



# Maine's Strategic Plan for Use of the Federal IRA Home Energy Rebate Programs

EMT Board Meeting

February 28, 2024

# Statutory Authority

Maine statute provides that the Trust:

- May receive funds “from any entity ... if the board determines that receipt of those funds is consistent with the purposes of [the Efficiency Maine Trust Act].” [35-A MRS §10103(4)]; and,
- May administer (A) the United States Department of Energy's State Energy Program; and (B.) Other federally funded programs and projects related to trust programs. [35-A MRS §10115(1)].

The objectives and activities described involve investing in measures to save energy and/or reduce carbon are consistent with the purposes of the Trust (*see*, 35-A MRS §10103) and the statutory authority provided for various programs (*see, e.g., Id.*, §10109, §10110, §10119).

# Home Efficiency (HER) – Proposed Program Design

## 1. Eligible dwellings for HER Rebates in Maine

- Low-Income Multifamily (MF) Buildings – priority use of funds
  - *Target – Approximately 2,250 dwellings*
- Market-Rate Multifamily Buildings – secondary priority; as funding allows
  - *Target – Approximately 2,250 dwellings*
- Prioritize serving larger **low-income MF buildings and their renters** where the benefits (cost savings) of the projects are likely to outweigh the costs and administrative burdens of extensive federal requirements (e.g., energy audits, modeling savings, data collection)
- Prioritize electrification retrofits of heating systems -- measures where modeled savings are most likely to meet IRA's minimum thresholds for rebate eligibility and where cost savings will be significant

## 2. Ineligible dwellings for HER Rebates in Maine

- Single family homes
- New construction

# Home Efficiency (HER) – Proposed Program Design (2)

## 2. Ineligible Dwellings (Cont'd)

Rationale for declining to use IRA HER rebates for single-family (SF) homes:

- Any-Income SF
  - Efficiency Maine has significant existing State/regional revenue streams (e.g., RGGI, Electric Efficiency Procurement) to sustain funding of existing weatherization and heat pump incentives through the next several years, and beyond;
  - Efficiency Maine's existing programs offer rebate amounts very similar to those allowed under the IRA HER program;
  - Efficiency Maine seeks to avoid disrupting the simplicity and sustainability of its existing program design for home weatherization and heat pumps. Keeping the Any-Income SF market for weatherization and heat pumps separated from the IRA HER restrictions and requirements avoids introducing significant complexity and adding to project costs in ongoing programs.
- Low-Income SF
  - See bullets above;
  - Also, the Low-Income SF market currently enjoys significant revenues and budgets from Efficiency Maine's \$25M initiative under the Maine Jobs and Recovery Plan, plus MaineHousing's \$32M, 5-year weatherization funds from Bipartisan Infrastructure Law, plus MaineHousing's ongoing Weatherization Assistance Program annually funded by US DOE and HUD.

# Home Efficiency (HER) – Budgeting

Measure	Percent	Amount	Target project count
Program Administration	20%	\$7,187,384	
Rebate Delivery*	5%	\$1,796,846	
Low-Income Multifamily Retrofit	50%	\$17,968,460	2,250 dwelling units
Any-Income Multifamily Retrofit	Up to 25%	Up to \$8,984,230	2,250 dwelling units
<b>TOTAL</b>	<b>100%</b>	<b>\$35,936,920</b>	

\*Describes costs associated with the delivery of the rebate but not included in the rebate itself (e.g., costs of energy audits)

# Home Electrification (HEAR) – Proposed Program Design (1)

## 1. Customer segments eligible for HEAR rebates in Maine

- Low-Income Single Family (<80% AMI)
  - Prioritize manufactured homes
  - *Target – Approximately 890 homes*
- Low-Income Multifamily (<80% AMI)
  - Building owners: Public Housing Authorities, Supportive Housing, Private Affordable Housing
  - Building types: New construction
  - *Target – Approximately 1,700 units*
- Moderate-Income Single Family (80-150% of AMI)
  - Secondary priority; as funding allows

## 2. Eligible Measures

- *Whole-home/building Heat Pumps* (including VRFs where appropriate in multifamily units)
  - Must meet minimum efficiency standards and performance standards in cold-climates
- *Electric Panel Upgrade* and *Electric Wiring* associated with heat pump installations, where required

## Home Electrification (HEAR) – Proposed Program Design (2)

### 3. Ineligible measures for HEAR rebates in Maine

- *Insulation, air sealing, ventilation* – alternative funding streams are available to sustain existing programs
- *Heat pump water heaters* – alternative funding streams are available to sustain existing programs
- *Other appliances (electric stoves, ranges & ovens; heat pump clothes dryers)* – these appliances have less impact on home energy costs and carbon emissions; allocate funding to more cost-effective, priority measures instead

## Home Electrification (HEAR) – Budgeting

Measure	Percent	Amount	Target project count
<b>Program Administration</b>	<b>20%</b>	<b>\$7,145,610</b>	
<b>Rebate Delivery*</b>	<b>5%</b>	<b>\$1,786,403</b>	
<b>Whole Home Heat Pumps (including Wiring and Panel Upgrades)</b>	<b>75%</b>	<b>\$26,796,038</b>	
Low-income MF New construction (Initial allocation)	30%	\$10,718,415	1,340 dwelling units
Low- and Moderate-income SF (Initial allocation)	30%	\$10,718,415	890 homes
Allocation to be determined based on measure performance	15%	\$5,359,208	TBD
<b>TOTAL</b>	<b>100%</b>	<b>\$35,728,05</b>	

\*Describes costs associated the delivery of the rebate but not included in the rebate itself (e.g., costs of home assessments)

# Timeline/Process Overview

## **EMT generates draft plan**

- consultation with GEO and MSHA
- targeted stakeholder outreach

- August 2022 – IRA signed into law
- March 2023 – ME submits response to Request for Information
- July 2023 – U.S. Department of Energy (DOE) issues federal guidance
- October 2023 – DOE issues updated federal guidance
- January 23, 2024 – Public Hearing on draft proposal
- February 7, 2024 – Written comment deadline
- February 28, 2024 – EMT Board approve final plan, accept funds
- March 2024 – Submit final plan to DOE

# Stakeholder Feedback

- Public meeting
  - January 23, 2024 public meeting held at offices of Efficiency Maine Trust and online
  - Presented overview of Draft Plan and collected verbal comments
  - 115 participants online; 4 in person
- Written comments due February 7, 2023, received through:
  - Online portal
  - Email

# Stakeholder Feedback

## Major topics in comments

- Include eligibility for electric appliances, smart thermostats, electric lawn equipment
- Expand eligibility beyond low-income consumers/dwellings, include single family homes
- Allow eligibility for Do-It-Yourself measures, such as "Window Dressers"
- Outreach and Training
  - Ensure sufficient training/technical support/other support for contractors
  - Engage local housing organizations and landlords
- Ensure that tenants experience some of the benefits from the upgrades
- Use a "weatherize first" priority and include health/safety repair costs
- Allow eligibility for "room heater" heat pumps (i.e., as supplemental heater)
- Couple the IRA incentives with Efficiency Maine Green Bank financing products (& C-PACE)
- Employ a workforce advisory committee and ensure trade allies are rewarded if they pay prevailing wage, recruit from J40 communities, use local hire provisions, protect worker rights
- Do not over-allocate funds for administrative costs

# Motion

## **Proposed Motion:**

Move to find that the receipt of the federal IRA Home Energy Rebate Program funds is consistent with the purposes of the EMT Act and authorize accepting up to \$72 million in these funds to administer the Home Efficiency Rebate (HER) and Home Electrification Appliance Rebate (HEAR) programs consistent with the Plan for Use of the Federal IRA Home Energy Rebate Programs as described at the EMT Board Meeting on February 28, 2024.