Request for Information

To Support Program Design for the

Inflation Reduction Act's Home Efficiency Rebates (Sec. 50121) and Home

Electrification and Appliance Rebates (Sec. 50122) Programs

Responses due by Friday, June 7, 2024 at 5:00 pm, Eastern

Purpose

The Connecticut Department of Energy and Environmental Protection (DEEP) is considering options for the design and implementation of the Home Efficiency Rebates (HER)[1] program and the Home Electrification and Appliance Rebates (HEAR)[2] program, collectively known as the Home Energy Rebate Programs. Through this Request for Information (RFI) DEEP is seeking information on what program design options will most effectively serve Connecticut households with technology, products, and services that will reduce energy bills, increase home comfort, improve indoor air quality, and reduce greenhouse gas emissions.

While the two Home Energy Rebate Programs contained in the Inflation Reduction Act of 2022, Pub L. 117-169, Aug. 16, 2022, 136 Stat. 1818 (IRA) are distinct and will be managed as separate grant funds, the State views the programs as complementary to each other and therefore seeks to coordinate planning and implementation.

The State intends to administer the Home Energy Rebate Programs in a manner that meets the energy needs of Connecticut residents and complies with Federal guidance and requirements.

DEEP is using the following guiding principles when evaluating Home Energy Rebate Program implementation options. Please consider these proposed principles when responding to this RFI:

1. Increase access to electrification alternatives, energy savings, and solar to groups who historically have had more limited access (e.g. households with low income, renters, existing barriers, etc.)
2. Leverage existing programs, with modification if necessary, where possible
3. Value efficiency of delivery, i.e., minimize administrative costs and maximize delivery of measures to residents

[1] Statutes at Large136 Stat. 1818, IRA Statutory Location: 50121.
[2] Statutes at Large136 Stat. 1818, IRA Statutory Location: 50122.

4. Target funding to market segments where long-term market transformation is likely to be catalyzed by an infusion of federal funding
5. Leverage other funding sources, including private capital, to maximize uptake
6. Optimize potential for technology uptake when federal subsidies run out (education, awareness, stories, data, etc.)
7. Incorporate capacity building and workforce development where possible.

Background & Scope

On August 16, 2022, President Biden signed the Inflation Reduction Act (IRA) into law. The law included $391 billion to support clean energy and address climate change, including $8.8 billion in rebates for home energy efficiency and electrification projects nationwide. Connecticut is eligible to receive $49,830,560 for the HER program and $49,541,390 for the HEAR program. DEEP will need to apply to the U.S. Department of Energy (DOE) for these funds before they are awarded to Connecticut. Funds need to be expended by the end of 2031.

These home energy rebates can help Connecticut households save money on energy bills, upgrade to clean energy equipment, improve energy efficiency, and reduce indoor and outdoor air pollution. In particular, these programs are targeted toward low-income (LI) and moderate-income (MI) households, and the multifamily (MF) sectors. Households with low income and moderate income are defined by the DOE as being at or below 80% and 150% of Area Median Income (AMI).[3] Values are calculated by household size of the median income of the area in which the individual or family resides, as reported by the Department of Housing and Urban Development.

The HER program is a "whole-home" program with two sub-programs: Modeled and Measured. The Modeled Home Efficiency Rebates is a program path requiring calibrated home energy models to estimate energy savings prior to the upgrades, providing rebates for homes predicted to achieve a minimum of 20% energy savings. The Measured Home Efficiency Rebates requires a DOE-approved open-source measurement and verification (M&V) methodology to measure home energy savings post-installation of the upgrades, providing rebates for homes or a portfolio of homes that achieve measured energy savings of at least 15%. The HEAR program is an equipment-based program that provides rebates for a specific list of electric equipment. For additional information about these programs, please visit the Home Efficiency Rebates and Home Electrification and Appliance Rebates web pages from the DOE.

Eligible Respondents

Anyone can respond to this RFI. In particular, DEEP is interested in responses from potential and existing program administrators, local governments, energy contractors, labor organizations, manufacturers of efficiency equipment and materials, community-based organizations, non-governmental organizations,

[3] For a comparison to Connecticut's State Median Income (SMI) levels, which are used in some state energy efficiency programs, see: https://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/39b216aa9cf3535b85258b120048ff59?OpenDocument

residents, and building owners and landlords.

Instructions for Responding to this RFI

Responses are due by Friday, June 7, 2024 at 5:00 pm, EST. ***Responses may include answers to as many or few questions as is relevant or practical.***

CT DEEP has designated the individual below as the Official Contact for purposes of this RFI. The Official Contact is the **only authorized contact** for this RFI and, as such, handles all related communications on behalf of DEEP. Respondents who plan to bid into any process for choosing program implementers or administrators are advised that any communication with any other DEEP employee(s) (including appointed officials) or personnel under contract to DEEP about this RFI is strictly prohibited. Respondents who violate this instruction may risk disqualification from consideration in resulting procurements.

Name:	Katrina Vallett
Address:	10 Franklin Square, New Britain, CT 06051
Phone:	860-827-2640
E-Mail:	Katrina.Vallett@ct.gov

Please ensure that e-mail screening software (if used) recognizes and accepts e-mails from the Official Contact.

You do not need to respond to all questions or sub-questions to submit a response. Please submit your response as either a Microsoft Word or PDF file. Please label your responses according to the question number. Shorter responses or general thoughts/feedback can be submitted in the body of an email.

Submitting Questions about this RFI

Any questions regarding this RFI should be submitted to the authorized contact.

Disclosure & Waiver Authority

Neither the State nor DEEP shall assume any liability for expenses incurred by a respondent in preparing, submitting, or clarifying any response to this RFI.

Respondents are advised that all materials associated with this RFI are subject to the terms of the Freedom of Information Act (FOIA), the Privacy Act, and all applicable rules, regulations, and interpretations. If a respondent deems that certain information required by this RFI is confidential, the respondent must label such information as CONFIDENTIAL prior to submission. The respondent must provide a convincing explanation and rationale sufficient to justify an exemption of the information from release under the FOIA. The explanation and rationale must be stated in terms of (a) the prospective harm to the competitive position of the respondent that would result if the identified information were

to be released and (b) the reasons why the information is legally exempt from release pursuant to C.G.S. § 1-210(b).

Request For Information (RFI) Categories and Questions

DEEP encourages stakeholders to consider and, where applicable, comment on the following factors when responding to the questions in this RFI:

- Efficiency of implementation in coordination with existing programs, including eligibility criteria.
- Equitable distribution of benefits across existing and new state and federal programs.
- How the Home Energy Rebate Programs can be leveraged strategically and efficiently to increase the reach of Connecticut's well-vetted Conservation and Load Management (C&LM) programs. For example, should DEEP focus the Home Energy Rebate Programs funding on one or two technologies and/or one specific income level so that it is more efficient to administer given federal rules, and adjust approaches within the C&LM programs to ensure that in totality, program reach will be expanded across measures?

For information on the DOE's guidelines for both HEAR and HER, see information on the DOE's web page, and in particular, this document.

RFI Questions

A. Low-Income Segment Focus

Per the DOE requirements, for both HEAR and HER, Connecticut must allocate at least 40.8% of the funding to households with low income (<80% AMI: this equates to a minimum of $16,283,483 from HER funding and $16,188,989 from HEAR funding). A greater portion of the funding can be allocated to households with low income if desired by states. The following table provides two hypothetical scenario use cases—one for HEAR and one for HER—for how funding could be deployed in order to illustrate the potential reach of the incentives.

Table 1. Hypothetical Funding and Impact Scenarios (values are estimates)

Scenario #1: **All HEAR Funding Dedicated to Households with Low Income Only**	**Scenario #2:** **All HER Funding Dedicated to Households with Low Income Only – Modeled Path**
• Max rebate permitted by HER: $14,000 (per dwelling unit) • Could serve approximately 364 single-family households per year (2,547 households over the life of HEAR 2025-2031) if rebate amount maxed; in combination with 40 households with low income in multifamily units per year (to meet minimum allocation) • 40.8% of these units (1,039) would have to be households with less than 80% AMI • Could serve approximately 0.4% of total households with low income in CT • Additional funding would be required to cover 100% of costs for upgrades	• Max rebate permitted by HER Modeled Path for households with less than 80% AMI: $4,000 or 80% or project cost (per dwelling unit); need to achieve 20% – 34% energy savings • Could serve approximately 1,316 single-family households per year (9,218 households over the life of HEAR 2025-2031) if rebate amount maxed; in combination with 106 households with low income in multifamily units per year (to meet minimum allocation) • 40.8% of these units (3,760) would have to be households with less than 80% AMI • Could serve approximately 1.0% of total households with low income in CT • Additional funding would be required to cover 100% of costs for upgrades
• About 3,500 single-family households with low income are served per year currently through the Home Energy Solutions-Income-Eligible program	

These hypothetical scenarios illustrate that rebate funding, on its own, is unlikely to serve a significant portion of CT residents.

1. ***Should CT allocate more than the minimum to households with low income? Why and how should allocations be determined?***

2. ***The HER program allows for a "market rate" component. That is, the State could choose to offer the program to those households above 150% of AMI. The HEAR program is only allowed to be offered to households that are 150% AMI and below. This means the amount allocated to households with low income could be different across the two programs. Should the amount allocated to households with low income differ between HER and HEAR? Why?***

B. Multifamily Segment Focus

Connecticut must allocate at least 10% of the funding to households with low income in multifamily buildings for both HEAR and HER. This allocation is separate and additional to the 40.8% to households with low income described in Section A of this RFI above. For HER, the minimum funding allocation for households with low income in multifamily buildings equates to $3,986,445, and for HEAR, it equates to $3,963,311. Larger allocations for this segment are permitted by DOE if desired by states. The following table provides two hypothetical scenario use cases—one for HEAR and one for HER—for how funding could be deployed in order to illustrate the potential reach of the incentives.

Table 2. Hypothetical Funding and Impact Scenarios (values are estimates)

Scenario #1: **All HEAR Funding Dedicated to Households with Low Income in Multifamily Buildings Only**	**Scenario #2:** **All HER Funding Dedicated to Households with Low Income in Multifamily Buildings Only – Modeled Path**
• Max rebate permitted by HER: $14,000 (per dwelling unit) • Approximately 406 multifamily units per year (2,847 units over the life of HEAR 2025-2031) if rebate amount maxed • 40.8% of these units (1,161) would have to be households with less than 80% AMI • Could serve approximately 0.5% of total multifamily units in CT • Additional funding would be required to cover 100% of costs for upgrades	• Max rebate permitted by HER Modeled Path for multifamily buildings with at least 50% of households with incomes less than 80% AMI: $4,000 or 80% or project cost (per dwelling unit); need to achieve 20% – 34% energy savings • Approximately 1,316 multifamily units per year (9,218 households over the life of HEAR 2025-2031) if rebate amount maxed • Could serve approximately 2% of total multifamily units in CT • Additional funding would be required to cover 100% of costs for upgrades

These hypothetical scenarios illustrate that rebate funding, on its own, is unlikely to serve a significant portion of CT residents.

3. ***Should CT allocate more than the minimum to households with low income in multifamily buildings? Why and how should allocations be determined?***

4. ***Given that HEAR funding can only be offered to households at or below 150% AMI, while HER funding could be provided to any income level, should the amount allocated to households with low income in multifamily buildings differ between HER and HEAR? Why?***

C. Other Customer Segment Focuses

5. ***The Home Energy Rebate Programs target single-family and multifamily sectors, including specific allocations to households with low- and moderate incomes. Among these customer segments, are there particular ones or geographies that CT should focus on? For example, renters, geographic areas such as environmental justice communities, housing types, or existing fuel types?***

D. Incentive Amounts and Coordinating with Other Programs

Below, we introduce the various rebates allowable by program type (and sub-type, as is the case for HER) and installer incentives (applicable for HEAR), and provide an overview of DOE rules for braiding and stacking of rebates. States have the flexibility to adjust the rebate amounts throughout implementation of the rebate programs, but these changes may require a lengthy approval process by DOE.

HER

There are two potential program paths for the HER Program—Modeled and Measured.

Modeled Home Efficiency Rebates is a program path requiring calibrated home energy models consistent with the BPI-2400 standard to estimate energy savings prior to the upgrades, providing rebates for homes predicted to achieve a minimum of 20% energy savings. When a State allows rebates using a modeled savings approach, the State must calculate rebate amounts consistent with Table 1 (below) and based on (1) estimated energy savings calculated reflecting only completed energy improvements, (2) household income level, (3) total project cost reflected in the final invoice, and (4) DOE-defined home type.

Connecticut's existing C&LM programs currently provide rebates for efficiency upgrades based on a modeled savings approach governed by Connecticut's Program Savings Document (PSD).

Table 3. HER Modeled Energy Savings Rebates

Single-Family		
Modeled Energy Savings	**Income Level**	**Rebate Amount**
20%-34%	Less than 80% AMI*	Lesser of $4,000 or 80% of project cost
	80% AMI and greater	Lesser of $2,000 or 50% of project cost
35% and greater	Less than 80% AMI*	Lesser of $8,000 or 80% of project cost
	80% AMI and greater	Lesser of $4,000 or 50% of project cost
Multifamily		
Modeled Energy Savings	**Income Level**	**Rebate Amount**
20%-34%	A building with at least 50% of households with incomes less than 80% AMI*	Lesser of $4,000 per dwelling unit or 80% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	$2,000 per dwelling unit up to $200,000 per building
Greater than 35%	A building with at least 50% of households with incomes less than 80% AMI *	Lesser of $8,000 per dwelling unit or 80% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	$4,000 per dwelling unit up to $400,000 per building

*States may increase the maximum amount available for low-income households upon approval from DOE.[19] See section 3.1.3 for details.

Measured Home Efficiency Rebates is a program path within Section 50121, using a DOE-approved open-source measurement and verification (M&V) methodology to measure home energy savings post-installation of the upgrades, providing rebates for homes or a portfolio of homes that achieve measured energy savings of at least 15%. When a State allows rebates using a measured savings approach, the State must calculate rebates consistent with Table 3 and based on (1) the reported energy savings measured through a DOE-approved open-source advanced M&V software, (2) household income level, (3) total project cost reflected in the final invoice or a payment rate as defined in Table 3, and (4) DOE-define home type.

Point of sale rebates is not a requirement of HER (but is for HEAR). States can structure programs so that an aggregator, implementer, or contractor may carry the rebate until savings are modeled or measured and a rebate is able to be provided based on the completed project costs and savings.

Table 4. HER Measured Energy Savings Rebates

Single-Family		
Measured Energy Savings	**Income Level**	**Rebate Amount**
15% or greater	Less than 80% AMI	kWh, or kWh equivalent, payment rate equal to $4,000 for a 20% reduction of energy use for the average home in the State or 80% of project cost*
	80% AMI and greater	kWh, or kWh equivalent, payment rate equal to $2,000 for a 20% reduction of energy use for the average home in the State or 50% of project cost
Multifamily		
Measured Energy Savings	**Income Level**	**Rebate Amount**
15% or greater	A building with at least 50% of households with incomes less than 80% AMI	kWh, or kWh equivalent, payment rate equal to $4,000 for a 20% reduction of energy use per dwelling for the average multifamily building in the State or 80% of project cost**
	A building with at least 50% of households with incomes 80% AMI and greater	kWh, or kWh equivalent, payment rate equal to $2,000 for a 20% reduction of energy use per dwelling for the average multifamily building in the State or 50% of project cost

* Per statute, the measured energy saving of the home or portfolio of homes must achieve 15% savings, but the calculation of the rebate is based on a 20% reduction of average home energy use of an in the state.

**States may increase the maximum amount available for low-income households upon approval from DOE.[20] See section 3.1.3 for details.

6. ***Should CT conduct a Measured savings pilot with a portion of HER funds? Why?***
7. ***How much funding for HER should be allocated to Measured vs Modeled savings programs? Why?***
8. ***Should CT raise the rebate amount for HER to cover 100% of costs for households with low income that are <80% AMI? Or should 100% cost coverage for households with low income be achieved through cost-sharing with other programs? Why?***

HEAR

For the purposes of calculating rebate amounts for HEAR, total project costs are costs that are invoiced to the eligible entity or the eligible entity representative for the purchase and installation of a qualified electrification project.

Table 5. HEAR Product Rebates

Product Rebates		
Upgrade Type	**Qualified Product**	**Rebate Amount Not to Exceed**
Appliance	Heat Pump Water Heater	$1,750
	Heat Pump for Space Heating or Cooling	$8,000
	Electric Stove, Cooktop, Range, Oven, or Heat Pump Clothes Dryer	$840
Building Materials	Electric Load Service Center	$4,000
	Insulation, Air Sealing, and Ventilation	$1,600
	Electric Wiring	$2,500
Maximum Rebate		$14,000
Rebate Limitations		
Eligible Rebate Recipient	**Income Level**	**Rebate Amount Not to Exceed**
LMI Household or Eligible entity representative representing LMI household	Less than 80% AMI	100% of qualified project cost
	81%-150% AMI	50% of qualified project cost
Owner of multifamily building or Eligible entity representative representing owner of multifamily building	At least 50% of residents with income less than 80% AMI	100% of qualified project cost
	At least 50% of residents with income of 81%-150% AMI	50% of qualified project cost

The maximum rebate amount of $14,000 is not an annual maximum, but instead is the rebate maximum for a dwelling unit based on its address. A given address cannot receive over $14,000

in HEAR rebates over the course of the program. Rebates must be provided at point of sale and/or as part of an invoice.

HEAR Installer Incentive Amounts

Subject to the limitations described in the below program requirements, an incentive must be provided to encourage governmental, philanthropic, commercial, and nonprofit (e.g., community groups) organizations to assist households with low income and moderate income with accessing HEAR. States may elect to reserve these incentives for projects carried out in homes and dwelling units with households with less than 80% AMI and/or for installations of equipment not commonly installed to encourage contractors to serve households with low income and learn how to install newer technologies.

An eligible entity representative (governmental, commercial, or nonprofit) that applies for and receives a rebate on behalf of an eligible entity and performs the installation of the qualified electrification project (QEP) shall receive an incentive payment not to exceed $500 in addition to the available rebate. States must determine a payment schedule for installation incentives not to exceed the amounts in the table below.

Table 6. HEAR Installer Incentives

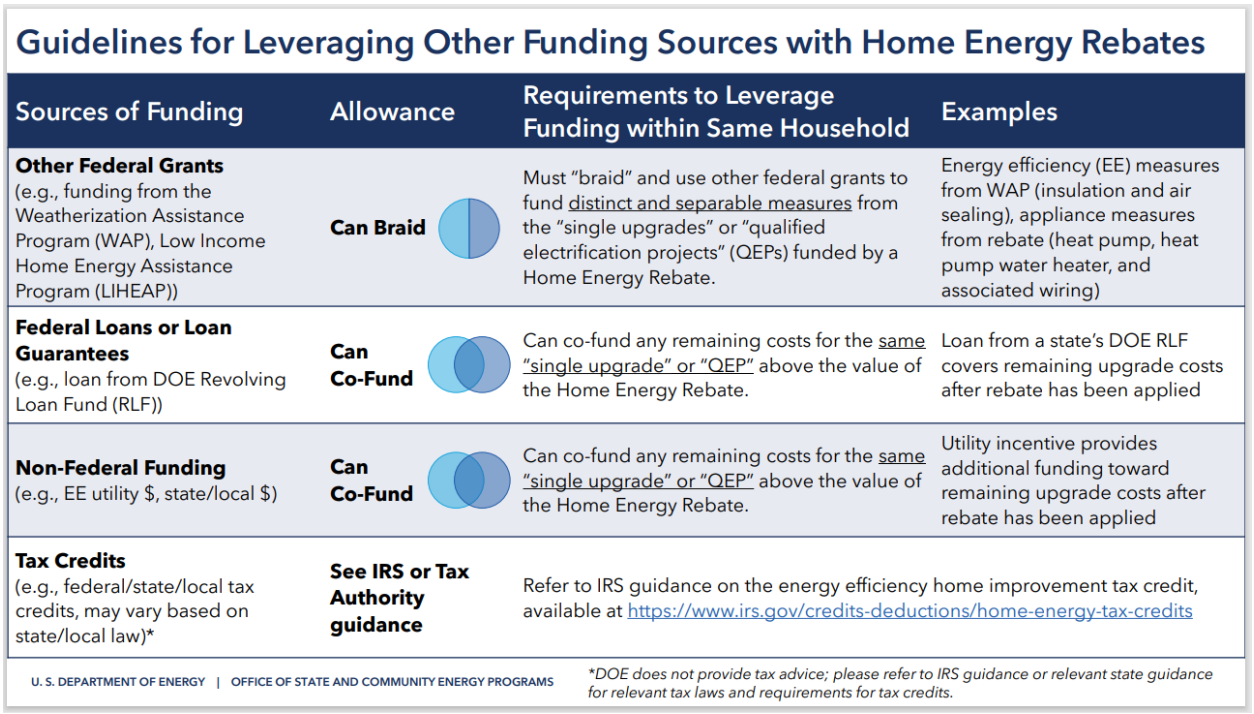
Qualifying Activity	Maximum Incentive
Substantial installation located within a disadvantaged community (excludes installations of electric stoves and electric heat pump dryers) per dwelling unit	$200
Installation of one or more electric heat pump water heaters	$150
Installation of one or more electric heat pumps for space heating and cooling per dwelling unit - ducted	$300
Installation of one more electric heat pumps for space heating and cooling per dwelling unit – unducted	$200
Installation of one electric stove, cooktop, range, or oven	$0
Installation of one electric heat pump clothes dryer	$0
Installation of one or more electric load service center	$150
Installation of insulation per dwelling unit	$250
Installation of air sealing and materials to improve ventilation per dwelling unit	$250
Installation of electric wiring per dwelling unit	$250

9. ***Should CT allow for the maximum installer incentive for all appliances and upgrades in HEAR, or should the installer incentive amount be less to allow more people to access the rebates?***
10. ***Should CT limit installer incentives to only projects carried out in households with low income and/or for equipment not commonly installed? Why?***
11. ***How should incentive payments work in concert with the C&LM and/or the Weatherization Assistance Program which already provide contractors and/or service providers with administrative cost coverage?***

Braiding and Stacking Rebates

By leveraging existing programs through resource braiding, co-funding, and financing, State programs may support deeper and broader energy, cost, and carbon savings among participating households. While following all Home Energy Rebate Programs requirements, States are strongly encouraged to design their rebate programs in ways that allow for effective combinations of various funding sources, including through integration with existing programs. However, a variety of legal prohibitions prevent certain methods of combining funds from different sources. For example, federal grants can be braided with HER/HEAR, but only for distinct and separable measures (Figure 1).

Figure 1. DOE Guidelines for Leveraging Other Funding Sources with Home Energy Rebates



Guidelines for Leveraging Other Funding Sources with Home Energy Rebates

Sources of Funding	Allowance	Requirements to Leverage Funding within Same Household	Examples
Other Federal Grants (e.g., funding from the Weatherization Assistance Program (WAP), Low Income Home Energy Assistance Program (LIHEAP))	**Can Braid**	Must "braid" and use other federal grants to fund distinct and separable measures from the "single upgrades" or "qualified electrification projects" (QEPs) funded by a Home Energy Rebate.	Energy efficiency (EE) measures from WAP (insulation and air sealing), appliance measures from rebate (heat pump, heat pump water heater, and associated wiring)
Federal Loans or Loan Guarantees (e.g., loan from DOE Revolving Loan Fund (RLF))	**Can Co-Fund**	Can co-fund any remaining costs for the same "single upgrade" or "QEP" above the value of the Home Energy Rebate.	Loan from a state's DOE RLF covers remaining upgrade costs after rebate has been applied
Non-Federal Funding (e.g., EE utility $, state/local $)	**Can Co-Fund**	Can co-fund any remaining costs for the same "single upgrade" or "QEP" above the value of the Home Energy Rebate.	Utility incentive provides additional funding toward remaining upgrade costs after rebate has been applied
Tax Credits (e.g., federal/state/local tax credits, may vary based on state/local law)*	**See IRS or Tax Authority guidance**	Refer to IRS guidance on the energy efficiency home improvement tax credit, available at https://www.irs.gov/credits-deductions/home-energy-tax-credits	

U. S. DEPARTMENT OF ENERGY | OFFICE OF STATE AND COMMUNITY ENERGY PROGRAMS

**DOE does not provide tax advice; please refer to IRS guidance or relevant state guidance for relevant tax laws and requirements for tax credits.*

12. ***What programs should HEAR and HER coordinate with? (Home Energy Solutions, Home Energy Solutions-Income-Eligible, Weatherization Assistance Program, Home and Business Solutions, Residential Energy Preparation Services, Solar for All, Multifamily Initiative, loan programs), as allowed by the DOE? A list of program summaries can be found here.***

13. ***How can CT optimize the impact of these rebate funds with other existing programs? (Please note that CT State Procurement rules require DEEP to conduct a competitive procurement for HER and HEAR program implementers.)***

E. Upgrade Type Focus for HEAR

Upgrades permitted by DOE under HEAR include heat pump water heaters, heat pumps for space heating and cooling, electric stoves, cooktops, ranges, ovens, heat pump clothes driers, electric load service center upgrades, insulation, air sealing, ventilation, and electric wiring (Table 5). The DOE allows States to choose which eligible equipment is offered. If States choose to include eligible heat pumps in their measure mix, an energy assessment is required before the heat pump can be installed (see additional information in Section M, below). The following table provides three hypothetical scenario use cases for how HEAR funding could be deployed in order to illustrate the potential reach of the incentives.

Table 7. HEAR Hypothetical Funding and Impact Scenarios (values are estimates)

Scenario #1: **All HEAR Funding Dedicated to Heat Pumps Rebates Only**	**Scenario #2:** **All HEAR Funding Dedicated to Electric Panels and Wiring Only**	**Scenario #3:** **All HEAR Funding Dedicated to Weatherization Measures Only**
• Maximum rebate permitted by HEAR: $8,000 • Approximately 707 heat pumps/year (4,954 rebates over the life of HEAR 2025-2031) • Compared to 4,500 heat pumps/year expected through the Eversource Energize CT program in 2023 • Could serve approximately 0.3% of total housing units	• Maximum rebate permitted by HEAR: $4,000 (panel) and $2,500 (wiring) • Approximately 876 panel and wiring rebates/year (6,133 rebates over the life of HEAR 2025-2031) • Compared to 2,084 wiring rebates issues through CT's EV charging program January 2022 – August 2023 • Could serve approximately 0.4% of total housing units in CT, 0.8% of total	• Maximum rebate permitted by HEAR: $1,600 • Approximately 3,538 projects/year (24,770 over the life of HEAR 2025-2031) • Could serve approximately 1.6% of total housing units in CT, 3.3% of total households with low income

in CT, 0.7% of households with low income in CT • $7.1M/year = expected match funding needed to install heat pumps at no cost to customers (assuming average heat pump installation cost of $18,000, Home Energy Solutions-Income-Eligible cost estimate)	households with low income	

These hypothetical scenarios illustrate that rebate funding, on its own, is unlikely to serve a significant portion of CT residents.

14. Should CT focus on a specific technology (or subset of technologies) in HEAR (Table 5) by allocating more funding to that/those specific technology(ies)? Why or why not? How should funding allocations be determined?

15. Should CT limit the available upgrades eligible for rebates through HEAR (Table 5) to a subset of upgrades or should rebates be available for all eligible upgrades? Why?

F. Upgrade Type Focus for HER

Available upgrades permitted by DOE under HER include: any single upgrade or combination of upgrades that achieve at least 15% reduction in building energy use for the Measured path, or at least 20% reduction in building energy for the Modeled path (see Table 1, above). Years of experience, including from the C&LM programs, have shown that more than one upgrade will be needed to achieve these levels of savings reductions. What those upgrades are will vary greatly from home to home or building to building. Additionally, it is unlikely that HER rebate funding on its own will transform large market segments.

16. Assuming that CT allows energy-efficient HVAC equipment to receive HER rebates, should eligible equipment be aligned with approved C&LM measures in order to ease implementation? Why or why not?

G. Timeline of Rebates

DOE anticipates making awards that will run a maximum of 8 years in length, comprised of one budget period ending not later than September 30, 2031. DOE will evaluate project performance, project schedule adherence, the extent milestone objectives are met, compliance with reporting requirements, and overall contribution to the program goals and objectives. Allocated funding will be released, pending DOE review and approval, at the following project milestones. Please note that rebates cannot become available until DOE has approved DEEP's

Implementation Blueprint (Tranche 2). Funding from Tranche 1 could be used to begin standing up the rebate programs and/or hire an implementor.

Tranche #	Portion of awarded grant funds released	Required Deliverable(s) or Milestone(s)	LI Target*	LI Minimum†	LI MF Target*	LI MF Minimum†
1	25% funds	Negotiated and approved state grant application				
2	30% funds (55% total)	Approved Program Launch Approved State Implementation Blueprint	10-15%	5%		
3	25% funds (80% total)	Approved Market Transformation Plan	50-60%	35%	25%	5%
4	20% funds (100% total)	Approved independent privacy and security review Approved review of QA Plan Completed review of incentive implementation	80%	60%	70%	25%

*** Targets indicate DOE's expected performance towards expending low-income (LI) and low-income multifamily (LI MF) allocations. Applicants should strive to achieve targets.**
† Minimums must be met to receive next tranche of funds.

17. How can CT prevent a boom-and-bust cycle from these rebates while encouraging market transformation? Should a limited number of rebates be available each year across the years of the program? Should rebate levels be adjusted depending on demand?

H. Point-of-Sale Approach (working with distributors vs contractors)

Point-of-sale rebates are not a requirement of HER; however, DOE is providing and recommending workflows that would apply rebates that result in a purchase price reduction.

For HEAR, States need to ensure that rebates will be provided at point-of-sale and/or as part of an invoice. The DOE defines point-of-sale as "an instant discount when the recipient of the rebate pays (or authorizes an entity to access a rebate on their behalf) for the qualified upgrade, improvement, and/or service (e.g., when purchasing in-store, through a distributor, at wholesale onsite, or online, or when invoiced by a contractor for services rendered)." Additionally, the point-of-sale at stores could only be for specific appliances (e.g., stoves).

18. Should CT allow point-of-sale rebates from appliance or home improvement stores for HEAR? Or should point-of-sale rebates only be allowed through qualified contractors? Should the process differ depending on the appliance? Why?

19. ***Should CT allow purchase price reductions (i.e., point-of-sale rebates) for HER, or should an aggregator, implementor, or contractor carry the rebate until savings are modeled or measured? Why?***

20. ***Should CT allow people to bring coupons (created through existing programs) to stores to purchase appliances?***

I. Evaluation Approach (DOE process vs state-developed process)

DOE plans to conduct process, impact, and market transformation evaluation activities[4] as part of an independent evaluation process. The goals of these evaluations will be to understand how effective the programs are at meeting their intended outcomes and how programs can be improved.

States must either participate in DOE-led impact and process evaluations or conduct their own process and impact evaluations consistent with requirements of this section. All states must participate in DOE's national market transformation evaluation process.

Regardless of whether States conduct their own impact and process evaluation and/or cooperate with DOE-led evaluations, all State programs must:

- Agree to participate in interviews (as the program administrator) and require their implementers and other program partners to participate in interviews.
- Securely provide any retained data to DOE on an ad hoc, as-requested basis. See the Data & Tools Requirements Guide for specific data collection, retention, and reporting requirements.
- Coordinate with utilities to collect billing data for evaluation purposes.

For HER and HEAR, States must include as part of rebate terms and conditions that homeowners must agree to release billing data from their metered fuel utilities or other companies with access to billing data to the State for evaluation purposes and homeowners agree to participate in monitoring and evaluation activities such as surveys and interviews.

[4] The DOE uses the following definitions in its Evaluation Recommendations document:
Impact evaluations are assessments that determine and document the direct and indirect benefits of an energy efficiency program. DOE recommends that states conduct impact evaluations to understand and quantify the savings and non-energy benefits associated with the Home Rebate Programs. Savings that may be a focus of impact evaluations include energy (electricity, natural gas, delivered fuels), customer bill savings, and GHG savings. Additionally, impact evaluations may provide insights on capacity and other non-energy and lifetime impacts of programs. See the Energy Efficiency Program Impact Evaluation Guide for more insights.
• Process evaluations. Process evaluations focus on understanding program approaches and experiences of homeowners and program partners (e.g., retailers, contractors, and aggregators). DOE recommends that states undertake process evaluations to understand how the program is functioning, what is working well, and what barriers and challenges homeowners and program partners experience, and then to provide recommendations for how to improve the effectiveness of the program.
• Market effects evaluations. Market effects studies aim to measure the lasting changes in the market that result from market intervention. Because of the connected nature of states and markets, DOE plans to conduct market effects evaluations at the national level. States may want to conduct market effects evaluations as part of their Market Transformation Plan, especially if the state has unique market effects goals and objectives.

21. ***Should CT use the DOE process for evaluation or use CT's current evaluation protocols for its C&LM programs? Why?***

22. ***How can CT access billing data when requested by DOE for program evaluation?***

J. Defining Disadvantaged Community (DAC)

States may adopt their own definition of a disadvantaged community for the HER and HEAR programs. CT may use the White House Council on Environmental Quality's Climate and Economic Justice Screening tool, U.S. EPA's IRA Disadvantaged Communities map layer which includes CEJST and EJScreen indexes, or the CT Environmental Justice Screening Tool developed by the CT Institute for Resilience & Climate Adaptation.

23. ***Should CT use the CEJST tool, the EPA IRA Disadvantaged Communities map, the CT Environmental Justice Screening Tool, or some other tool to define disadvantaged communities? Why?***

K. Renter Protections

DOE program guidance requires "For low-income dwelling units occupied by renters, for at least two years… the owner agrees to rent the dwelling unit to a low-income tenant."

24. ***What other renter protections should CT consider for enforcement in both HER and HEAR?***

25. ***Should no-fault evictions be prohibited[5]?***

26. ***Beyond the two years that the DOE is requiring, should a property owner be required to rent the upgraded dwelling to low-income tenants for a longer period of time? If yes, for how long?***

27. ***Historically, CT's Weatherization Assistance Program has used a two-year time period for rent increase protections related to weatherization improvements, while C&LM programs do not implement rent increase protections. Should rental protection periods be the same across all CT programs?***

28. ***Should property owners be subject to financial penalties if they do not comply with rental protections? How could these penalties be implemented?***

29. ***What level of renter protections would likely deter a large number of property owners and developers from seeking out these rebates?***

30. ***What other ideas do you have that would protect tenants from rent increases and no-fault evictions after their apartment or building is improved?***

[5] See C.G.S. Sec.47a-23c.

L. New Construction vs Retrofits

In 2022, there were 6,570 new housing authorizations across CT, and approximately 22% of these new housing units participated in the state's energy efficiency programs for residential new construction.

31. Should CT consider offering HEAR to new construction? Should rebates for new construction be limited to new affordable housing?

M. Energy Assessment Processes

For HER, both the Modeled and Measured performance pathways require using calibrated home energy models consistent with the BPI-2400 standard to estimate energy savings prior to the upgrades.

For HEAR, States are required to conduct a limited home assessment for the installation of a Qualified Electrification Project that includes an electric heat pump for space heating and cooling. A State may allow remote or virtual assessments in place of field-based assessments in specified cases with DOE approval. For each limited home assessment conducted, the program is required to retain the following documentation:

- List of the upgrades in the Qualified Electrification Projects for which a rebate was applied.
- Gross project cost estimate.
- Estimated household energy costs post-installation.
- Certification that equipment proposed in the scope of work do not yet exist in the home (if not fuel switching).
- Estimated amount of eligible rebate.
- All other data points listed as required in the Data & Tools Requirements Guide.

DOE does not require a home assessment be completed for installation of qualified electrification projects that do not include installation of an electric heat pump for space heating and cooling. For any qualified electrification project for which a home assessment is not conducted, a State program must retain geolocated photo(s) of the equipment being replaced to verify that the installation is allowable. For these projects, a State must also retain the following documentation:

- List of the upgrades in the qualified electrification project for which a rebate was applied.
- Gross project cost estimate.
- Certification that the type of appliance installed did not exist in the home (if not fuel switching).
- All other data points listed as required in the Data & Tools Requirements Guide.

Note that completing assessments for multifamily buildings will require a different process than for single-family homes. For HEAR and HER, a State must establish processes for energy

assessments for multifamily buildings, including for energy used by common areas.

32. Should CT allow remote or virtual assessments for heat pumps under HEAR? When should virtual assessments be allowed for heat pump rebates?

33. How do both virtual and in-home audits performed by C&LM programs meet or not meet these standards?

34. Should CT adjust audit processes in existing programs to meet these DOE requirements? Why or why not?

N. Income Verification

Income verification is a critical element of program implementation. States are encouraged to allow applicants to establish their eligibility through a variety of means, including categorical eligibility (enrollment in recognized low-income programs), and documentation of income.

Categorical eligibility is the determination that a household meets income requirements by verifying household participation in another state or Federal program that (1) includes income qualification thresholds at least as stringent as the relevant Home Energy Rebates threshold and (2) updates participant lists through income verification at least every two years. DOE has a list of recognized programs that are available to be categorically eligible for the rebate programs (Federal Programs Approved for Categorical Eligibility for DOE Home Energy Rebates ("Recognized Programs"). DOE also allows states to request other state programs for categorical eligibility.

35. What programs should CT allow for categorical eligibility?

O. Outreach

36. How should CT make customers aware of these rebate opportunities?

37. How should CT reach households with low income and those in historically underserved communities?

38. As noted in Section H, above, HEAR provides installer incentives (e.g., to target disadvantaged communities, households with low income, or specific equipment). How should CT reach installers to make them aware?

P. Consumer Protection

There are various ways to go about ensuring consumer protection.

39. How can CT ensure that project costs do not become artificially inflated compared with market averages due to the HEAR and HER programs? (e.g., How can the program(s) ensure that prices for rebated equipment or materials do not increase such that most

of the rebate value goes to the manufacturers or installers rather than the end consumer)

40. *Are there other consumer protection issues related to HER and HEAR that DEEP should be considering?*

Q. Open Response

41. *Is there anything else DEEP should be aware of as it develops program design guidance and support for these rebate programs?*

42. *What evaluations, research, reports, or other resources can help inform DEEP's application development?*