

# The Inflation Reduction Act: Electrification Rebates (The High-Efficiency Electric Home Rebate Program)

**Funding:** \$4.5 billion (\$225 million reserved for Tribes)

**Timing:** Rebate programs may start to become available to consumers by late-2023

**Administration:** Funding distributed by DOE; rebate programs administered by State Energy Offices and Tribes

## ⚡ THE BIG PICTURE

The Electrification Rebates (formerly known as the High-Efficiency Electric Home Rebate (HEEHR) Program) provide point-of-sale consumer discounts to enable low- or moderate-income households across America to electrify their homes. Notably, **households will experience the point-of-sale Electrification Rebates as immediate, off-the-top discounts when making qualifying electrification purchases.**

### The details:

- Establishes point-of-sale consumer discounts for “qualified electrification projects” (see chart), up to \$14,000 per household;
- Covers 100 percent of electrification project costs (up to \$14,000) for low-income households (who earn less than 80 percent of their Area Median Income) and 50 percent of costs for moderate-income households (who earn between 80 and 150 percent of their Area Median Income);
- Covers installation and labor costs as well as purchase costs;
- Extends up-front discounts to multifamily buildings in which 50 percent of residents are low- and moderate-income (LMI); and
- Incentivizes contractors to perform electrification projects in LMI communities with contractor rebates up to \$500 per project.

### Electrification Rebate Levels

For Qualified Electrification Projects

#### Income Eligibility and % Costs Covered

<b>Low-income:</b> <80% Area Median Income (AMI) % costs covered (including installation)	<b>100%</b>
<b>Moderate-income:</b> 80-150% AMI % costs covered (including installation)	<b>50%</b>

#### Overall Incentives

Max consumer rebate	<b>\$14,000</b>
Max contractor rebate	<b>\$500</b>

#### Rebates for Qualified Electrification Projects

Heat pump HVAC	<b>\$8,000</b>
Heat pump water heater	<b>\$1,750</b>
Electric stove/cooktop	<b>\$840</b>
Heat pump clothes dryer	<b>\$840</b>
Breaker box	<b>\$4,000</b>
Electric wiring	<b>\$2,500</b>
Weatherization insulation, air sealing, ventilation	<b>\$1,600</b>

# Frequently Asked Questions

## **Will the Electrification Rebates reduce up-front costs for consumers?**

Yes! The rebates' up-front discounts will cover up to 100 percent of point-of-sale costs, up to a max of \$14,000.

## **Can qualified renters utilize the Electrification Rebates?**

Yes! Renters may be specifically interested in the rebates for portable appliances like window-unit heat pumps and induction cooktops.

## **Who qualifies for the Electrification Rebates?**

The rebates are reserved for low- and moderate-income households. Households can use Rewiring America's [IRA Savings Calculator](#) to estimate their eligibility, though final eligibility will be determined by DOE guidance and state implementation.

## **How will consumers verify their income for the Electrification Rebates?**

Income verification methods will be determined by DOE guidance and state implementation.

## **When will the Electrification Rebates be available?**

Our best guess is that the rebates may start to become available by the end of 2023, but the exact timeline depends on DOE guidance and state implementation.

## **If the Electrification Rebates become available in the second half of 2023, will they be retroactive?**

As a point-of-sale rebate, the Electrification Rebates likely won't be available retroactively.

## **Do the Electrification Rebates have efficiency requirements?**

Yes. The rebates are applicable only to ENERGY STAR-certified appliances (where such categories exist), including heat pumps, heat pump water heaters, heat pump clothes dryers, and weatherization products.

## **Do the Electrification Rebates incentivize both geothermal and air-source heat pumps?**

Yes!

## **Do the Electrification Rebates include contractor incentives?**

Yes, the rebates include contractor rebates of up to \$500 per project.

## **Can multi-family building owners qualify for the Electrification Rebates?**

If 50 percent or more of the building is occupied by LMI households, building owners should be able to utilize the rebates up to \$14,000 per eligible unit.

## **Can the Electrification Rebates be stacked with federal tax credits?**

Yes! The rebates can stack with federal energy efficiency and electrification tax credits (e.g., 25C and 25D).

## **Can the Electrification Rebates be stacked with other federal grants?**

Yes, but not for the same single upgrade. Households pursuing a multi-upgrade retrofit can use the Electrification Rebates for some upgrades and other federal grants or rebates, such as LIHEAP or WAP, for other upgrades within the same household retrofit project.

## **Can the Electrification Rebates be stacked with state programs?**

The rebates can stack with state programs per state discretion, so households and contractors should consult with their State Energy Offices.

## **What are the Efficiency Rebates, and how do they interact with the Electrification Rebates?**

- The Efficiency Rebates are a rebate program that rewards modeled energy savings of at least 20% or measured energy savings of at least 15%. More guidance on the program is forthcoming from DOE.
- The Efficiency Rebates are not income-capped.
- The Electrification and Efficiency Rebates cannot be combined for the same single upgrade, but can be stacked for different upgrades within the same household retrofit project, should that household meet both program's eligibility requirements.