

# Indiana Home Energy Rebate Listening Sessions

## Virtual Closing Session Q&A

This document includes responses to questions received during the virtual closing session for the Home Energy Rebate programs held on June 27<sup>th</sup>, 2024.

Some questions have been combined or modified for broader application. If you have any additional questions, or do not see your question listed, please contact [rebates@oed.in.gov](mailto:rebates@oed.in.gov).

### 1. What are rebate level modifications OED is proposing to DOE?

Guidance from the U.S. Department of Energy (DOE) allows states to increase the maximum rebate amount under the HOMES program for low-income households. OED is proposing to increase the project cost coverage under this program to 100% of project costs up to \$6,000 for low-income households (below 80% AMI) that achieve 20-34% energy savings and up to \$12,000 for low-income households (below 80% AMI) that achieve greater than 35% energy savings.

The original maximum rebate amounts from federal guidance are listed in the table below (from the [U.S. Department of Energy FAQ page](#)).

Type of Home Energy Project	Maximum Allowed Rebate Amount Per Household Below 80% Area Median Income (AMI)	Maximum Allowed Rebate Amount Per Household Above 80% Area Median Income (AMI)
HOMES Project with at least 20% predicted energy savings	80% of project costs, up to \$4,000*	50% of project costs, up to \$2,000 (maximum of \$200,000 for a multifamily building)
HOMES Project with at least 35% predicted energy savings	80% of project costs, up to \$8,000*	50% of project costs, up to \$4,000 (maximum of \$400,000 for a multifamily building)

### 2. Do you plan on using some of the funds to canvas and educate Justice40 communities, especially those with high energy costs and low-income impacts, to increase uptake in those areas?

Community engagement is a key priority in OED's plan to meet J40 goals. Our team plans to continue engagement with numerous J40 communities across Indiana and collaborate with local organizations and leaders such as mayors and elected officials. Outreach efforts and marketing tools will also be used to ensure program information reach residents in disadvantaged communities. OED has already begun

*gathering feedback from various nonprofit stakeholders in disadvantaged communities to refine our approach, and we remain open to specific ideas and suggestions to enhance community engagement.*

**3. How many total homes do you anticipate will be served by the HEAR rebates based on Indiana's funding allocation?**

*It is difficult to provide an estimate of the number of households this program will serve given the variation of rebate amounts and measures allowed in addition to each home’s characteristics and needs. The federal law sets a total rebate maximum of \$14,000 per household under the HEAR program. However, maximum rebate amounts differ for each type of product or installation, and it is unclear how many participating households will reach that \$14,000 maximum.*

*Maximum rebate amounts provided in federal guidance for eligible products and installations under the HEAR program are listed below. For more information on qualified products, please see question 24 on the [DOE FAQ page](#).*

*(Information is from the [U.S. Department of Energy FAQ page](#))*

- ENERGY STAR electric heat pump water heater—up to \$1,750*
- ENERGY STAR electric heat pump for space heating and cooling—up to \$8,000*
- ENERGY STAR electric heat pump clothes dryer—up to \$840*
- ENERGY STAR electric stove, cooktop, range, or oven—up to \$840*
- Electric load service center—up to \$4,000*
- Electric wiring—up to \$2,500*
- Insulation, air sealing, and ventilation—up to \$1,600*

Type of Home Energy Project	Maximum Allowed Rebate Amount Per Household Below 80% Area Median Income (AMI)	Maximum Allowed Rebate Amount Per Household Above 80% Area Median Income (AMI)
<b>HEAR Project Qualified Technologies (only households with an income below 150% AMI are eligible)</b>	100% of project costs up to technology cost maximums**; up to \$14,000	50% of project costs, up to technology cost maximums*; up to \$14,000 (households with incomes above 150% AMI are not eligible)

**4. Will I be able to choose my contractor?**

*Indiana OED is planning to use a robust qualified contractor network in its Home Energy Rebate program to ensure all participating contractors meet the program standards required by the federal government. Contractors you already know or have used prior who wish to be a part of Indiana's program will have an opportunity to demonstrate their qualifications and meet specific criteria, such as technical competency and financial capacity. Transparent qualifications and requirements will be communicated to contractors to ensure a highly-skilled and qualified workforce for program implementation.*

**5. Are renters eligible for the program?**

*Yes, renters are eligible to participate in the Home Energy Rebate programs with the permission of their landlord. Renters, just like homeowners, can benefit from the energy efficiency measures implemented in their homes and the associated reduction of energy costs and improved comfort. Collaboration with landlords and applicants who are renters will be integral to scheduling energy audits and construction work.*

**6. Do you anticipate you will have enough energy auditors and contractors to implement these programs, or will there be significant workforce development and training programs needed in advance of officially making the rebates available?**

*Ensuring an adequate number of energy auditors and contractors across geographically distributed areas in Indiana is critical to minimizing program costs and thus allowing the energy rebate improvements to reach a larger number of households. OED is developing a contractor workforce development strategy in collaboration with the Indiana Department of Workforce Development. Our team is seeking input from additional experienced state agencies and community organizations to enhance the strategy. Part of this engagement strategy will help establish a qualified network of contractors with a focus on energy rebates.*

**7. What are the income eligibility requirements for this program?**

*Each Home Energy Rebates program features different income eligibility requirements and benefits. The Home Efficiency Program, known as HOMES, is open to all households regardless of income. Low-income households (defined as those earning less than 80% Area Median Income) are eligible for greater rebates under this program. The Home Appliance Rebate program (HEAR) is exclusive to low- and moderate-income households (those earning less than 150% of Area Median Income).*

Area Median Income varies across the state and depends on the household size. The U.S. Department of Housing and Urban Development (HUD) reports Area Median Income data for the U.S. each year. To find the area median income for your area and household size, you can use this [tool](#) from HUD or refer to the [tables](#) provided by the U.S. Department of Energy.

The U.S. Department of Energy has approved programs for [categorical eligibility](#) that states may use to determine income eligibility. For more information on income eligibility and potential benefits, please see question 25 on the [DOE FAQ page](#).

#### **8. Would any of these rebates be retroactive?**

The federal law does not authorize states to offer retroactive rebates under the Home Electrification and Appliance Rebate (HEAR) program. The federal law does authorize states to provide retroactive rebates under the Home Efficiency Rebate (HOMES) program for projects begun on or after the enactment of the law on August 16<sup>th</sup>, 2022. However, it is important to note that qualified rebate projects must meet all federal compliance and reporting requirements. Due to the complex nature of the federal regulations associated with this program, OED does not recommend expecting to receive a rebate for equipment or work completed prior to the start of the state implementation date of the programs.

To learn more about federal retroactivity requirements, please see question 30 on [DOE's FAQ page](#).

#### **9. For HOMES projects that have 20% modeled energy savings, can they receive a maximum of \$200,000 per multifamily building or \$200,000 per multifamily project?**

The maximum rebate amount for multi-family buildings achieving at least 20% modeled energy savings from eligible measures under the HOMES program is \$200,000 per multi-family building, as set by federal law. For more on rebates conditions and levels see sections 3.1.2 and 4.1.2 of the [Home Energy Rebates Program Requirements & Application Instructions](#).

#### **10. How will the program coordinate with other programs and grant opportunities offered by Indiana communities?**

We are exploring ways to potentially integrate or coordinate funding from different sources, including other federal programs and utility programs. Each federal program, including the Home Energy Rebate programs, has requirements about how funds can or cannot be used with other programs, which we need to be mindful of.

*Indiana is seeking ongoing guidance from the Department of Energy to ensure that any integration of funding sources is done effectively and in accordance with regulations. Collaboration is a priority for us as we move forward with planning and implementation efforts to optimize our approach and ensure maximum benefit for our communities.*

**11. Does the minimum 20% energy savings requirement under HOMES apply to energy consumption or energy costs?**

*The energy savings component of the HOMES program is based on energy consumption savings.*

**12. Is there a requirement for the age of the building being retrofitted under HOMES?**

*There is not a specific age requirement for buildings to receive whole-home retrofits under HOMES, but a minimum of 20% energy savings must be achieved to qualify for rebates.*

**13. Who would have access to the utility data information used to model energy savings under the HOMES program?**

*Only the essential data needed to fulfill federal program requirements will be accessible by the minimum number of implementation staff who need it to model energy savings. Data will also be anonymized, and role-based conditions will further limit the information available to implementation staff.*

**14. What is the timeline for receiving the rebates?**

*The program launch is estimated to take place in late 2024 or early 2025 depending on when approval is received from the U.S. Department of Energy. OED is designing a program to provide rebates instantly in the form of a discount on the qualified product and installation at the time of project completion. The design of this process is subject to approval from the U.S. Department of Energy.*

**15. Are you doing any work to access low-carbon building materials for installations?**

*The Home Energy Rebate program does not set requirements around the use of low-carbon materials. We appreciate the suggestion to include opportunities for low-carbon building materials. The primary consideration for Indiana's program will be meeting federal requirements in the most cost-effective manner in order to maximize the number of households that benefit from the program.*

**16. Are these rebates separate from federal tax credits?**

*Yes, this program is entirely separate from federal tax credits. The program can potentially be used alongside tax credits, but we cannot provide specific tax advice. It is incumbent upon the taxpayer to follow IRS rules regarding the applicability of tax credits, especially if any subsidy, rebate, or incentive was received for the upgrade. Specific guidance on tax credits should be sought from the IRS or a tax advisor. IRS resources have comprehensive information on tax credit eligibility and utilization.*

**17. Can we expect the guidelines for equipment eligible for federal tax credits to be the same eligible equipment under the HOMES or HEAR programs?**

*Equipment requirements under the Home Energy Rebate Programs may differ from those required to receive federal tax credits. The program can potentially be used alongside tax credits, but we cannot provide specific tax advice. It is incumbent upon the taxpayer to follow IRS rules regarding the applicability of tax credits, especially if any subsidy, rebate, or incentive was received for the upgrade. Specific guidance on tax credits should be sought from the IRS or a tax advisor. IRS resources have comprehensive information on tax credit eligibility and utilization.*

*To learn more about eligible products and installations under the Home Energy Rebates program, please see question 28 on [DOE's FAQ page](#).*

**18. When will the applications be available for residents? What information will be posted online?**

*OED aims to launch Indiana's program in late 2024 or early 2025, depending on when program approval is received by the U.S. Department of Energy. A robust program website is under development to include robust and comprehensive information for interested applicants, contractors, and other stakeholders.*