



# Inflation Reduction Act (IRA) Maine Plan for Home Energy Rebate Programs

Board Update  
September 27, 2023

# Agenda

## August meeting

1. Relevant goals and principles
2. Existing Programs
3. DOE requirements and instructions for use of IRA Home Energy Rebate Programs
  - Home Efficiency (aka "HOMES")
  - Home Electrification (aka "HEEHRA")

## Today

4. Planning for HOMES and HEEHRA in Maine
  - Budget Allocations
  - Implementation Strategies
5. Application next steps

# Glossary, Abbreviations, Acronyms (GAA!!!)

- BPI = Building Performance Institute (a national trade association)
- DOE = US Department of Energy
- HOMES = Home Efficiency Rebate Program (performance-based rebates)
- HEEHRA = Home Electrification Rebate Program
- HP = Heat Pump
- IRA = Inflation Reduction Act
- SF & MF = Single-family home & Multi-family building
- VRF = Variable Refrigerant Flow (heat pump system)
- Wx = Weatherization

# Efficiency Maine Staff's Initial Concepts

For discussion with and feedback from the Efficiency  
Maine Board of Trustees, other agencies and stakeholders

# HOMES

Modeled Home Efficiency

# Home Efficiency (HOMES) – Efficiency Maine Initial Concept (1)

## 1. Approach

- Focus on MCC Goals (esp. for whole-home HP and “low income”) in market segments that face heightened barriers: **multifamily buildings and renters**
- Focus on building types where the benefits (cost savings) of the extensive federal requirements (energy audits, modeled savings, data reporting) are likely to outweigh the costs and administrative burdens
- Prioritize heating systems where modeled savings is most likely to meet minimum thresholds and cost-effectiveness is likely to be highest
- Avoid/minimize disruption to existing market-based weatherization program, which is on track to meet MCC goals

# Home Efficiency (HOMES) – Efficiency Maine Initial Concept (2)

## 2. Targeted customer segments

- Low Income / Multifamily
- Market Rate / Multifamily
- Decline to use IRA HOMES for single-family homes, because:
  - Any Income --
    - Rely on EMT's existing State/regional revenue streams to sustain funding of HESP insulation and air sealing;
    - Decline to develop and launch complex, costly new program design just for IRA insulation and air sealing rebates, which would cease as soon as funds are gone;
    - Apply similar rebate amounts to those allowed by IRA.
  - Low Income – Rely on existing revenues/budgets at MaineHousing, including BIL grant of \$32 million for weatherization.

# Home Efficiency (HOMES) – Efficiency Maine Initial Concept (3)

## Priority measures

- Heating systems (VRFs & HPs) and water heating can exceed 35% energy savings threshold making them eligible for rebate of:
  - 80% of project costs for low-income units
  - 50% of project costs for market-rate units
- Envelope measures as needed
- Audit/modeling/data collection requirements become more manageable at the MF scale and benefits are worth the costs
- EMT forecasts operating cost savings even in buildings with natural gas systems
- There are pathways for renters to experience benefits of the upgrades

# HEEHRA

## Home Electrification

(for low-income and moderate-income only)

# Home Electrification (HEEHRA) – Efficiency Maine Initial Concept

**Approach:** Support market transformation to whole-home HP solutions while building momentum among contractors/vendors in Maine and delivering benefits to low- and moderate-income Mainers.

## Targeted Customer Segments

- **Single Family / Moderate Income** (pending clarification on DOE Requirements and Instructions)
  - Moderate-Income: 2 brackets:
    - (1) 80% up to 120% AMI
    - (2) 120% up to 150% AMI
- **Multifamily / Low-Income** (<80% AMI)
  - Public Housing Authorities
  - Supportive Housing
  - Private Affordable Housing

# Home Electrification (HEEHRA) – Efficiency Maine Initial Concept

## Targeted Customer Segments (continued)

- **Decline to use IRA HEEHRA funds for Single Family / Low-Income, because:**
  - There is "Complementary Funding" (\$5 million) through MaineHousing grant for SF/LI;
  - There may be more complementary funding (\$10 million) through a separate BIL grant to EMT-MaineHousing-GEO;
  - Significant investment for the low-income sector will be targeted at benefiting renters (in multifamily buildings) through this program;
  - Leveraging private investment from moderate-income consumers stretches public funds, improves progress toward carbon reductions and State heat pump goals, accelerates market transformation.

# Home Electrification (HEEHRA) – Efficiency Maine Initial Concept (2)

## Prioritized measures

- *Whole Home Heat Pumps* (including VRFs where appropriate in MF units)
- *Electric Panel Upgrade* and *Electric Wiring* associated with heat pump installations (where required)
- But not (using IRA funds):
  - SF: *Insulation, air sealing, ventilation*
  - SF & MF: *Appliances (electric stoves, ranges, ovens, HP clothes dryers)*

# 6. Budget Allocations

Admin & Delivery, DOE Minimum Set Asides, Allocation Scenarios for Maine

# Min/Max Budget Allocations

DOE rules set (a) maximum allocation for administrative costs and (b) minimum allocations for low-income dwellings:

- Home Efficiency (HOMES): **\$35.9 million total for Maine (one-time)**
  - **Program Administration:** up to 20% of total grant (~\$7.2 million)
  - Minimum allocation for **Low-income households:** 40% of rebate funding (~\$11.6 million)
  - Minimum allocation **Low-income multifamily:** 10% of rebate funding (~\$2.9 million)
  - **Remainder:** ~40% of total grant (~\$14.3 million)
- Home Electrification (HEEHRA): **\$35.7 million total for Maine (one-time)**
  - **Program Administration:** up to 20% of total grant (~\$7.1 million)
  - Minimum allocation for **Low-income households:** 40% of rebate funding (~\$11.5 million)
  - Minimum allocation **Low-income multifamily:** 10% of rebate funding (~\$2.9 million)
  - **Remainder:** ~40% of total grant (~\$14.2 million)

# Budgeting – Home Efficiency (“HOMES”)

*Discussion draft*

Measure	Percent	Amount
Program Administration	10%	\$3,593,692
Rebate Delivery	15%	\$5,390,538
Low Income Multifamily Retrofit	50%	\$17,968,460
Other measures under consideration	Up to 25%	\$8,984,230
Any Income / MF -- Modeled Pathway		
Any Income -- Measured Pathway		
<b>TOTAL</b>	<b>100%</b>	<b>\$35,936,920</b>

# Budgeting – Home Electrification (“HEEHRA”)

*Discussion draft*

Measure	Percent	Amount
Program Administration	10%	\$3,572,805
Rebate Delivery	15%	\$5,359,208
Whole Home Heat Pumps (including wiring and panel upgrades)	70%	\$25,009,635
Other electric appliances under consideration	5%	\$1,786,403
Total	100%	\$35,728,050

# 7. Application Process & Related Preparation

Next Steps

# Application process & associated planning

## Key components:

- Application narrative
- Implementation Blueprint – *materials due prior to program launch*
  - **Community Benefits Plan (and associated stakeholder outreach & engagement)**
  - Consumer Protection Plan
  - Education and Outreach Strategy
  - Utility Data Access Plan
  - Privacy and Security Risk Assessment
  - Market Transformation Plan (due after 12 mos.)

“Quick start” option – DOE will prioritize review of program proposals intended for launch in 2023

# Community Benefits Plans

- **Engage Community & Labor**

- States must hold at least 1 public input session to solicit community input on deployment plans.
- Describe outreach and engagement strategies for target communities
- States plans are encouraged to form partnerships
  - With community-based organizations, labor unions, contractor organization, utilities, existing program implementers, and other organizations that represent or work with underserved households to reach and engage with these communities effectively over the life of the program.

- **Engage and support Workforce**

- Opportunity for coordination on IRA Sec 50123 Contractor Training Grant funding (\$1.3M to Maine via formula)
- The Community Benefits Plan must describe the State's approach to working with responsible contractors
  - If a State is not also applying for a grant from the IRA Section 50123 Contractor Training Grants ALRD, the State must describe how it is supporting education and training of both new and incumbent workers to meet the needs of the Home Efficiency Rebates.

# Community Benefits Plans (2)

- **Incorporate Diversity, Equity, Inclusion & Accessibility**

- The Community Benefits Plan must include a section describing how DEIA objectives will be incorporated into the program. The section should detail how the State will partner with underrepresented businesses and training organizations that serve workers who face barriers to accessing quality jobs and/or other project partners to help address DEIA.

- **Address Justice40**

- State's definition of disadvantaged communities. The communities meeting the state definition must be mapped or the State must develop its own GIS layer that can identify households that qualify as fitting under its disadvantaged community definition.
- A State's method of encouraging delivery of home efficiency rebates to disadvantaged communities.
- Description of how state will ensure benefits flow to DACs

# Education & Outreach

At minimum, a State's outreach and education strategy must include:

- A brief description of planned activities for household outreach, such as:
  - Outreach partnerships (utilities, local governments, community-based organizations, labor unions, churches, etc.)
  - Outreach channels (Digital ads, neighbor to neighbor outreach, direct mailings, etc.)
  - Educational materials (website, fact sheets, etc.)
- A brief description of planned activities for contractor outreach, such as:
  - Outreach partnerships (trade organizations, labor organizations, etc.)
  - Outreach channels (website, ads in trade organization publications, etc.)
  - Educational materials (website, fact sheets, trainings, etc.)
- High-level timeline for executing these programmatic activities.
- Estimated budget devoted to outreach and education, which can be covered through Home Efficiency Rebates administrative funding or through other state/utility/local sources.