FEDERAL FUNDING FOR ENERGY EFFICIENCY PROGRAMS

Overview

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VIRGINIA Energy

NEW FUNDING AVAILABLE TO VIRGINIA Energy

Federal Program	New State Program	Total Amount	Status
Energy Efficiency Revolving Loan Fund Capitalization Grant	Financing for residential and commercial energy efficiency audits and retrofits.	$11.4 Million	Anticipated launch early 2025
Energy Efficiency and Conservation Block Grant Program	Statewide marketing, education and outreach for consumers and contractors around available incentives for energy improvements.	$2.6 Million	Anticipated launch fall 2024
Home Energy Efficiency Contractor Training Grants (TREC)	Grants for residential energy contractor training.	$3.4 Million	Anticipated launch late 2024
Energy Auditor Training Program	*Grants for residential energy auditor training.*	*$2 Million (Competitive)*	*Application due June 2024*

NEW FUNDING AVAILABLE TO VIRGINIA Energy

Federal Program	Description	Total Amount	Status
Comprehensive Home Efficiency Rebates (HOMES)	Up to $8K/household for technology-neutral energy retrofits.	$94.5 Million	Anticipated launch Spring 2025
Home Electrification and Appliance Rebates (HEAR)	Up to $14K/household for electrification projects, available at point of sale. Limited to households with up to 150% area median income.	$94 Million	Anticipated launch Spring 2025

Webpage with latest information:
https://www.energy.virginia.gov/energy-efficiency/Inflation-Reduction-Act.shtml

HOME ENERGY REBATE PROGRAMS

OVERVIEW

HOMES Program

- Maximize energy savings with rebates dependent on savings amounts

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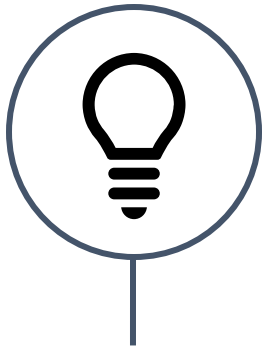

HEAR Program

- Incentivize electrification by providing point-of-sale product rebates

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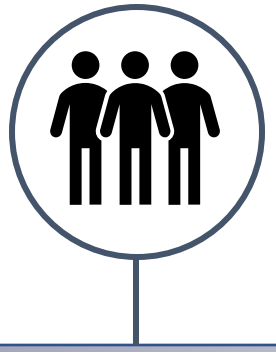

- Immediate benefits for low-income households and disadvantaged communities (likely ~50K households)
- Long-term market transformation (3.2M households in VA)

HOME ENERGY REBATE PROGRAMS

HOME EFFICIENCY REBATES (HOMES)

Eligibility

- IRA does not restrict eligibility by income
- Single-family homes and multifamily buildings are eligible
- New construction projects not eligible

Rebate Details

- Up to $8,000 or 80% of project cost per household
- Rebate amount depends on energy savings calculation approach, energy savings amount, and income level
- Up to **$200** installer bonus for each retrofit in an underserved community

HOME ENERGY REBATE PROGRAMS

HOME ELECTRIFICATION AND APPLIANCE REBATES (HEAR)

Appliance Rebates

Appliance	Rebate Amount (up to)
Heat Pump Water Heater	$1,750
Heat Pump (for space heating and cooling)	$8,000
Electric wiring	$2,500
Insulation, air sealing and ventilation	$1,600
Electric stove, cooktop, range or oven	$840
Heat pump clothes dryer	$840
Maximum Rebate	$14,000

QUALIFIED PROJECTS ARE:

- Replacement of a nonelectric appliance
- First-time purchase with respect to that appliance
- For single or multi-family households

Rebate limitations by project cost

Income	Rebate Cap
>80-150% AMI	50% of project costs
<80% AMI	100% of project costs

Installer bonus up to **$500** for entities completing projects in disadvantaged communities

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KEY REQUIREMENTS

At least 40% of benefits must be realized in disadvantaged communities

At least 40% of funding to low-income households

At least 10% of funding to low-income multi-family buildings

Identify conditions that constitute unacceptable risk of raising utility bills

Establish approved contractor network

Projects supported by a HOMES rebate must receive a third-party certificate

ENERGY EFFICIENCY FUNDING

PLANNING ACTIVITIES UNDERWAY

Engagements:

Intergovernmental/ Stakeholder/Partner

Analysis:

Program Landscape and Market Conditions

Market Opportunities and Risk Assessment

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MARKET ASSESSMENT: TAKEAWAYS

- Building Stock Segmentation
  - About 55% of all households in VA use Electricity as heating fuel
  - Single-family households account for 80% of the housing stock in VA
  - About 67% households own the home they live in
- Switching from electric resistance or oil heating to heat pumps can reduce bills, resulting in high savings and improved indoor air quality (for oil)
- Program integration can help lower upfront costs but is accompanied with increase administrative complexity
- Achieving low-income multifamily target may require programmatic interventions e.g., targeted outreach, leveraging categorical eligibility

HOME ENERGY REBATE PROGRAMS

INPUT NOW – AND LATER

HOW CAN THE HOME ENERGY REBATE PROGRAMS INTEGRATE WITH EXISTING PROGRAMS?

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PROGRAM OBJECTIVES

- Provide consumers with a streamlined experience to access all available federal, state, local, and utility incentives as well as financing, as necessary and appropriate;
- Serve households in Virginia's single-family and multi-family residential buildings and across its geographic regions (including rural communities and disadvantaged communities);
- Support households in realizing near-term benefits from rebates, especially for households with highest needs (e.g., most energy burdened), while spurring long-term transformation across the entire residential market;
- Complement existing programs by directing rebates to households eligible to be served by other programs (e.g., HEAR plus the Weatherization Assistance Program (WAP)) as well as by serving households that are underserved by existing energy assistance programs (e.g., moderate-income households);
- Anticipate interactions with new and emerging programs or tax credits related to behind-the-meter solar, battery energy storage systems, and/or electric vehicle charging infrastructure;

HOME ENERGY REBATE PROGRAMS

PROGRAM OBJECTIVES – CONT.

- Optimize between providing consumers and building energy contractors with optionality (e.g., modeled and measured HOMES savings pathways) while keeping program design simple enough to motivate participation;
- Lay the groundwork for the deployment of virtual power plants in Virginia to support grid reliability and energy affordability;
- Create opportunity for both small and large building energy contractors while specifically expanding opportunity for small, woman- and minority-owned businesses and those based in rural and disadvantaged communities; and
- Minimize requirements for consumers and building energy contractors while protecting consumers (e.g., by ensuring adequate access to data to make informed decisions) and ensuring responsible stewardship of public funds.

HOME ENERGY REBATES

MILESTONES TO DATE

HOME ENERGY REBATE PROGRAMS

HOME EFFICIENCY REBATES (HOMES)

Energy Savings	Single Family	Single Family (Low Income)	Multi-Family	Multi-Family (Low Income)
20-34% modeled	Lesser of $2,000 or 50% of project costs	Lesser of $4,000 or 80% of project costs	$2,000 per dwelling unit, maximum $200,000 per building	Lesser of $4,000 per dwelling unit or 80% of project costs
35% or more modeled	Lesser of $4,000 or 50% of project costs	Lesser of $8,000 or 80% of project costs	$4,000 per dwelling unit, maximum $400,000 per building	Lesser of $8,000 per dwelling unit or 80% of project costs
15% or more measured	Payment rate is equal to $2,000 for a 20% reduction in energy use for average home in the state. Up to 50% of project cost =$2K/(0.2 * 30,000kWhe)* =0.33/kWh	Payment rate is equal to $4,000 for a 20% reduction of energy use for average home in the state. Up to 80% of project cost =$4K/(0.2 * 30,000kWhe) =0.66/kWh	Payment rate is equal to $2,000 for a 20% reduction of energy use per dwelling unit for the average multifamily building in the state Up to 50% of project cost	Payment rate is equal to $4,000 for a 20% reduction of energy use per dwelling unit for the average multifamily building in the state Up to 80% of project cost

*National average annual energy usage