

Episode 56RE February 26, 2024. Heat Pump Wisconsin Rebate Information Session

(slides 23 and 24 are inserted at the beginning of this slideshow as well as at the end of the slideshow, because those slides give details about Heat Pump rebates in Wisconsin starting by September 2024). (Area Median Income (usually for a United States County) (AMI) is explained later in the slideshow).

Slide 23) Electrification rebates – How much money is potentially available per project? Type of home Energy project: Home Electrification Project Qualified Technologies (only households with an income below 150% AMI are eligible). Households below 80% AMI: 100% of project costs up to \$14,000. Households between 80% and 150% AMI: 50% of project costs up to \$14,000. Both up to 80% AMI and also AMI between 80% and 150% AMI are eligible for these following 7 technologies' rebates: 1)Energy Star Electric Heat Pump Water Heater, up to \$1,720. 2) Energy Star Electric Heat Pump for Space Heating, up to \$8,000. 3) Electric Heat Pump Clothes Dryer, up to \$840. 4)Energy Star Electric Cook Top, Range, Oven, up to \$840. 5)Electric Load Service Center (also known as (AKA) an electrical panel), up to \$4,000. 6)Electric wiring up to \$2,500. 7) insulation, Air Sealing or Ventilation up to \$1,600.

Slide 24) Electrification rebates – Example. Stevens Household in Richland County. The Stevens family of 4 have a 12 year old, inefficient boiler. They also need a new dryer, have an outdated electrical panel and wiring. Finally, some gaps in the foundation were allowing air through. 80% AMI for family of four in Richland County. \$68,000. Stevens' combined income \$60,000. Eligible for rebate? Yes, low income. Possible Rebate: \$14,000. Final project cost to Stevens \$2,500. Project scope, Project cost, project discount. Heat Pump for Space Heating Cost \$7,000, discount \$7,000, cost to Stevens \$0. Heat Pump Clothes Dryer cost \$2,000 upgrade discount \$840 cost to Stevens \$1,160. Electrical panel upgrade \$3,000 upgrade discount \$3,000 cost to Stevens \$0. Electric wiring upgrade \$2,500 upgrade discount \$2,500, cost to Stevens \$0. Insulation and Air Sealing \$2,000 upgrade discount \$1,600, cost to Stevens \$400. Total project cost \$16,500, total upgrade discount \$14,840. Final cost to Stevens \$2,500.

Slide 1) Inflation Reduction Act (IRA) Home Energy Stakeholder Engagement (Virtual) February 26, 2024. Focus on Energy partnering with Wisconsin Utilities.

Slide 2)Agenda. Why are we here today? Existing energy programs in Wisconsin. IRA home energy rebate programs summary. Survey: We want to hear from you! Public Comment. What's next?

Slide 3) IRA home energy rebate programs in Wisconsin. Wisconsin anticipates being awarded nearly \$150 million for two programs. 1)Home Efficiency Rebates and 2)Home Electrification and Appliance Rebates.Focus on Energy was chosen by the Public Service Commission (PSV) of Wisconsin to deliver the IRA Home Energy Rebate Programs.

Slide 4)Existing energy programs in Wisconsin.

Slide 5)Existing Energy Programs: 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. Some utilities have programs and rebates in addition to Focus on Energy.

Slide 6)Existing Energy Programs: Energy Assistance Programs. Home Energy Plus (HE+) is a collection of statewide energy assistance programs. These programs include: Wisconsin Home Energy Assistance Program (WHEAP) Assists with electric and heating costs for eligible applicants. Weatherization Assistance Program (WAP) Provides energy efficiency improvements to eligible applicants. Home Energy Plus Program Services. Provides furnace repairs and replacements, water heater replacements, and water conservation measures to eligible applicants.

Slide 7)Efficiency rebates – How much money is potentially available for each project? Type of Home Energy Project. Households below 80% Area Median Income (AMI). Households between 80 and 150% Area Median Income (AMI). Households above 150% Area Median Income (AMI). Home Efficiency Project with at least 20%

predicted energy savings. 80% of project costs up to \$4,000. 50% of project costs up to \$2,000 (maximum \$200,000 for a multifamily building). Home Efficiency Project with at least 35% predicted energy savings. 80% of project costs up to \$8,000. 50% of project costs up to \$4,000 (maximum \$200,000 for a multifamily building).

Slide 8)Efficiency Rebates – Examples. Smith Household in Brown County. The Smiths, family of four, have an old water heater, and want to insulate their home to make it more comfortable. 80% AMI for family of four in Brown County : \$76,400. Smiths’ combined income \$98,800. Eligible for low income rebate? No. Attic insulation \$3,500, Whole home air sealing \$2,200, Heat Pump Water Heater \$4,000, Smart Thermostat \$300. Total Project Cost \$10,000. Eligible rebate \$2,000. Project cost to Smiths \$8,000. Modeled energy savings 24%.

Efficiency Rebates – Examples. Beck Household in Brown County. The Becks, family of four, have an old water heater, and want to insulate their home to make it more comfortable, and have an older home and less income. 80% AMI for family of four in Brown County : \$76,400. Becks’ combined income \$54,000. Eligible for low income rebate? Yes. Attic insulation \$3,500, Whole home air sealing \$2,200, Heat Pump Water Heater \$4,000, Smart Thermostat \$300. Total Project Cost \$10,000. Eligible Rebate \$8,000. Project cost to Becks \$2,000.

Slide 9)Efficiency Rebates – Retroactivity. States must provide rebates for projects that: are initiated on or after 8/16/2022. Meet all federal, and any state additional requirements. Likely state requirements: A home assessment completed before work done, including all required documentation and written consent. Envelope upgrades must be completed before HVAC upgrades.

Slide 10)Wisconsin’s additional goals. Leverage existing Focus on Energy infrastructure to maximize administrative efficiency and improve customer experience. Target customers where up-front costs have been barriers, particularly those with high energy burden or that rely on delivered fuels. Electrification projects should result in reduced household energy bills. Transparent program planning and implementation, with opportunities for stakeholder input and public comment.

Slide 11)Customizing the programs for Wisconsin. Many program elements are set by federal law or determined by the State of Wisconsin from the Public Service Commission (PSC). States have limited control over some program elements. Some examples include: Amount of funds reserved for low-income homes. Incentive amounts, in some instances. Income verification methods. At this time, Home Energy Rebates Programs are not available in Wisconsin.

Slide 12)IRA Home Energy Rebate Programs Timeline. January 2024 Engagement Begins, Program Design Continues. February 2024: Engagement Wraps Up, State Application Prepared for Review. March through April 2024: Memo for Public Service Commission (PSC), Public Comment Period. May through June, 2024: Finalize Application Materials, Application Submitted to Department of Energy (DOE) (60 to 90 day review). July August through September: Programs launch.

Slide 13) Terms to know: Area Median Income (AMI): The median income of the area in which an individual or family resides. Based on the number of people living in the home. Area is usually the county. Low-income (per Department of Energy): A household below 80% AMI. Moderate-income (per Department of Energy): A household between 80% and 150% AMI.

Slide 14)Terms to know: Energy burdened: A household’s energy costs are more than 6% of the household’s income. Electrification: a process of replacing technologies that use fossil fuels like natural gas, oil and coal with electric technologies. Home assessment: Analysis of a home’s energy use. Looks at the condition of systems in the home, such as heating, cooling, water heating, and insulation. Results are often modeled in software tools and a report is provided.

Slide 15) Efficiency rebates – Program summary.

Slide 16)Efficiency rebates – summary. Performance based – whole-home rebates. The rebate amount is based on the estimated percentage of energy saved. Estimated energy saved is provided in a report, after a home energy assessment is performed. And higher rebates are available for low-income households.

Slide 17)Efficiency rebates – Eligibility. Project eligibility: Requires a home energy assessment. Projects will need to predict at least 20% energy savings. Projects estimated to save 35% are eligible for higher rebates. Rebates are not specific to any one technology. Must include at least one major upgrade: Energy Star Heating and Cooling. Envelope or Energy Star water heating.

Slide 18) Efficiency rebates – Eligibility. Household eligibility. Law does not limit eligibility based on household income. But states may choose to limit based on household income. Households at or below 80% AMI are eligible for higher rebates. Single or multifamily homes. Properties may be owner-occupied or rental properties. New construction homes are not eligible.

Slide 19)Electrification Rebates – Program Summary.

Slide 20) Electrification Rebates – Summary. Instant discount on qualifying electric appliances and home upgrades. May be purchased through a contractor or at retail. Some measures must be installed by a contractor. Others can be Do It Yourself (D I Y). Higher rebates are available for low-income households.

Slide 21) Electrification Rebates – Eligibility. Eligible Equipment: Project eligibility: Must replace a non-electric appliance.

Slide 22)Electrification rebates – Eligibility. Household eligibility. Law does not limit eligibility based on household income. But states may choose to limit based on household income. Households at or below 80% AMI are eligible for higher rebates. Single or multifamily homes. Properties may be owner-occupied or rental properties. New construction homes are not eligible.

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