



STATE OF RHODE ISLAND
**OFFICE OF
ENERGY RESOURCES**

Rhode Island Home Energy Rebate Programs: Overview and HEAR Proposal

May 16, 2024

Inflation Reduction Act of 2022

- Will provide over \$369 billion in funding for clean energy
- Intention is to supplement, not supplant, existing funding and programming in the states
- At least 40% of program benefits must go to disadvantaged communities
- Goals of the IRA are to:
 - Save households money
 - Grow American manufacturing and clean energy jobs
 - Fight climate injustice

IRA Home Energy Rebate Program Objectives

- Help households enjoy lower energy bills and more comfortable homes
- Make it easier to access and implement residential energy improvements
- Attract and retain a qualified workforce to serve both single and multifamily markets
- Spur durable market demand for residential efficiency and electrification by demonstrating value

IRA Home Rebate Programming – 2 Programs

Home Electrification and Appliance Rebates (HEAR)

- Point-of-sale rebates, primarily for electrification measures
- Limited to low- and moderate-income households
- RI is allocated \$31,820,030 for this program

Home Efficiency Rebates (HER)

- Point-of-sale rebates for energy efficiency improvements that achieve a minimum of 20% energy savings
- RI is allocated \$32,006,100 for this program

- **Program Timeline: 2024 – Sep. 30th, 2031**
- **Programs will be implemented by the Rhode Island Office of Energy Resources (OER)**

A man in a dark jacket is working on a laptop in a room. In the background, there is a large yellow and black fan and a red bag. The entire image has a blue overlay.

Home Electrification and Appliance Rebates (HEAR)

IRA Section 50122

Application Submitted to Department of Energy May 9, 2024

Definitions

- **Multifamily building** - A single building containing at least two dwelling units used for residential purposes. Commercial uses that are not eligible include but are not limited to hotels/motels, dormitories, assisted living facilities that include hospital amenities, and correctional facilities. For mixed-use buildings, a State may elect to treat the residential portion of the building as a multifamily building.
- **Low income** - a household under 80% area median income (AMI) per U.S. Department of Housing and Urban Development (HUD) guidelines
- **Moderate income** - a household between 81-150% area median income (AMI) per HUD guidelines
- **Community Action Agency/Program/Partnership (CAP)** - agencies providing services to individuals and families in need

HEAR Funding Programmatic Requirements

Funding requirements:

- 40% of funding must go to disadvantaged communities
- 40% must go to low-income homes (>80% AMI)
- 10% of funding must go to multifamily homes
 - Defined as a single building with two or more units
- All funding is limited to low- and moderate-income households
 - Low income is >80% area median income (AMI)
 - Moderate income is 81-150% area median income (AMI)

Tool used for identifying disadvantaged communities:

- The Council on Environmental Quality's Climate and Economic Justice Screening Tool: [CEJST Map](#)

HEAR Program Eligible Expenses and Funding Caps

Rebate Type	Equipment/Service	Maximum Rebate Amount (\$)
Appliance Upgrades	Heat Pump Water Heater	\$1,750
	Heat Pump for Space Heating or Cooling	\$8,000
	Electric Stove, Cooktop, Range, Oven, or	
	Electric Heat Pump Clothes Dryer	\$840
Non-Appliance Upgrades	Electric Load Service Center Upgrade	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600
	Electric Wiring	\$2,500
Maximum total across all upgrades per home or unit		\$14,000

HEAR Rebate Gap Analysis

- Items highlighted in the table below have limited funding support from existing programs in Rhode Island

HEAR LMI Rebates	HEAR Rebate Amount	RI Overlap	Market Rate Overlap	Income Eligible Overlap
Heat Pump Water Heater	\$1,750	RI Energy/PUD/ BI	\$600 / \$400 / \$300	full cost covered
Heat Pump for space heating/cooling	\$8,000	Clean Heat RI /RI Energy	\$350 a ton off	full cost covered
Electric stove/cooktop/range oven*	\$840			
Heat Pump Clothes Dryer*	\$840	RI Energy/PUD	\$50 / \$75	\$50 / \$75
Electric Load Service Center	\$4,000			
Insulation, Air Sealing, and Ventilation	\$1,600	RI Energy/DHS	50% off up to \$4,000	full cost covered
Electric Wiring	\$2,500			

*All appliances must be Energy Star certified for the HEAR Rebate

HEAR Program Proposal – Pathway to Electrification Program

- Provide rebates to low-and-moderate-income households for electrical and appliance upgrades that are ***not already provided through other programs***
- Use the HEAR program to provide:
 - Electric panel/load service center upgrades
 - Wiring upgrades
 - Energy Star electric/induction cooking appliances
 - Energy Star heat pump clothes dryers

HEAR Appliance Cost and Supplemental RGGI Funding

- Regional Greenhouse Gas Initiative (RGGI) funding will be added to supplement appliance costs for low-income households with a rebate cap of \$1,840 for an Energy Star electric/induction cooktop or Energy Star heat pump clothes dryer

Appliance	Average Cost of Appliance	Federal HEAR Rebate	RGGI Funds	Low-income Total Rebate Provided
EnergyStar Electric Stove or Induction Cooktop	\$1,768	\$840	\$1,000	\$1,840
EnergyStar Heat Pump Clothes Dryer	\$1,682	\$840	\$1,000	\$1,840

HEAR Program Proposal – “Pathway to Electrification”

- Provide rebates to low-and-moderate-income households for electrical and appliance upgrades that are ***not already provided through other programs***
- Efficiently implement programming by utilizing existing channels in the state
- Additional funding available to contractors for installment of electric panels and wiring

- **Low-income households could receive:**
 - Up to \$4,000 for electric panel upgrades
 - Up to \$2,500 in electrical wiring improvements
 - Up to \$1,840* for an Energy Star electric stove or induction cooktop and/or an Energy Star heat pump clothes dryer
 - **Household total of \$8,340 in potential upgrades**

- **Moderate-income households could receive:**
 - Up to \$2,000 for electric panel upgrades
 - Up to \$1,250 in electrical wiring improvements
 - Up to \$420 for an Energy Star electric stove or induction cooktop and/or an Energy Star heat pump clothes dryer
 - **Household total of \$3,670 in potential upgrades**

* With supplemental RGGI funding from OER

HEAR Program Proposal – “Pathway to Electrification”

- OER will partner with the Rhode Island Department of Human Services and the CAPs to deliver programmatic benefits to low- and moderate-income households
- This collaboration will allow for a one-stop shop for recipients receiving existing programming from the CAPS, reducing the number of disruptions to the households
- When visiting a home, CAPs would be able to offer additional upgrades including:
 - Electric panel upgrade
 - Wiring improvements
 - Energy Star electric stove or cooktop
 - Energy Star heat pump clothes dryer
- OER will contract directly with the CAPs and the income eligibility data from LIHEAP and WAP would qualify residents for these new upgrades
- Moderate-income households not served by the CAPs will be eligible to apply for the rebates

HEAR Program Proposal Timeline – “Pathway to Electrification”

- **Mid-April:** Public presentation posted
- **End of April:** Public meeting held for stakeholder feedback
- **Early May:** Submit DOE HEAR Application
- **September:** Submit HEAR Blueprint
- **Approx. October 2024:** Launch HEAR Program for residents
- **End of 2024:** Submit Market Transformation Plan

* Timeline is hypothetical and subject to change