



FEDERAL POLICY WORKING GROUP MEETING 08/09/23

Agenda

1. Administration Activities
2. Legislative Landscape/Updates
3. Energy Efficiency Strategy Group E&WD Appropriations Chart FY2024
4. Solar for All

Notes

1. Administration Activities

On August 7, the DOE [announced](#) a series of projects across 15 states that will receive a total of \$46 Million to develop advanced building technologies and retrofit practices to further EE. The funding opportunity is also known as Buildings Energy Efficiency Frontiers and Innovation Technologies (BENEFIT). You can find the full [list of projects](#) here. Those in California include:

- Gridscape Solutions, California – Smart Energy Storage Integration and Management Platform for Buildings (SESIMP-B) – Gridscape Solutions will develop, validate, and demonstrate a plug-and-play, smart commercial-building service panel that reduces complexity and cost for smart panel installation and DER integration. (Award amount: \$1.5 million)
- Channing Street Copper Company, California – REST NET: Residential Energy Storage Transition and Network Efficiency Tactics – Channing Street Copper Company will develop 120-V heat pump mini splits and hot water heaters with integrated battery storage to simplify electrification upgrade needs. (Award amount: \$1.5 million)
- University of California: San Diego, California – Optimized Commercial Control Technology of Plug-Loads and Lighting (OCCTOPI), an open-source software for affordably integrating plug load and lighting controls in commercial buildings – The University of California: San Diego will develop an open-source commercial building control algorithm to integrate plug load and lighting controls, targeting energy savings of 25%. (Award amount: \$0.6 million)

On August 4, the DOE [announced](#) its [notice](#) and [fact sheet](#). The Energy Efficient Home Improvement Tax Credit, authorized through President Biden’s Inflation Reduction Act, provides taxpayers with financial incentives to obtain a home energy audit allowing for expert direction for energy-efficient upgrades tailored to one’s particular home needs.

The home energy audit tax credit offers 30% of the cost for a home energy audit, up to \$150 per year. A home energy audit is just one of the many efficiency or home energy system improvements homeowners can claim using the 25C credit. The combined value of the home energy audit credit and any other credits claimed under 25C are subject to a yearly limit of \$1,200 for qualifying expenditures (\$3,200 if expenditures are for heat pumps, heat pump water heaters, or biomass stoves or boilers).

To ensure a homeowner is able to take advantage of the tax credit for the 2024 tax season, the following requirements must be followed:

Include an inspection and written report that identifies the most significant and cost-effective energy-efficiency improvements with respect to the home, including an estimate of the energy and cost savings with respect to such improvement, and
Be conducted and prepared by a home energy auditor.

In addition, starting on January 1, 2024, the home energy audit must follow the requirements set forth in IRS Notice 2023-59, which includes:

The inspection must be conducted by a Qualified Home Energy Auditor, defined as an individual who is certified by one of the [Qualified Certification Programs](#) at the time of the audit, or under the supervision of a Qualified Home Energy Auditor;

The written report must be prepared and signed by a Qualified Home Energy Auditor, be consistent with industry [best practices](#), and include:

The Qualified Home Energy Auditor's name and relevant Employer Identification Number (EIN) or other type of appropriate taxpayer identifying number, if the auditor does not have an EIN;

An attestation that the Qualified Home Energy Auditor is certified by a Qualified Certification Program; and

The name of such Qualified Certification Program.

On August 3, the DOE announced it is releasing \$34 Million in funding as the 5th cohort of the Grid Resilience State and [Tribal Formula Grants](#). California includes:

- Washoe Tribe of Nevada & California (Carson Colony, Dresslerville Colony, Woodfords Community, Stewart Community, & Washoe Ranches) will ensure that Tribal members and the Tribe's critical community facilities are not impacted by weather events. The grant funds will support modernizing grid infrastructure and investments in clean energy while also addressing the energy burden experienced by low-income and disadvantaged Tribal communities. (Amount: \$1.3 million)

On August 1, the DOE released revised analysis of previously proposed stovetop/cooktop efficiency standards with a particular focus on expanding gas stove eligibility. Generally the eligibility incorporates functions and features of gas cooktops.

On August 1, the ban on general-service lamps under 45-lumens-per-watt standard took effect; effectively banning incandescent bulbs in the general service lamp market.

On July 28, the DOE announced three new energy efficiency standards that will save Americans more than \$1 billion in utility bills every year:

- **Commercial Water Heaters:** anticipated to save Americans \$149 Million/year on utility bills. The efficiency standards have not been revised since 2003. For commercial gas-fired storage, instantaneous, and hot water supply boilers, DOE is adopting a performance standard that will require condensing technology for new models starting in 2026. The energy savings over 30 years of shipments is 0.7 quadrillion British thermal units, which represents a savings of 5.6% relative to the energy use of products currently on the market. DOE estimates that the standards would result in cumulative emission reductions of 38 million metric tons of carbon dioxide—an amount roughly equivalent to the combined annual emissions of 4.8 million homes.
- **Dedicated-Purpose Pool Pump Motors:** anticipated to save Americans \$738 Million/year. These standards follow the lead of the efficiency standards already established by the state of California. DOE is finalizing this rulemaking, in coordination with our industry partners and stakeholders, to help ensure savings are fully realized and that replacement motors are as efficient as new pool pump systems commercially available today.

- Once compliance is required in the next 2 to 4 years for different motor types, DOE expects the new rule to save consumers nearly \$14 billion in utility bill savings over the ensuing 30 years of shipments and reduce carbon dioxide emissions by 31 million metric tons—an amount roughly equivalent to the combined annual emissions of 3.9 million homes.
- **Consumer Boilers:** Anticipated to save Americans \$188 Million/year. For gas-fired hot water boilers, the most common type, DOE is proposing a standard that essentially would require modern condensing technology to provide efficiency gains. If adopted within DOE's proposed timeframe, the new rules will come into effect in 2029. DOE estimates the new rule will save consumers \$3.1 billion in utility bills over 30 years of shipments while reducing carbon dioxide emissions by 39 million metric tons—an amount roughly equivalent to the combined annual emissions of 8.7 million passenger vehicles.
- To learn more, visit the [Appliance and Equipment Standards Program homepage](#).

Biden Harris Administration Opens Applications For States And Territories To Implement \$8.5 Billion For Home Energy Rebates As Part Of Investing In America Agenda

On July 27, the DOE announced it is accepting applications for state and territory implementation of the two [Home Energy Rebate](#) programs created by the Inflation Reduction Act. The published [Administrative and Legal Requirements Document \(ALRD\)](#) offers full federal guidance and instructions for states and territories to apply for their allocation of the [Home Energy Rebates programs](#). Rebates will be available to consumers only after states and territories apply for and receive their funds from the Department of Energy and launch their state rebate program.

IRA HOME ENERGY REBATES STATE ALLOCATIONS

State / Territory		Home Efficiency Rebates Allocation (50121)	Home Electrification & Appliance Rebates Allocation (50122)	Total Home Energy Rebates Allocation (50121 & 50122)
Alaska	AK	\$ 37,368,480.00	\$ 37,150,940.00	\$ 74,519,420.00
Alabama	AL	\$ 73,032,210.00	\$ 72,607,220.00	\$ 145,639,430.00
Arkansas	AR	\$ 52,739,720.00	\$ 52,433,010.00	\$ 105,172,730.00
American Samoa	AS	\$ 25,069,710.00	\$ 24,923,740.00	\$ 49,993,450.00
Arizona	AZ	\$ 76,868,720.00	\$ 76,421,080.00	\$ 153,289,800.00
California	CA	\$ 291,951,040.00	\$ 290,252,580.00	\$ 582,203,620.00

Reminder: CEC IRA [webpage](#)

The Home Energy Rebate Programs include:

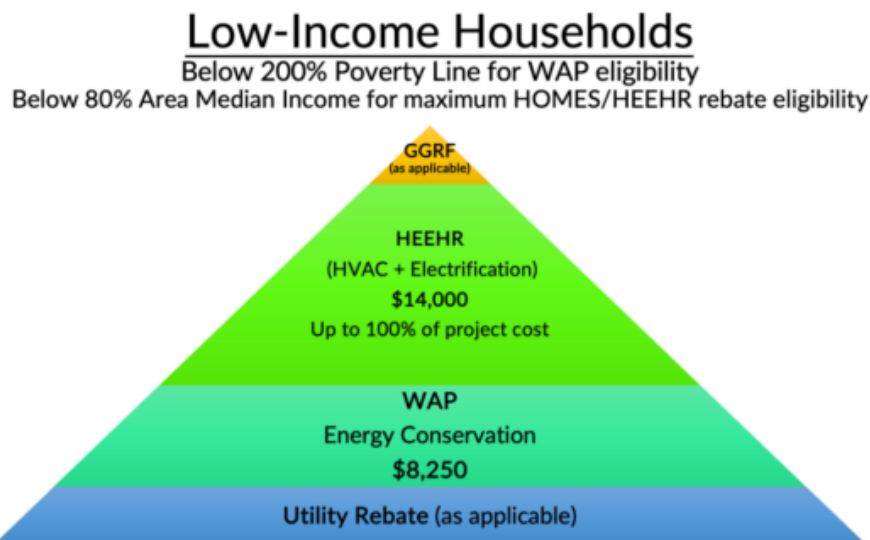
- **The Home Efficiency Rebates Program** will offer \$4,300,000,000 in formula grants to state energy offices to reduce the upfront cost of whole-home energy efficiency upgrades in single-family and multi-family homes. The value of an eligible home's rebate depends on the predicted energy savings attributable to the project.
- **The Home Electrification and Appliance Rebates Program** will offer \$4,275,000,000 in formula grants to state energy offices to reduce the upfront cost of efficient electric technologies in single-family and multi-family homes. This program also provides \$225,000,000 in grants to Indian tribes, however tribal guidance and application instructions are forthcoming through a separate, upcoming announcement.

From the MMR:

[HOMES/HEERH](#) (+ other incentives stacking)

- AnnDyl recently provided a great [policy brief](#) on the HOMES/HEERH rebates and opportunities for stacking associated incentives.

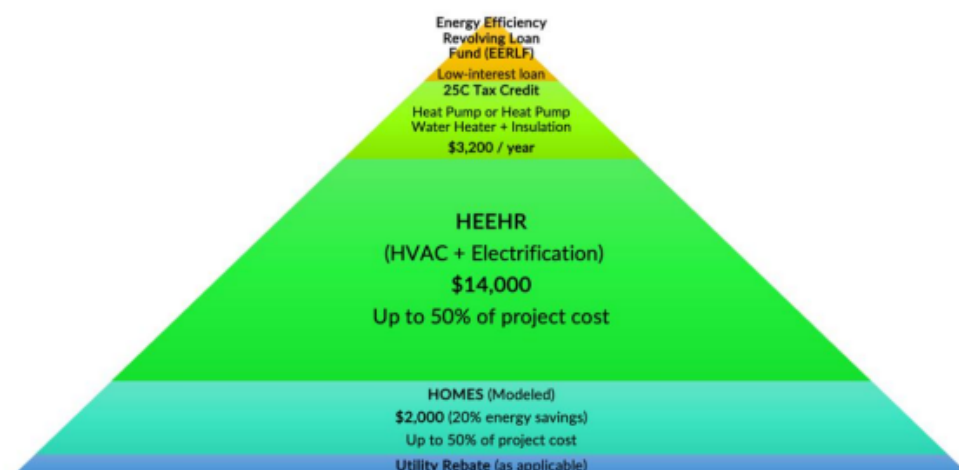
- DOE Home Energy Rebate [guidance](#) affirms the performance-based (HOMES) and electrification-focused (HEEHR) rebates are not taxable and can be paired with the 25C Energy Efficient Home Improvement tax credit.
- HOMES & HEEHR cannot be used for the same, single upgrade, they can stack across federal funding sources so long as “each Federal grant only funds distinct, separable upgrades.”
 - HOMES Measured Energy Savings rebates cannot be stacked with HEEHR, but HOMES Modeled Energy Savings rebates can be.
- DOE “strongly encourages” state/local/utility programs be designed to combine funding with federal funding.
- Low-income:
 - Federal \$s can cover remaining costs for upgrades and individual components of electrification projects beyond value of federal rebate, but not >100% of project cost(s).
 - Because a modeled HOMES rebate would have to be achieved without the same measures included in WAP or HEEHR, it would likely be more cost effective for a low-income homeowner to take advantage of the other funding options available.
 - W/O HOMES: ~\$22,000



- Middle-income:
 - Moderate-income households will be able to recover up to 50% of the costs of their HVAC and electrification projects with HEEHR Rebates and receive 30% of the remaining balance of the cost of the equipment with the 25C tax credit when they file their taxes
 - Assuming the project is focused on electrification and over \$32,000, moderate-income households could potentially receive some \$19,000 in federal incentives when stacked.

Moderate-Income Households

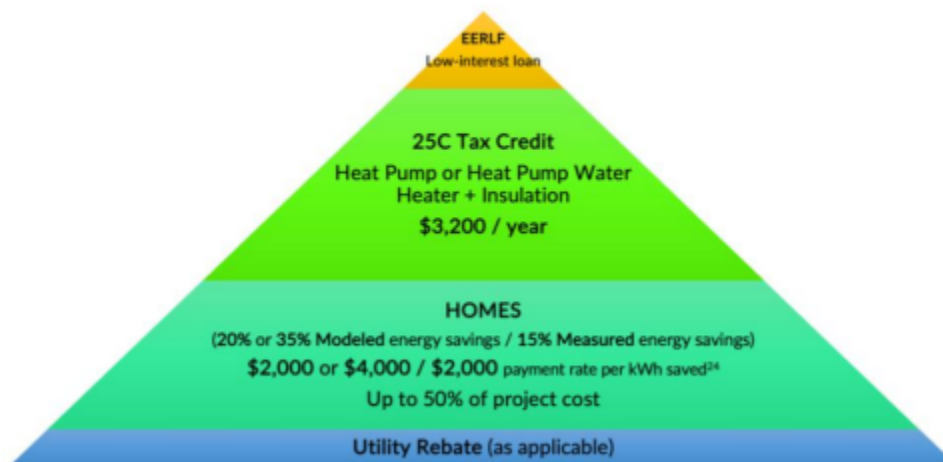
Between 80% - 150 % Area Median Income



- Higher Income:
 - Market-rate homeowners do not qualify for support from HEEHR due to income levels.
 - By undertaking a home performance retrofit that saves at least 20% of household energy use under the Modeled approach, market-rate households can receive up to \$2,000 from a HOMES rebate, and up to \$4,000 for measures that achieve over 35% energy savings.
 - Market-rate households could potentially receive over \$7,200 in incentives

Market-Rate Households

No Income Qualification / above 150% Area Median Income



If you have any questions or comments, please email info@anndyl.com.

FYI: [Flex Coalition Webinar: IRA HOMES Program Guidelines](#) TODAY (Aug. 9, 11AM PT)
The U.S. Department of Energy has released its guidelines for the \$8.8 billion Home Energy Rebate Programs (HOMES and HEEHR) enacted in the Inflation Reduction Act. Join this Flex Coalition webinar for a deep dive into the HOMES program guidelines, with particular focus on elements for the measured approach. We will discuss what the demand flexibility industry should know about the guidelines and what the next steps are for implementation.

On July 21, the DOE [proposed](#) new EE standards to save consumers \$11.4 Billion on their energy and water bills every year. The Congressionally-mandated proposed standards for residential water heaters align with recommendations from stakeholders, including two of the largest water heater manufacturers and the Consumer Federation of America. The proposal would require the most common-sized electric water heaters to achieve efficiency gains with heat pump technology and gas-fired instantaneous water heaters to achieve efficiency gains through condensing technology. These standards, which would take effect in 2029 if finalized, are expected to save Americans approximately \$198 billion and reduce 501 million metric tons of harmful carbon dioxide emissions cumulatively over 30 years—roughly equivalent to the combined annual emissions of 63 million homes, or approximately 50 percent of homes in the United States.

On July 17, the DOE [announced](#) funding for states to begin training a new generation of residential energy contractors. Funded by the President’s Inflation Reduction Act, the [State-Based Home Energy Efficiency Contractor Training Grants Program](#) will provide \$150 million in grants for states to reduce the cost of training, testing, and certifying residential energy efficiency and electrification contractors. Also referred to as Contractor Training Grants, the program will provide states with funds to develop and implement workforce training programs for residential efficiency and electrification projects to help Americans save money on their energy bills. Training will lead to abilities to implement energy upgrades eligible for Home Energy Rebates.

On July 12, the DOE [announced](#) \$90 Million in funding support for resilient and efficient building codes to be awarded through competitive bids to states, cities, tribes, and partnering organizations in order to implement updated energy codes.

2. Legislative Landscape/Updates

On July 27, the House Energy & Commerce Committee reported out two pieces of legislation:

- H.R. 4468 which would block EPA from finalizing emissions standards for light and medium duty vehicles.
- H.R. 1435 which would bar the EPA from waiving CA’s implementation of CARB’S rule requiring non-emitting vehicles by 2035.

On July 19, the House Appropriations Committee reported out fiscal legislation for 2025 that would cut funding for EPA and the Interior Dept., roll back IRA funding, bar the SCC from rules, require quarterly sales of oil and gas on federal lands, and reinstate mineral lands.

On July 14, the bipartisan House Climate Solutions Caucus relaunched. “Since the convening of the 118th Congress with Republicans in charge of the House, more than 12 Republicans have joined the once-moribund caucus, which the group said is the “only organization in the House dedicated to exploring energy and climate solutions in a bipartisan manner.””

3. Energy Efficiency Strategy Group E&WD Appropriations Chart FY2024

	FY2022	FY2023			FY2024			
Program	Final	House	Senate	Final	PBR	House	Senate	Draft EESG Request

Advanced Manufacturing & Industrial Decarb Offices (Formerly AMO)	\$416M • \$20M: IACs	\$500M • \$230M: Industrial Efficiency & Decarb • \$50M: Tech Asst. & Workforce • \$130M: Clean Energy Manufacturing • \$90M: Material Supply Chains	\$505M • \$13M: CHP TAPS o \$5M: TAPS o \$8M: CHP Activities	\$450M • \$185M: Industrial Efficiency & Decarb • \$45M: Tech Asst. & Workforce • \$105M: Clean Energy Manufacturing o \$15M: CHP (TAPS) • \$80M: Material Supply Chains	\$242M: AMMTO \$394M: IEDO	\$200M: AMMTO \$235M: IEDO	\$220M: AMMTO \$275M: IEDO • \$15M: CHP (TAPS)	\$242M: AMMTO • Strategic Energy Mgmt. • Energy Mgrs. • Save Carbon Now • Existing Low-C Tech • Smart Manufacturing \$394M: IEDO • Industrial Process Heat
Manufacturing and Energy Supply Chains (MESC)		\$18M • \$16M: Facility and Workforce Asst. o \$13M: IACs • \$2M: Energy Sector Industrial Tech Asst. • \$1M: PD (Corp Supt-MESC)	\$25M • \$23M: Facility and Workforce Asst. o \$20M: IACs • \$2M: Energy Sector Industrial Tech Asst.	\$18M • \$16M: Facility and Workforce Asst. o \$15M: IACs • \$2M: Energy Sector Industrial Tech Asst. • \$1M: PD (Corp Supt-MESC)	\$179M (MESC) • \$15M: IACs • \$65M: DPA • \$75M: Global Clean NRG Mfr. • \$24M: PD	\$18M • \$16M: Facility and Workforce Asst. • \$2M: Energy Sector Industrial Tech Asst. \$1M: PD (Corp Supt-MESC)	\$19M • \$16M: Facility and Workforce Asst. o \$15M: IACs • \$2M: Energy Sector Industrial Tech Asst. • \$1M: PD	• IACs • Flex Tech
Clean Energy Demonstrations (OCED)	\$20M • \$12M: Demos • \$8M: PD	\$189M • \$164M: Demos • \$25M: PD	\$150M • \$125M: Demos • \$25M: PD	\$89M • \$64M: Demos • \$25M: PD	\$215.3M • \$170M: Demos • \$45.3M: PD	\$35M	\$89M • \$64M: Demos • \$25M: PD	
Building Technologies Office (BTO)	\$307.5M • \$30M: Building to Grid R&D • \$58M: Standards o \$12M: BECs • \$55M: CBI • \$45M: RBI	\$345M o \$30M: Transactive NRG R&D • \$75M: Standards • \$80M: CBI • \$90M: RBI • \$40M: Workforce	\$364.77M • Carry out GEBs • \$60M: Standards o \$30M: BECs • \$60M: CBI • \$50M: RBI • \$20M: Workforce	\$332M o \$30M: Transactive NRG R&D • Carry out GEBs • \$75M: Standards o \$30M: BECs • \$70M: CBI • \$60M: RBI • \$40M: Workforce	\$348 • \$115.841M: Emerging Tech • \$70M: Standards o \$15M: BECs o \$55M: Apps • \$81M: CBI • \$81M: RBI	\$255M • \$40M: Standards • \$10M: for BECs • \$55M: CBI • \$45M: RBI	\$332M • Carry out GEBs • \$75M: Standards o \$30M: BECs • \$70M: CBI • \$60M: RBI o 5M: GEBs • \$40M: Workforce	\$399M • \$127M: Emerging Tech • \$90M: Standards o \$30M: BECs o \$60M: Apps • \$91M: CBI o 10M: GEBs • \$91M: RBI o \$10M: GEBs
Weatherization (WAP)	\$334M • \$313M: WAP • \$6M: Training • \$15M: Readiness Fund	\$370M • \$330M: WAP • \$10M: Training • \$30M: Readiness Fund • \$22.5M: PD (Corp Supt-SCEP)	\$353M • \$313M: WAP • \$10M: Training • \$30M: Readiness Fund	\$366M • \$326M: WAP • \$10M: Training • \$30M: Readiness Fund • \$22M: PD (Corp Supt-SCEP)	\$436.78 • \$375M: WAP • \$10M: Training • \$51.78M: Readiness Fund • \$33.22M: SCEP PD Total	\$278M • \$238M: WAP • \$10M: Training • \$30M: Readiness Fund • \$22M: SCEP PD Total	\$366M • \$326M: WAP • \$10M: Training • \$30M: Readiness Fund • Update SIR \$22M: SCEP PD Total	\$442M • \$375M: WAP • \$15M: Training • \$52M: Readiness Fund

State Energy Program (SEP)	\$63M	\$65M <ul style="list-style-type: none"> Support Schools' Tech Asst. on energy + related air quality \$22.5M: PD (Corp Supt-SCEP) 	\$65M <ul style="list-style-type: none"> Prioritize green, healthy, and climate resistant schools, libraries, and public buildings 	\$66M <ul style="list-style-type: none"> Support Schools' Tech Asst. on energy + related air quality Prioritize green, healthy, and climate resistant schools, libraries, and public buildings \$22M: PD (Corp Supt-SCEP) 	\$75M <ul style="list-style-type: none"> \$33.22M: SCEP PD Total 	\$66M <ul style="list-style-type: none"> \$22M: SCEP PD Total 	\$66M <ul style="list-style-type: none"> Application guidance 60 days after enactment Prioritize green, healthy, and climate resistant schools, libraries, and public buildings \$22M: SCEP PD Total 	\$90M
Federal Energy Management Program (FEMP)	\$40M <ul style="list-style-type: none"> \$13M: FEEF \$27M: Base <ul style="list-style-type: none"> \$2M: State Collab 	\$94M <ul style="list-style-type: none"> \$28M: FEEF \$37M: Base <ul style="list-style-type: none"> \$2M: State Collab \$29M: Net Zero Labs \$14M: PD (Corp Supt-FEMP) 	\$60M <ul style="list-style-type: none"> \$25M: FEEF \$35M: Base <ul style="list-style-type: none"> \$2M: State Collab 	\$43M <ul style="list-style-type: none"> \$14M: FEEF \$29M: Base <ul style="list-style-type: none"> \$2M: State Collab Net Zero Lab Support \$14M: PD (Corp Supt-FEMP) 	\$82M <ul style="list-style-type: none"> \$24M: FEEF \$41M: Base <ul style="list-style-type: none"> 17M: PD 	\$29M <ul style="list-style-type: none"> \$29M: Base <ul style="list-style-type: none"> \$2M: State Collab \$14M: PD (Corp Supt-FEMP) 	\$57M <ul style="list-style-type: none"> \$14M: FEEF \$29M: Base <ul style="list-style-type: none"> \$2M: State Collab \$14M: PD \$20M: AFFECT 	\$82M <ul style="list-style-type: none"> \$24M: AFFECT \$41M: Base <ul style="list-style-type: none"> \$2M: State Collab *Assume \$17M PD (Corp Supt-FEMP)
(USEER)	\$2M	Continuation	Continuation	Continuation			Continuation	\$2M
(EIA)	\$129.087M	\$144M	\$144M	\$135M	\$156.55M	\$135M	\$135M	\$157M <ul style="list-style-type: none"> \$5M: IJA Sec. 40413 Implementation

4. Solar for All

Solar for All (under the GHG Reduction Fund)

- \$70 billion
- Competition will award up to 60 grants to states, territories, Tribal governments, municipalities, and eligible nonprofit recipients to expand the number of low-income and disadvantaged communities primed for distributed solar investment—enabling millions of low-income households to access affordable, resilient, and clean solar energy. Grantees will use funds to expand existing low-income solar programs or design and deploy new Solar for All programs nationwide
- [43 U.S. states plan to apply](#) (+D.C. and Puerto Rico)
 - CA IBank
- EE is included as enabling upgrades under the program

Next Meeting

Our next Federal Policy WG meeting will be rescheduled from Wednesday September 13 at 8:15 am. Call-in coordinates are below.

[Zoom link](#)

Call-in: +13126266799,,83592457581#
Passcode: cedmc2022