

# RESIDENTIAL CLEAN ENERGY FUNDING

Dylan Crye, Residential Portfolio Manager May 23, 2023



#### FOCUS ON ENERGY®



Wisconsin utilities' statewide energy efficiency and renewable energy program

- Helps Wisconsin residents and businesses manage rising energy costs.
- Provides education, information, and incentives.
- Promotes in-state economic development.
- Protects our environment.
- Controls Wisconsin's growing demand for electricity and natural gas.
- Delivers over \$4 in benefits for every \$1 invested

#### WE WORK WITH WISCONSIN RESIDENTS

Focus offers homeowners and renters a wide range of rebates and services to support energy efficiency projects.





#### **SMART ENERGY REBATES**

- FREE Energy Saving Packs.
- Heating & Cooling.
- Insulation & Air Sealing.
- New Homes.
- Solar Energy.
- Water Heating.
- Smart Thermostats.

#### **INCOME-QUALIFIED**

- Free products available through local food bank and nonprofit partners.
- Higher rebates available for HVAC, insulation, air sealing upgrades.

INFLATION REDUCTION ACT (IRA)





# INFLATION REDUCTION ACT TAX CREDITS



EQUIPMENT TYPE	TAX CREDIT AVAILABLE FOR 2022 TAX YEAR	UPDATED TAX CREDIT AVAILABLE FOR 2023-2032 TAX YEARS	
Home Clean Electricity Products		'	
Solar (electricity)			
Fuel Cells	30% of cost		
Wind Turbine			
Battery Storage	N/A	30% of cost	
Heating, Cooling, and Water Heating		'	
Heat pumps		30% of cost, up to \$2,000 per year	
Heat pump water heaters	\$300		
Biomass stoves			
Geothermal heat pumps	30% of cost		
Solar (water heating)			
Efficient air conditioners*	4000	30% of cost, up to \$600	
Efficient heating equipment*	\$300		
Efficient water heating equipment*	\$150	30% of cost, up to \$600	
Other Energy Efficiency Upgrades			
Electric panel or circuit upgrades for new electric equipment*	N/A	30% of cost, up to \$600	
Insulation materials*	10% of cost	30% of cost	
Windows, including skylights*	10% of cost	30% of cost, up to \$600	
Exterior doors*	10% of cost	30% of cost, up to \$500 for doors (up to \$250 each)	
Home Energy Audits*	N/A	30% of cost, up to \$150	
Home Electric Vehicle Charger	30% of cost, up to \$1,000	30% of cost, up to \$1,000 **	
* Subject to can of \$1200/year			

<sup>\*</sup> Subject to cap of \$1200/year

- Solar and Home energy improvements extended through 2032
- Available January 1, 2023
- Now an annual cap instead of lifetime
- Some limitations proper planning will go a long way
- Can stack with Focus and federal Home Energy Rebate program incentives

**DOE Clean Energy Tax Credits** 

<sup>\*\*</sup> The IRS will soon publish further information on eligibility requirements related to home electric vehicle chargers, but we know that credits are intended for residents in non-urban or low-income communities.

## INFLATION REDUCTION ACT HOME ENERGY REBATE PROGRAMS







- Nearly \$150M over 10 years between two programs
  - HOMES (Efficiency)
  - HEEHRA (Electrification)
- Public Service Commission chose Focus on Energy as the program implementer for HER Programs in April 2023
  - Ordered that HER and Focus funds be tracked and managed separately
- Can be combined with Focus on Energy rebates and tax credits

### **Potentially Eligible Equipment & Housing Types**



Electric Heat Pump Clothes Dryer







Whole Home Air Sealing





& Potentially Other Energy-Saving Technology!



Attic, Wall, or Foundation Insulation



Ventilation Systems



Heaters

Smart, Energy-Saving Technology



Electric Panel & Wiring Upgrades



Electric Stove, Cooktop, Range, Oven







New Construction & Existing Housing Units





Owner-Occupied & Rental Properties

# How Much Money is Potentially Available Per Household?

Households with Incomes above 80% Area Median Income <sup>1</sup>	Efficiency <sup>2</sup>	Lower energy savings: 50% of project costs up to \$2,000 Higher energy savings: 50% of project costs up to \$4,000	
	Electrification	50% of project costs up to \$14,000 (Household income must be below 150% AMI)	
Households with Incomes Below 80% AMI <sup>1</sup>	Efficiency <sup>2</sup>	Lower energy savings: 80% of project costs up to \$4,000 Higher energy savings: 80% of project costs up to \$8,000	
	Electrification	100% of project costs up to \$14,000	
Multifamily/Rental Housing Building Owner	Efficiency <sup>2</sup>	Lower energy savings: \$2,000/unit up to \$200,000 Higher energy savings: \$4,000/unit up to \$400,000	
	Electrification	50% of project costs up to \$14,000/unit (>50% of units must have income <150% AMI)	
Multifamily/Rental Housing Building Owner with >50% of Households <80% AMI <sup>1</sup>	Efficiency <sup>2</sup>	Lower energy savings: 80% of the project cost up to \$4,000/housing unit Higher energy savings: 80% of the project cost up to \$8,000/housing unit	
	Electrification	Lesser of 100% of project costs or \$14,000/unit	

<sup>&</sup>lt;sup>1</sup>See Area Median Income (AMI) for your area: <a href="https://www.huduser.gov/portal/datasets/il/il2022/select\_Geography.odn">https://www.huduser.gov/portal/datasets/il/il2022/select\_Geography.odn</a>

\*Though final Wisconsin programs may differ

<sup>&</sup>lt;sup>2</sup>Other rebate amounts (roughly within these ranges) may be available if efficiency rebate rates are determined through measured performance.

### **Eligibility By Home Energy Rebate Type**

#### Home Efficiency Rebates (IRA Sec. 50121, aka HOMES)

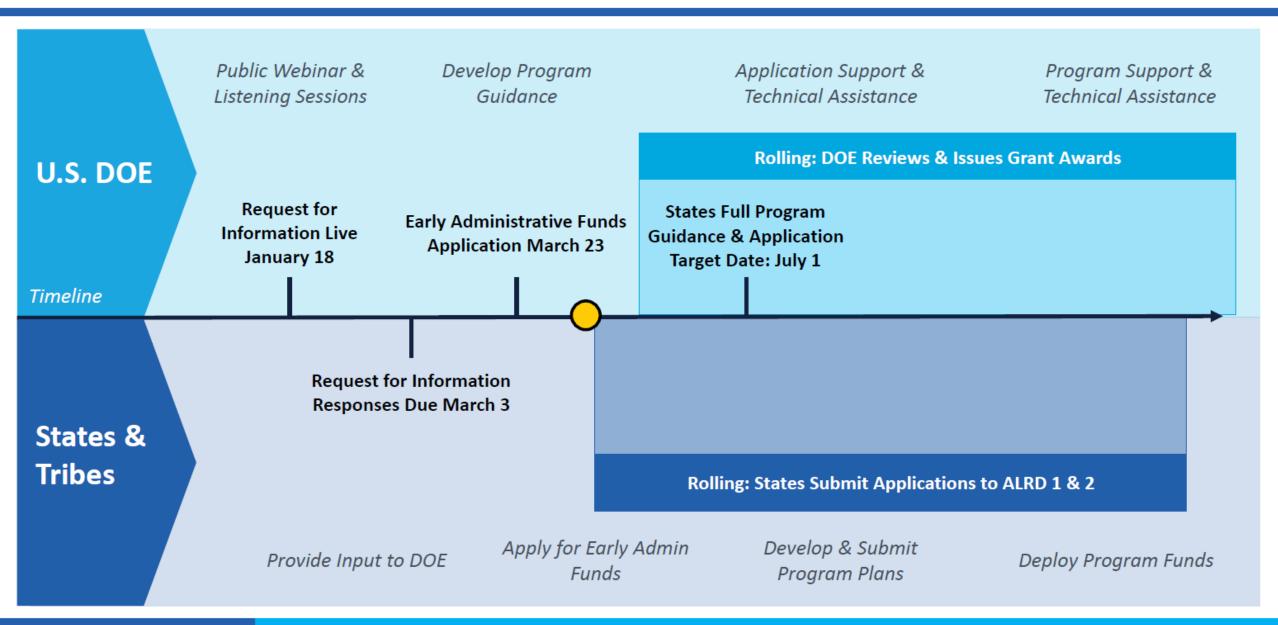
- Rebate eligibility depends on predicted energy savings of home upgrade
  - ✓ Rebates are technology agnostic
  - ✓ Generally, projects will need to predict at least 20% energy savings to be rebate eligible
  - ✓ Projects estimated to save 35% of energy are eligible for higher levels of savings
- Household eligibility \*
  - ✓ Law does not limit eligibility based on household income
  - ✓ Households at or below 80% AMI are eligible for more funds
  - ✓ Rented, single-family, or multifamily homes
  - × New construction homes are not eligible

\*Though states can be more restrictive if they so choose

# Home Electrification & Appliance Rebates (IRA Sec. 50122, aka HEERP)

- Rebate eligibility depends on installation of eligible qualified electrification projects
  - 1. ENERGY STAR electric heat pump water heater
  - 2. ENERGY STAR electric space heat pump
  - 3. ENERGY STAR electric heat pump clothes dryer
  - 4. ENERGY STAR electric cooktop, range, or oven
  - 5. ENERGY STAR insulation, air sealing, ventilation
  - 6. Electric load service center
  - Electric wiring
- Household eligibility \*
  - × Households above 150% AMI are not eligible
  - ✓ Households at or below 80% AMI are eligible for more funds
  - ✓ Rented, single-family, multifamily are eligible.
  - ✓ New construction homes are eligible

#### Home Energy Rebates Program Development Timeline



## FOCUS ON ENERGY RESIDENTIAL PROGRAMS





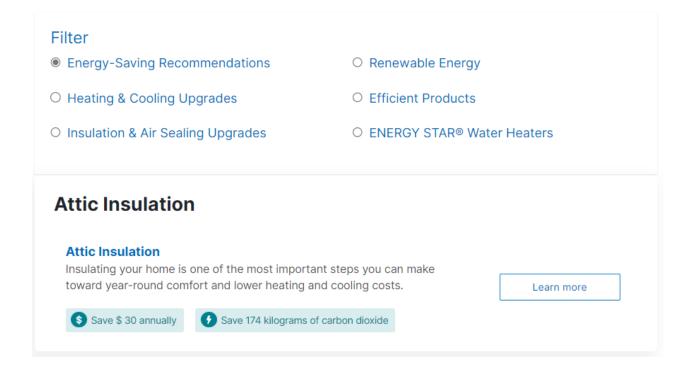
#### ONLINE HOME ENERGY ASSESSMENT



- Free and easy!
- 10-15 minutes to complete
- Personalized recommendations based on the characteristics of your home
- Limited to single-family, duplex, and single-story townhomes
- Online Assessment

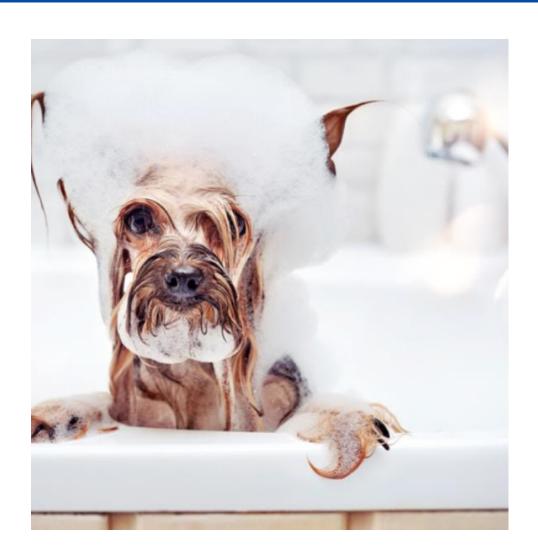
#### Recommendations for Your Home

Find a list of improvements below to help save energy and money while reducing your environmental footprint. You can also learn more about rebates available to make these improvements more affordable. Visit the Focus on Energy website for complete details on rebate requirements.



### FREE PACKS





- Shipped straight to your door, entirely free
- One Pack per home, per year
- Various Packs to choose from
- Packs webpage

#### ONLINE MARKETPLACE



- Frequent sales and special offers
- Current products
  - Smart thermostats
  - Water-saving products
  - Air purifiers
  - Advanced power strips
  - Lighting
- More products coming soon
- Online Marketplace

# SIMPLE CHANGES FOR SUMMER SAVINGS



Discount provided by FOCUS ON ENERGY

#### HEATING & COOLING



- Rebates for high-efficiency equipment
- From \$25 up to \$1,300
- Higher rebates are available for some equipment for income-qualified customers
- Focus on Energy Resources
  - Heating & Cooling webpage
  - Income-Qualified <u>rebates</u>
  - Find a Trade Ally tool



#### INSULATION & AIR SEALING



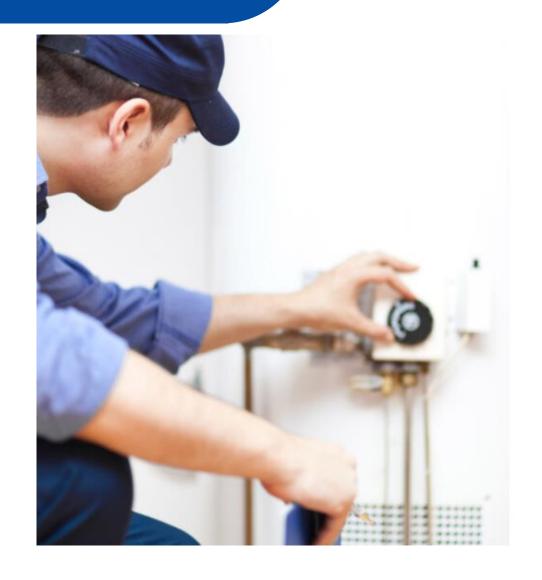
Insulation and Air Sealing Single-Family Home (1-3 units)	Standard	Income-Qualified
ENERGY STAR Qualified Air Sealing Energy assessment required*	\$675	\$1,125
Attic Insulation	\$525	\$675
Foundation Insulation*	\$150	\$225
Wall Insulation	\$450	\$450
Duct Sealing & Insulation*	\$75	\$75
DIY Attic Insulation & Air Sealing	\$200	\$200

- Rebates can stack
- Higher rebates available for income-qualified customers
- Some measures require an assessment and report
- Focus on Energy Resources
  - Insulation & Air Sealing webpage
  - Income-Qualified <u>rebates</u>
  - Find a Trade Ally <u>tool</u>

#### WATER HEATING

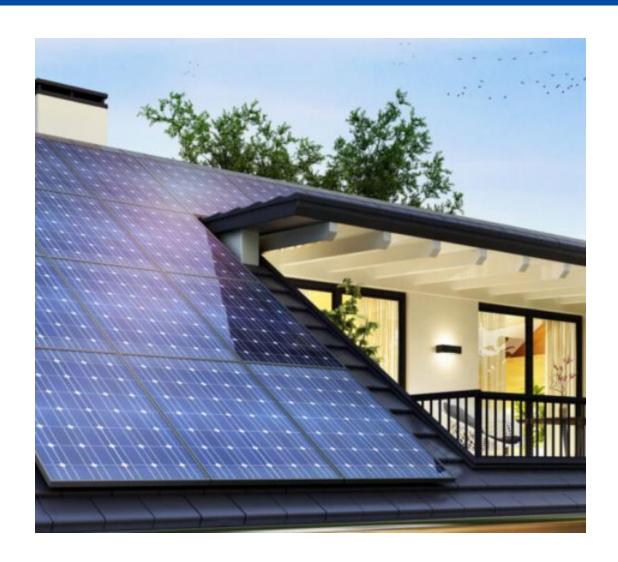


- Only available through participating Trade Allies
- Rebates provided as an instant discount
- Focus on Energy Resources
  - Water Heating webpage
  - Find a Trade Ally tool
  - Heat Pump Water Heater Trade Ally <u>list</u>



### SOLAR ENERGY





- \$500 rebate
  - Additional \$500 for <u>rural homes</u>
- Must work with participating Trade Ally
- Focus on Energy Resources
  - Solar for Homes webpage
  - Find a Trade Ally <u>tool</u>

## TAKEAWAYS & RESOURCES





### **TAKEAWAYS**



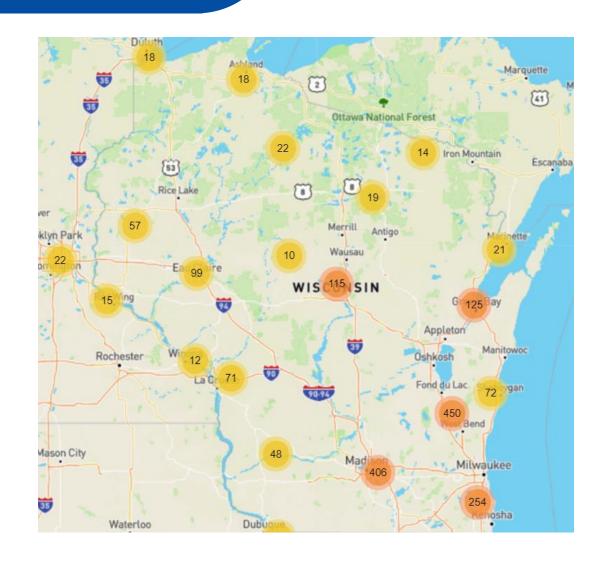


- 1. Don't wait!
  - 1. HER Programs still being defined
  - 2. Tax credits are available now
  - 3. Trade Allies will be swamped
  - 4. Costs are rising
- 2. Order of Operations
  - 1. Building Shell (attic, walls, etc)
  - 2. HVAC & Appliances
  - 3. Solar
- 3. Start with Free & Easy
  - 1. Packs
  - 2. Online Home Energy Assessment

## **TAKEAWAYS**



- 4. Find a Trade Ally to work with
  - 1. Focus Find a Trade Ally Tool
- 5. Check locally
  - 1. Additional utility rebates
  - 2. <u>Home Energy Plus</u> low to moderate income programs
    - 1. Energy Assistance
    - 2. Weatherization
  - 3. Community groups, energy districts, credit unions, etc
    - 1. <u>MadiSUN</u> solar group buy
    - 2. <u>Clean Energy Credit Union</u>



## OTHER RESOURCES



- Department of Energy
  - Clean Energy Tax Credits
  - State & Community Energy Programs Office
- ENERGY STAR®
  - Tax Credits for Homeowners
  - Heat Pump Water Heater Costs
- Northeast Energy Efficiency Partnerships (NEEP)
  - Air Source Heat Pump Buying Guide
- Northwest Energy Efficiency Alliance -BetterBuiltNW
  - Free HVAC Sizing Tool

