

DOCKETED

Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	260541
Document Title:	Request for Information HEEHRA Phase II
Description:	N/A
Filer:	Caelan Struble
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	12/6/2024 4:42:58 PM
Docketed Date:	12/6/2024

CALIFORNIA ENERGY COMMISSION715 P Street
Sacramento, California 95814

CEC-057 (Revised 1/21)

Request for Information (RFI)

Program Design of Inflation Reduction Act (IRA) Home Equipment and Appliance Rebates (HEEHRA) Phase II

Docket No. 23-DECARB-01

The California Energy Commission (CEC) is issuing this Request for Information (RFI) to invite the public to provide information and comments on the CEC's approach to program design for the Home Equipment and Appliance Rebates (HEEHRA) Phase II Program funded by the federal Inflation Reduction Act (IRA). The information received will be used to develop the CEC's application to U.S. Department of Energy (DOE). See more information on the program and phases below.

To facilitate feedback and recommendations, staff has developed a list of questions in the Discussion and Input Request section of this document. Individuals are invited to provide input on staff questions or other program-related topics.

Background

On August 16, 2022, the IRA (Pub. L. 117-169) was signed into law and provides nationwide funding for the Home Electrification and Appliance Rebate (HEAR, also known as HEEHRA in California) program. The DOE estimates the Home Energy Rebate Programs, which includes HEEHRA, will save American households up to \$1 billion on energy bills each year and support over 50,000 U.S. jobs.

California received an award of \$290 million for the HEEHRA program in June 2024. The HEEHRA program offers home electrification rebates for low- and moderate-income households which have a household income of 150 percent or lower of the Area Median Income (AMI). Purchases eligible for a rebate include efficient electric heat pumps for space and water heating and cooling, electric stoves, electrical panels, insulation and more. California's award has two phases:

HEEHRA Phase I: \$80M in home electrification rebates distributed under the existing Technology and Equipment for Clean Heating (TECH) Clean California

program.¹ Rebates are only available to income eligible households through contractors trained and enrolled in the TECH and HEEHRA programs. The CEC launched HEEHRA Phase I for income-qualified multifamily property owners in October 2024 and single-family homeowners in November 2024.

HEEHRA Phase II: \$152M in home electrification rebates to be distributed through either retailers or contractors. Rebates will still only be available to low- and moderate-income single- and multifamily homeowners. Program design is in development. This RFI is for Phase II.

Input Request

This RFI is only for the HEEHRA Phase II program and will support or inform the CEC's application to the DOE with proposals for program design, administration, timeline, and budget. When responding to questions, please include rationale, supporting documents or analysis, and/or data.

1) Eligible Equipment and Appliance Rebates

The DOE defines eligible equipment and maximum rebates for low-income households² and is illustrated in Table 1. For low-income households, rebates may not exceed the total project cost and total rebate specified by DOE, including equipment and labor. For moderate-income households, rebates may not exceed one half of total project cost and total rebate specified by DOE, including equipment and labor.

CEC is considering which rebates and rebate amounts to offer in HEEHRA Phase II:

- a. Should all DOE eligible equipment (listed in Table 1) be available to single-family households and multifamily properties?
- b. Should the rebate amounts be reduced to allow more households to receive a rebate? If yes, please provide recommended amounts and rationale.

1 See Public Utilities Code section 922.

2 For more information, visit the Home Energy Rebate Programs Requirements & Application Instructions. https://www.energy.gov/sites/default/files/2023-07/Home_Energy_Rebates_Program_Requirements_and_Application_Instructions.pdf

**Table 11: HEEHRA Phase II
Proposed Equipment and Appliance Rebate Amounts**

Equipment or Appliance per Household	DOE Low-Income Maximum Rebate (Up to 80 percent AMI)	Proposed Moderate-Income Maximum Rebate (80-150 percent AMI)
Heat Pump for space heating and cooling	\$8,000	\$4,000
Heat Pump Water Heater	\$1,750	\$875
Electric stove, electric cooktop, or electric range	\$840	\$420
Heat pump clothes dryer	\$840	\$420
Electrical panel	\$4,000	\$2,000
Insulation, air sealing, ventilation	\$1,600	\$800
Electric Wiring	\$2,500	\$1,250
Maximum rebates per household	\$14,000	\$7,000

2) Regional Allocation and Customer Engagement

With the HEEHRA program, the CEC is committed to reducing greenhouse gas emissions in existing homes while also improving efficiency and advancing energy equity. Key challenges to the success of income-based rebate programs like HEEHRA are homeowner access, education, outreach, and engagement. These challenges are particularly difficult in underserved, disadvantaged, low-income, and rural communities.

- a. To ensure fair geographic disbursement of funding and align with other energy equity programs, CEC allocated HEEHRA Phase I funding to three regions of California based on the proportion of underresourced communities. This formula provides 23 percent of funding to Northern California, 19 percent to Central California, and 58 percent to Southern California. CEC is considering a similar allocation approach for HEEHRA Phase II funding. Should CEC consider other factors to ensure statewide distribution?

- b. Are there other active or past rebate programs in California or the United States with high uptake in underserved communities that CEC can learn from?

3) Contractor Engagement and Support

As stated above, CEC is considering providing rebates for both DIY and professionally installed equipment. DOE requires states to maintain a list of eligible contractors who can participate in the program and professionally install qualified equipment requiring a certified installer. As a point-of-sale program focused on low-

and moderate-income households, the CEC is interested in increasing contractor enrollment for specific electrification measures and support in underserved, disadvantaged, low-income, and rural communities.

- a. What are effective methods to recruit contractors to participate in the program, especially in underserved, disadvantaged, low-income, and rural communities?
- b. What type of training should the CEC offer to help installation contractors understand program requirements and streamline rebate processing for retailers, contractors, and homeowners?

4) Point-of-Sale Methodologies

For HEEHRA Phase II, the CEC plans to require the program Implementers/Administrator(s) to collaborate with various point-of-sale organizations – such as retail stores, wholesalers, online distributors, and registered installation contractors – to leverage the DOE-provided Home Energy Rebate Tools at <https://www.pnnl.gov/projects/rebate-tools> and DOE-certified vendor implementations for secure rebate processing.

- a. How can CEC facilitate homeowners obtaining a rebate when shopping online? Are there any program design considerations or best practices unique to an online sales point?
- b. How can CEC support small and local business owner participation in the program design?
- c. What are options for homeowners who don't have a smartphone and want to receive a rebate in store?
- d. What are challenging elements with existing point-of-sale rebate programs and what are some solutions or best practices to minimize or eliminate the challenge?

5) Do-it-Yourself (DIY) Considerations

The CEC is considering allowing rebates for equipment that a homeowner can install themselves, like a stove or insulation. For other equipment requiring a permit homeowners will need to work with professional, licensed installers. In both the DIY and professional contractor route, DOE requires homeowners to provide proof of a quality install. Examples of proof of a quality installation include proof of purchase or invoices plus before and after geo-tagged installation photos or county approved permit.

- a. What are best practices to ensure a quality DIY install? What type of proof should be provided?
- b. What are some guidelines and best practices for a program that allows for DIY installation of eligible equipment?
- c. Are there other successful rebate programs in California or the United States that have provided rebates for DIY installed eligible equipment?

6) *Recycling Appliances and Refrigerants*

The DOE does not provide funds for recycling of old equipment, appliances, or refrigerants. Recycling is important to the CEC's mission and may be considered a requirement where available for the HEEHRA Phase II program. Even where required by law, recycling and refrigerant recovery can be particularly challenging for disadvantaged, low-income, and rural communities, where facilities may not be available.

- a. How can the CEC ensure proper recycling of old equipment replaced by HEEHRA-funded measures?

Responses and Comments

Written comments may be submitted to the Inflation Reduction Act Residential Energy Rebate Programs Docket (Number 23-DECARB-01) by 5:00 p.m. PT on January 10, 2024. Written comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC encourages the use of its electronic commenting system. Visit the e-commenting page for this [docket 23-DECARB-01](https://efiling.energy.ca.gov/ECComment/ECComment.aspx?docketnumber=23-DECARB-01) at <https://efiling.energy.ca.gov/ECComment/ECComment.aspx?docketnumber=23-DECARB-01> . Enter your contact information and a subject title that describes your comment. Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document in compliance with California Code of Regulations, Title 20, section 1208.1. The maximum file size allowed is 10 MB.

Written comments may also be submitted by email. Include docket number 23-DECARB-01 and "RFI Inflation Reduction Act Residential Equipment and Appliances Rebate Programs" in the subject line and email to docket@energy.ca.gov.

A paper copy may be mailed to:

California Energy Commission
Docket Unit, MS-4

Docket No. 23-DECARB-01
715 P Street
Sacramento, California 95814-5504

Public Advisor. The CEC's Public Advisor assists the public with participation in CEC proceedings. To request assistance, interpreting services, or reasonable modifications and accommodations, call (916) 957-7910 or email publicadvisor@energy.ca.gov as soon as possible but at least five days in advance. The CEC will work diligently to meet all requests based on availability.

Media Inquiries. Email mediaoffice@energy.ca.gov or call (916) 654-4999.

Technical Subject and General Inquiries: Email IRAresidentialenergyrebates@energy.ca.gov