



Efficiency Maine and the Inflation Reduction Act of 2022 (“IRA”)

May 2023

Efficiency Maine

- The independent, quasi-state agency established in 2010 to plan and implement energy efficiency programs in Maine.
- Provides rebates, financing, technical information, and registry of independent contractors.
- Funded by electric and natural gas utility ratepayers, Regional Greenhouse Gas Initiative, ISO-New England, federal grants, settlement funds and other sources.
- Governed by a Board of Trustees appointed by the governor and confirmed by the Legislature with oversight from the Maine Public Utilities Commission.

Sectors Served by Efficiency Maine Programs

Program	Commercial and Industrial	Small Businesses	Multifamily	Residential	Low-Income Households	Institutions and Governmental Entities
Commercial and Industrial Custom Program	✓					✓
Commercial and Industrial Prescriptive Program	✓	✓	✓			✓
Small Business Initiative		✓				
Distributor Initiatives	✓	✓	✓	✓	✓	✓
Retail Initiatives	✓	✓	✓	✓	✓	✓
Home Energy Savings Program			✓	✓	✓	
Low-Income Initiatives			✓		✓	
Electric Vehicle Initiatives	✓	✓	✓	✓	✓	✓
Demand Management Program	✓	✓		✓		✓

How does the Inflation Reduction Act (IRA) promote energy efficiency and electrification?

- Expands federal tax credits and provides funding for rebates to encourage homeowners and businesses to increase their energy efficiency and shift to qualifying electric appliances and vehicles
- IRA's incentives for home efficiency improvements:
 1. expanded and increased federal tax credits administered by the Internal Revenue Service (IRS)
 2. funding for rebates that Efficiency Maine will use to support programs in Maine
- New tax credits are currently available. Customers can combine the new tax credits with Efficiency Maine's existing generous energy efficiency rebates.

Federal Tax Credits Available NOW (partial list)

- Heat pumps: 30% up to \$2,000/ year
- Heat pump water heaters: 30% up to \$2,000/year
- Insulation and air sealing: 30% up to \$1,200 / year
- 200+ amp circuit panels: 30% up to \$600/ year
- Energy audits: 30% up to \$150/ year
- Wood/pellet stove/boilers: 30% up to \$2,000/ year
- Geothermal: 30% no cap
- Clean Vehicle Tax Credits (EVs)
- EV charging equipment: 30% up distinct caps for residential vs. commercial

Note: A taxpayer may not claim a credit of more than \$2,000 for total expenditures on heat pumps, heat pump water heaters, and biomass stoves and boilers in any single year. For other upgrades (excluding geothermal and EVs) listed above, an aggregate annual tax credit cap of \$1,200 applies.

Efficiency Maine Rebates Available NOW (partial list)

- Heat pumps: \$400 to \$2,400
- Heat pump water heaters: up to \$950
- Insulation: up to \$8,000
- Electric Vehicles (EVs): \$500 to \$7,500 (for individuals)
- Geothermal: up to \$3,000
- Biomass boilers: up to \$6,000

1. *Restrictions apply.*
2. *Rebate amounts subject to change.*
3. *For up-to-date eligibility requirements and rebate amounts, visit:*
 - a. efficiencymaine.com/at-home/ and
 - b. efficiencymaine.com/at-work/.

IRA Funding for Home Efficiency and Electrification Rebates

- Anticipate \$72 million for rebate programs in Maine by the end of 2023
 - Home Efficiency Upgrades
 - Eligible uses: insulation, heating systems, etc.
 - Eligible customers: residential dwellings – single family and multi-family
 - Rebate amounts tied to amount of **modeled** or measured energy savings
 - Home Electrification
 - Eligible uses: heat pumps, heat pump water heaters, certain appliances, electrical service/wiring, insulation
 - Eligible customers: low- and moderate-income households
 - Rebate amounts: TBD (see below)
- Program implementation details
 - Anticipate guidance from the U.S. Department of Energy in summer 2023
 - Certain details left to the discretion of the States
 - Currently designing Maine programs and administration, timed with federal funding

Low- and Moderate-Income

- Thresholds
 - Low income: 80% of Area Median Income (AMI)
 - Moderate income: 80% to 150% of AMI
- Additional guidance expected from the federal government
- Example state-wide AMI for Maine:

FY 2022 Low-Income (80%) Limit (LIL)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
47,450	54,200	61,000	67,750	73,150	78,600	84,000	89,450

- Future program rules could specify county-specific values

Today is a Great Time to Invest in Energy Efficiency

- Generous incentives are available now, and the sooner homeowners upgrade, the sooner they'll start saving money.
- Although federal guidance is not yet available for how IRA funding may be used for rebates, homeowners might be interested in our current assumptions:
 - Efficiency Maine is not planning to add IRA-funded rebates on top of existing rebates for the same upgrades.
 - Those purchasing heat pump water heaters or insulating their homes will likely see rebate amounts about the same as those that Efficiency Maine currently offers.
 - Any increase in rebates for heat pumps would only affect low- and moderate-income households.

Questions?

Information on Efficiency Maine programs:

Visit efficiencymaine.com or contact us at 866-376-2463 or info@efficiencymaine.com.

Information on federal tax credits:

[https://www.energystar.gov/about/federal tax credits](https://www.energystar.gov/about/federal_tax_credits)