat Program that provides incentives for heat pumps.</p> <p>As NYSERDA phases in the full spectrum of IRA HER incentives, eligible measures may have the opportunity to receive IRA Home Energy Rebate funds and incentive funds from other state and utility programs.</p> <p>Additionally, building owners may apply for financing through other NYSERDA programs, and products offered by the NY Green Bank or our other lending partners, provided they are eligible.</p>
<p>Communicate clearly to stakeholders regarding the venues available for input on HER and HEAR program design and implementation.</p>	<p>NYSERDA is hosting a variety of engagements - including, but not limited to, public webinars, working groups, and through existing communication channels (Clean Energy Hub meetings, Residential Market Advisory group meetings, etc.). Information will be shared on the NYSERDA IRA website, where applicable: <a href="https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act">https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act</a></p> <p>NYSERDA accepts IRA related stakeholder inquiries and feedback via email at <a href="mailto:residential.ira@nyserda.ny.gov">residential.ira@nyserda.ny.gov</a> .</p> <p>Interested stakeholders are encouraged to join the quarterly Residential Market Advisory Group Meetings (RMAG) which will provide opportunities for information, discussion, and feedback to 1-4 family residential sector stakeholders. See <a href="https://www.nyserda.ny.gov/Residential-Market-Advisory-Group">https://www.nyserda.ny.gov/Residential-Market-Advisory-Group</a></p>



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<p>Host centralized NYSERDA webpage resources with information on HER and HEAR program details (ex/ \$ values of incentives by qualifying measures by program), program availability (ex/ incentive availability and \$ values by region), and program performance tracking using key metrics.</p>	<p>NYSERDA is developing two new and interconnected websites - a Residential Learning Center and a Residential Market Engagement System (RMES). Together these websites will seamlessly serve all of New York's residents clean energy path. The Learning Center will be the primary website for residents to learn about the benefits of energy efficiency and an all-electric home and will include educational resources such as but not limited to customer case studies. The RMES will be the primary website for all NYSERDA residential programs, providing online access to program details, eligibility criteria, requirements, and rebate application instructions, and rebate eligibility information. It will also include tools such as a qualified contractor look-up that allows for filtering by region, building type, and programs.</p> <p>Additionally, NYSERDA will provide up to date implementation plans and associated resources on the IRA webpage: <a href="https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act">https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act</a></p>
<p>Make accommodations available to support public engagement, including sharing meeting materials, identifying how stakeholder input has informed program design and updates, and providing resources to encourage participation from under-engaged communities (making phone dial-in options available for meetings, providing language interpretation services, etc.)</p>	<p>Since the fall of 2023, NYSERDA has had ongoing engagements with key stakeholders in the design and implementation of the Home Energy Rebate Program including the establishment of contractor and community partners working groups. Feedback gathered from these working group sessions informed NYSERDA's development of the Community Benefits Plan and Education and Outreach Plan. Additionally, NYSERDA will be developing a Consumer Protection Plan that details consumer protection measures designed to increase consumer understanding of and confidence in the Home Energy Rebate programs. These resources, once approved by DOE, will be posted to the IRA webpage: <a href="https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act">https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act</a></p> <p>Meeting materials, including presentations and Chat / Q&amp;A will be made available post-meetings. Webinars with interpretation services and call-in options may be available, please see the meeting details for more information. Additionally significant training, toolkits, resources, and support will be provided to participating contractors to ensure they provide the best offer and experience to their customer.</p>

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<p>Natural gas to heat pump conversions should be eligible improvements to ensure equity and access in HER and HEAR program implementation.</p>	<p>NYSERDA has taken note of concerns raised by stakeholders during the engagement session and is working with NYS Department of Public Service (DPS) to schedule a follow-up meeting with interested stakeholders to better understand concerns raised about program accommodations for natural gas to heat pump conversions. It is a priority for New York State agencies to address affordability issues related to electrification for lower income households. The initial rollout of the IRA HEAR rebates will prioritize the conversion of homes that heat with delivered fuels such as oil and propane, to heat pumps, which presents the best economic case. Nearly one third of LMI residents heat with a delivered fuel.</p> <p>NYSERDA will work with the DPS and other state agencies over the next several months to assess opportunities to mitigate energy burden impacts for lower-income New Yorkers when converting to heat pumps, including those who currently use methane gas as a primary heating fuel. This work will inform the administration of the remainder of the IRA rebates.</p>
<p>Provide clear and consistent consumer messaging, including guidance on pre-installation (ex/ Home Energy Assessment expectations and reports), installation (ex/ what to expect when having measures installed), and post-installation (ex/ QA/QC) expectations, rights, and responsibilities.</p>	<p>NYSERDA is developing two new and interconnected websites - a Residential Learning Center and a Residential Market Engagement System (RMES). Together these websites will seamlessly act together and serve all of New York's residents clean energy path. The Learning Center will be the primary website for residents to learn about the benefits of energy efficiency and an all-electric home and will include educational resources such as but not limited to customer case studies. The RMES will be the primary website for all NYSERDA residential programs, providing online access to program details, eligibility criteria, requirements, and rebate application instructions, and rebate eligibility information. It will also include tools such as a qualified contractor look-up that allows for filtering by region, building type, and programs.</p> <p>Each program will be responsible for its own individual marketing and outreach, timed and aligned with the rollout of the programs. Specifics will be included in the Education &amp; Outreach Plan and that will be publicly available once approved by the U.S. Department of Energy.</p> <p>Additionally, NYSERDA will provide up to date implementation plans and associated resources on the IRA webpage: <a href="https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act">https://www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act</a></p> <p>It will be necessary to conduct an energy assessment prior to offering a heat pump incentive through HER.</p> <p>Details will be shared for the other programs as they become available.</p>



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<p>Share NYSERDA application materials with stakeholders for feedback before submitting them to the U.S. Department of Energy</p>	<p>Since October 2023, NYSERDA has engaged with stakeholders to solicit input on application materials. As a result, feedback has informed the development of the application, however NYSERDA may not be able to share the final materials with stakeholders in advance of submission.</p>