

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF ENERGY RESOURCES  
*Elizabeth Mahony, Commissioner*

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HER / HEAR Federal rebates  
and State funding  
MEAM General Managers' Meeting

Ian Finlayson  
May 17, 2024

English Español

YOUR SAVINGS CALCULATOR

# How much money can you get with the Inflation Reduction Act?

Enter your household information to find out.

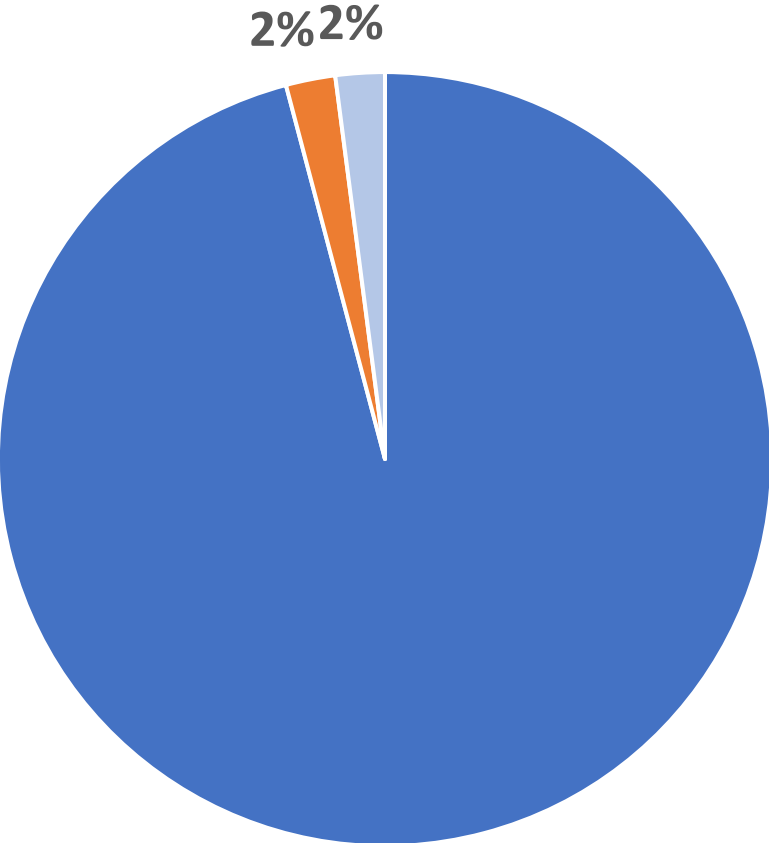
[Reset calculator](#)

# Overview: HER and HEAR Federal Rebates

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- Massachusetts awarded \$146 million by the Department of Energy (DOE):
  - Home Efficiency Rebates (HER) - \$73.2 million
    - *Previously called "HOMES"*
  - Home Electrification Appliance Rebates (HEAR) - \$72.8 million
    - *Previously called "HEEHRA"*
- DOER is applying this Spring, multi-stage process to receive funds
- At least 41% of funds must go to low-and-moderate income hh's
- At least \$11.68 million must go to low income *multi-family buildings*
  - This aligns with DOER's equity goals

# HER & HEAR vs Mass Save Residential 2022-2027



■ Mass Save Residential

■ HER

■ HEAR

# Summary of DOER Proposed Programs

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## Municipal Light Plant Program

- *Approximately \$22 million in HER funds*

## Affordable Housing Decarbonization

- *Approximately \$50 million in HER Funds*

## Low & Moderate Income Program Enhancement

- *Full \$72.8 million from HEAR*

- DOER, as the State Energy office, will be the lead in running HER and HEAR programs. Partners include Mass Save<sup>®</sup>, MassHousing, and MLPs
- DOER is proposing the above three programs for HER and HEAR funding. Programs and budgets can be refined throughout implementation period. DOER may seek additional stakeholder feedback to complete that refinement
- A focus on leveraging existing Commonwealth and Federal opportunities like Mass Save<sup>®</sup> instead of stand-alone direct point-of-sale rebate
- Roll out beginning in Fall 2024

# HEAR Summary: Home Electrification \$72.8 Million

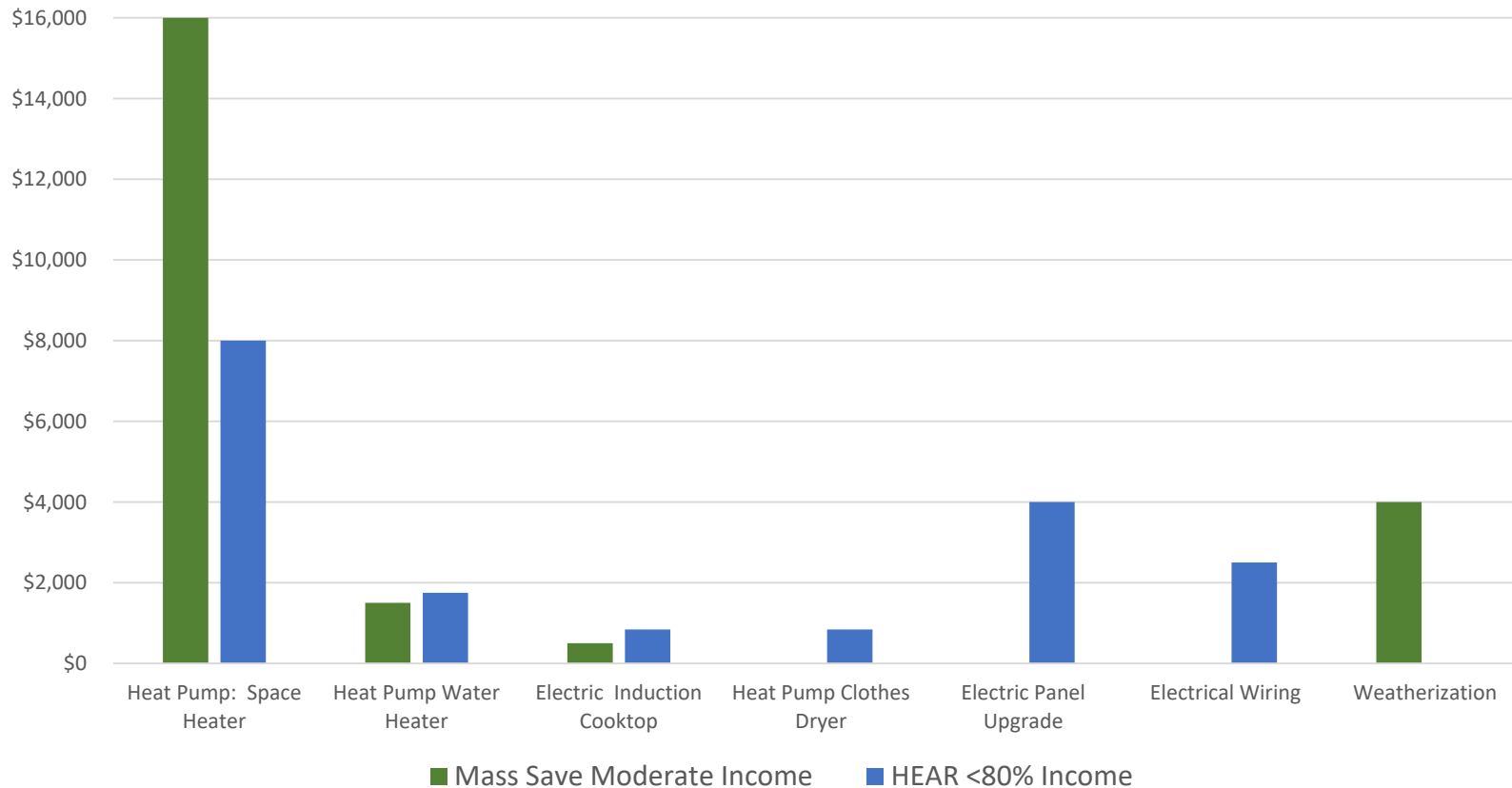
## DOE Requirements for State Energy Office Program Design

- Home Electrification Appliance Rebate (HEAR) funding provides rebates for residential home electrification
- Caps on specific technologies:
  - Household cap of \$14,000
  - Multi-Family building cap of \$400,000
  - Maximum of \$500 for contractors
- Income verification required for all rebates
  - Under 80% AMI – Total cost up to cap
  - 80% - 150% AMI – 50% cost up to cap
- No flexibility for other measures
  - e.g. can't fund windows or EV chargers
  - Can't exceed set rebate amounts

| Measures eligible for HEAR rebate: | Rebate 150% AMI < 80% AMI | Rebate < 80% AMI |
|------------------------------------|---------------------------|------------------|
| Heat Pump: Space heating           | \$4,000                   | \$8,000          |
| Heat Pump Water Heater             | \$875                     | \$1,750          |
| Electric induction Stove/Cooktop   | \$420                     | \$840            |
| Heat Pump Clothes Dryer            | \$420                     | \$840            |
| Electric Panel Upgrade             | \$2,000                   | \$4,000          |
| Electrical Wiring                  | \$1,250                   | \$2,500          |
| Weatherization                     | \$800                     | \$1,600          |

# HEAR & Mass Save program co-delivery

Proposed Mass Save moderate income program enhancements



- For each measure, income qualified customers will be offered either HEAR or Mass Save rebates.
- Use federal funds to expand electrification scope for Mass Save customers with focus on panel and wiring upgrades
- Increase the Commonwealth's total spend on energy efficiency for low/moderate income customers
- IOU Gas, MLP Electric customers served by HEAR not HER

# HER Summary: Home Efficiency \$73.2 Million

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Provide rebates for showing home energy savings vs. prior year from energy efficiency improvements, e.g., insulation, heating, etc.

Table 1: Maximum HER rebate levels per household: (Set by DOE)

| Income level                                     | Energy Savings > 20% | Energy Savings > 35% |
|--|----------------------|----------------------|
| Household with income >80% Area Median income    | \$2,000              | \$4,000              |
| Household with income <80% of Area Median Income | \$4,000              | \$8,000              |

- Existing homes only – need to show historical energy use
- Requires utility-bill-calibrated home energy assessment
- Requires dedicated pool of qualified contractors
- **Option to increase rebates for <80% AMI households**



# HER: Home Efficiency Rebates

- Whole-home rebates max \$8,000/home\*
  - \$2,000 if reduce energy 20% - 35%
  - \$4,000 if reduce energy 35%+
  - Rebates doubled if income qualified: <80% AMI



## SCEP

STATE & COMMUNITY ENERGY PROGRAMS

| State/ Territory | Home Energy Performance-Based, Whole-House Rebate Allocations | Max 20% Ceiling for Program Administration for Efficiency Rebates | % of Low-Income Households (<80% AMI) in the State <sup>71</sup> | Min Allocations for Low-Income HHs | Min 10% Low-Income Multifamily Allocation | Max Open Efficiency Rebate Allocation |
|------------------|---|---|--|------------------------------------|---|---------------------------------------|
| Kentucky         | \$67,319,140  | \$13,463,828  | 40.6%  | \$21,852,975                       | \$5,385,531                               | \$26,616,806                          |
| Louisiana        | \$106,593,900   | \$21,318,780  | 41.4%  | \$35,291,484                       | \$8,527,512                               | \$41,456,124                          |
| Maine            | \$35,936,920  | \$7,187,384   | 40.4%  | \$11,612,124                       | \$2,874,954                               | \$14,262,458                          |
| Maryland         | \$68,611,060  | \$13,722,212  | 40.5%  | \$22,235,002                       | \$5,488,885                               | \$27,164,962                          |
| Massachusetts    | \$73,233,910  | \$14,646,782  | 41.3%  | \$24,172,599                       | \$5,858,713                               | \$28,555,816                          |

# DOER Program Proposal: HER

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Support delivered fuel customers in MLP communities and affordable housing deep energy retrofits

## Affordable Housing Decarbonization (AHD) Grants

- Expand existing DOER multi-family electrification program by funding additional measures
- Leverage multiple funding sources outside of HER
- Exceed maximum rebate by DOE to target greater energy savings for low-income units

## Municipal Lights Plants (MLPs)

- Sustainable home electrification (1-4 units) with heat pumps
- Assist the approximate 10-15% of Commonwealth without access to Mass Save<sup>®</sup>
- Leverage matching funds from MLPs and RGGI
- Pair with a separate financing – from DOER & MassHousing/Climate Bank at 0% interest

# Affordable Housing Decarbonization Program



The Boston Housing Authority will retrofit 159 affordable units at the Mildred C. Hailey apartments in Jamaica Plain with the grant money. (Courtesy of the Boston Housing Authority)

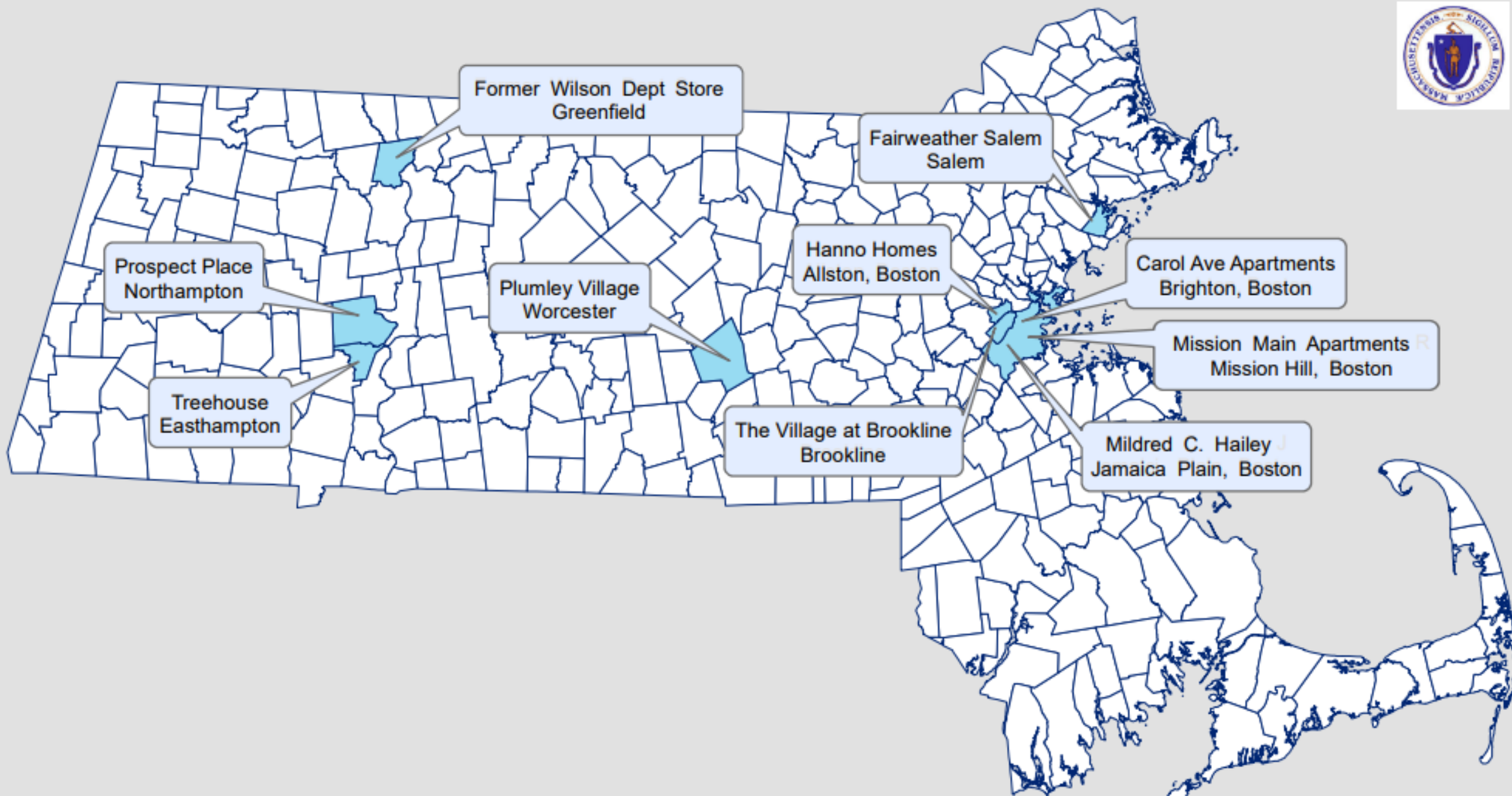


The Allston Brighton Community Development Corporation will retrofit and decarbonize 33 apartments on Carol Avenue in Brighton. (Courtesy of the Allston Brighton Community Development Corporation)

- In 2023 DOER established a \$50 million grant program for the retrofit of affordable housing
- To date, DOER has awarded 10 decarbonization retrofit projects \$27.35 million in funding, representing more than 700 affordable housing units
- Funds from HER would be utilized to expand this opportunity to more affordable housing decarbonization projects across Massachusetts, fill funding gaps and expand the measures covered
- DOER requesting up to \$20,000/unit in HER Rebate for full electrification and >50% energy savings



# Deep Energy Retrofits of Affordable Housing Buildings



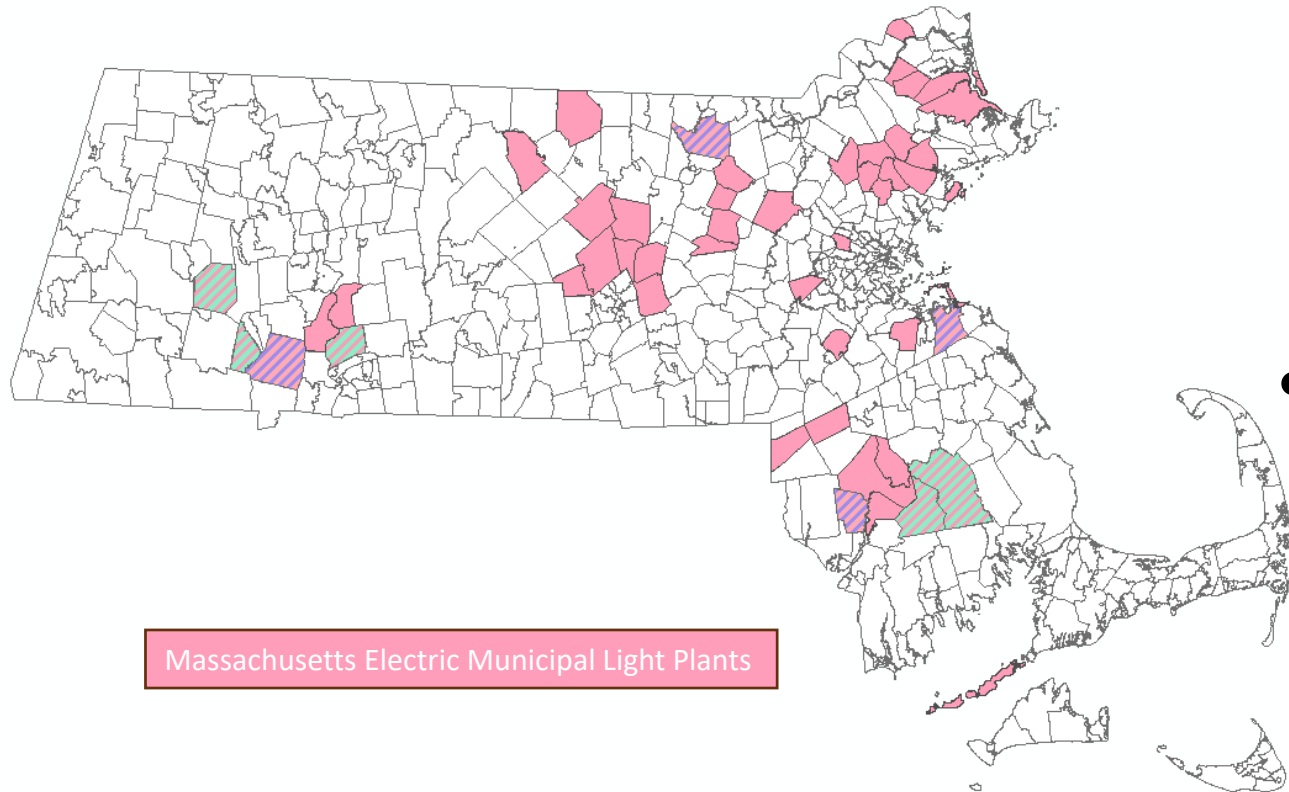
# Technical Assistance to get started:

Coming soon:

- DOER is funding a vendor to support housing properties to assess their potential and where appropriate develop a scope:
  - Step 1: Decarbonization feasibility study
  - Step 2: Design funds to develop a detailed scope of work and project proposal
- VEIC selected to administer technical assistance – program to start later this year



## Municipal Light Plants - \$22m in HER rebate funding



- The Commonwealth's 40 Municipal Lights Plants (MLPs) offer a broad array of home efficiency programs, but without the budget of Mass Save<sup>®</sup>
- HER rebates can expand assistance to MLP customers;
  - Offer residents consistent whole home heat pump and electrification incentives
  - Matching funds from MLPs



# HEAT Loan Information

## Supplemental financing to leverage rebates

- 0% interest financing product, similar to the Mass Save® HEAT Loan
- Interest paid for by \$8m from DOER and \$1.8m in other federal funding (additional to HER and HEAR)
- Financing for a variety of efficiency and electrification upgrades: including insulation, heat pumps, EV charging and potentially more.
- Interested in supporting MLP financing programs like Inclusive Utility Investments (IUI) program





[ENERGY SAVER HOME LOAN](#)

[ABOUT THE MCCB™](#)

[CASE STUDIES](#)

[DOCUMENT CENTER](#)

## ENERGY SAVER HOME LOAN PROGRAM

The MCCB's Energy Saver Home Loan Program (ESHLP) is a new, \$20 million initiative powered by MassHousing that helps eligible homeowners make clean energy improvements to their homes.

[- Learn more about the Energy Saver Home Loan Program](#)





## Reduce your carbon footprint while making improvements to your home

The Energy Saver Home Loan Program (ESHLP) helps eligible Massachusetts homeowners cut their energy use and reduce or eliminate their reliance on fossil fuels. The ESHLP provides eligible homeowners with the following benefits:

- **Low interest rate, second mortgage loans** that support a variety of energy-related home improvements
- Financing at your project's start. **No cash down, no waiting** for rebates or incentive payments
- **Free end-to-end support** through all aspects of the home improvement process, loan closing and post-construction
- Identification and coordination of **all available incentives, rebates and other credits**

### INTERESTED IN AN ENERGY SAVER HOME LOAN?

Energy Saver Home Loans are made in partnership with Concierge Service Providers (CSPs), who will guide you through all aspects of the home energy improvement process.

Contact the CSP for your community to confirm your eligibility for the ESHLP and discuss next steps.

| If you live in...   | Contact   |
|---|---|
| <b>Andover, Haverhill, Lawrence, Methuen, North Andover</b> | <b>All In Energy</b><br><a href="mailto:energysaver@allinenergy.org">energysaver@allinenergy.org</a><br>978-574-7283                |
| <b>Barnstable County, Dukes County, Nantucket County</b>    | <b>Cape Light Compact</b><br><a href="mailto:energysaver@capelightcompact.org">energysaver@capelightcompact.org</a><br>800-797-6699 |
| <b>All other Massachusetts communities</b>                  | <b>Center for Eco Technology (CET)</b><br><a href="mailto:energysaver@cetonline.org">energysaver@cetonline.org</a><br>413-303-0667  |

## Summary of MLP-HER program package

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- Requires a qualified home assessment
  - Current MMWEC / ENE audits use qualifying software
  - Contractors can also complete assessment (Home MVP)
- Requires at least 20% or 35% energy savings
  - Typically heat pumps and or insulation
- HER Rebates - \$2,000 or \$4,000 reserved without income verification, \$4,000 or \$8,000 with income <80% AMI
- MLPs required to provide \$2,000 matching rebate
- HER admin funds cover contractor training, DOE reporting, etc
- DOER and MCCB provide subsidized 0% financing to cover balance of project cost
- Total funds to MLPs: \$22m HER, \$9.8m DOER, MCCB loan

# Questions? Comments?

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