

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF ENERGY RESOURCES

Elizabeth Mahony, Commissioner

DOER Low-Moderate Income Decarbonization Offerings

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Overview: HER and HEAR Federal Rebates

- Massachusetts is allotted \$146 million by the Department of Energy (DOE) from the Inflation Reduction Act over multiple years:
 - Home Efficiency Rebates (HER) - \$73.2 million
 - *Previously called "HOMES"*
 - Home Electrification Appliance Rebates (HEAR) - \$72.8 million
 - *Previously called "HEEHRA"*
- DOE asks DOER to prioritize at least 41% of funds to low-and-moderate income residents for HER and HEAR
 - This aligns with DOER's equity goals
- DOE also requires that at least \$11.68 million of HER and HEAR funds must go to low-and-moderate income *multi-family building* residents

Summary of DOER Proposed Programs

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[®], MassHousing, MLPs, and MassHousing
- 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[®] instead of stand-alone direct point-of-sale rebate
- Roll out beginning in Fall to Winter 2024

HER Summary: Home Efficiency \$73.2 Million

DOE Requirements for State Energy Office Program Design

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:

Income level	Energy Savings > 20%	Energy Savings > 35%	<i>Proposed: Energy Savings >40%</i>	<i>Proposed: Energy Savings >50%</i>
Household with income >80% Area Median income	\$2,000	\$4,000	-	-
Household with income <80% of Area Median Income	\$4,000	\$8,000	\$16,000	\$20,000

- Existing homes only – need to show historical energy use
- Requires utility-bill-calibrated home energy assessment
- Requires dedicated pool of qualified contractors

DOER Program Proposal: HER

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

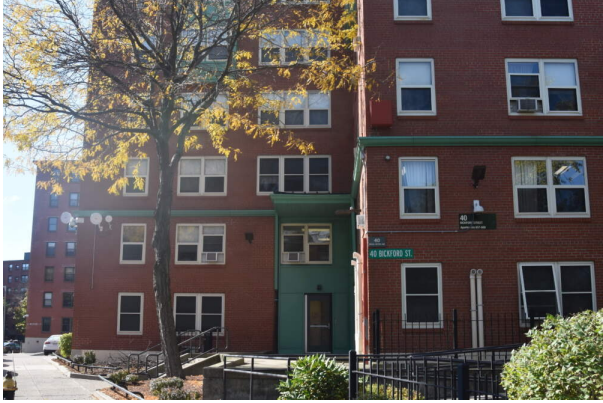
Affordable Housing Decarbonization Grants

- Expand existing DOER grant program by funding additional measures
- Target decarbonization in existing income restricted multi-family units
- 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 with a focus on heat pumps
- Assist the approximate 15% of Commonwealth without access to Mass Save[®]
- Leverage matching funds from MLPs and RGGI
- Pair with a separate DOER-funded financing package much like the Mass Save[®] Heat Loan for MLPs

DOER's 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
- HER Funds used for retrofitting existing affordable housing;
 - Deep energy retrofit and efficiency upgrades
 - Building system electrification
 - Onsite renewable generation
- 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
- For more information, please visit [here](#)

DOER Affordable Housing Decarb Technical Assistance

- Last year DOER put out a request for Low-Moderate Income Decarbonization Assessment Program Manager
- This technical assistance is aimed at filling gaps in existing LMI retrofit projects to help them decarbonize
- The Program Manager will provide;
 - Grants for decarbonization scoping studies for low-moderate income residential retrofits
 - Design grants – architectural and engineering services - needed to develop more detailed project design
- A vendor has been chosen and contract negotiations are ongoing
 - More information on resources will be available in the near future

HEAR Summary: Home Electrification \$72.8 Million

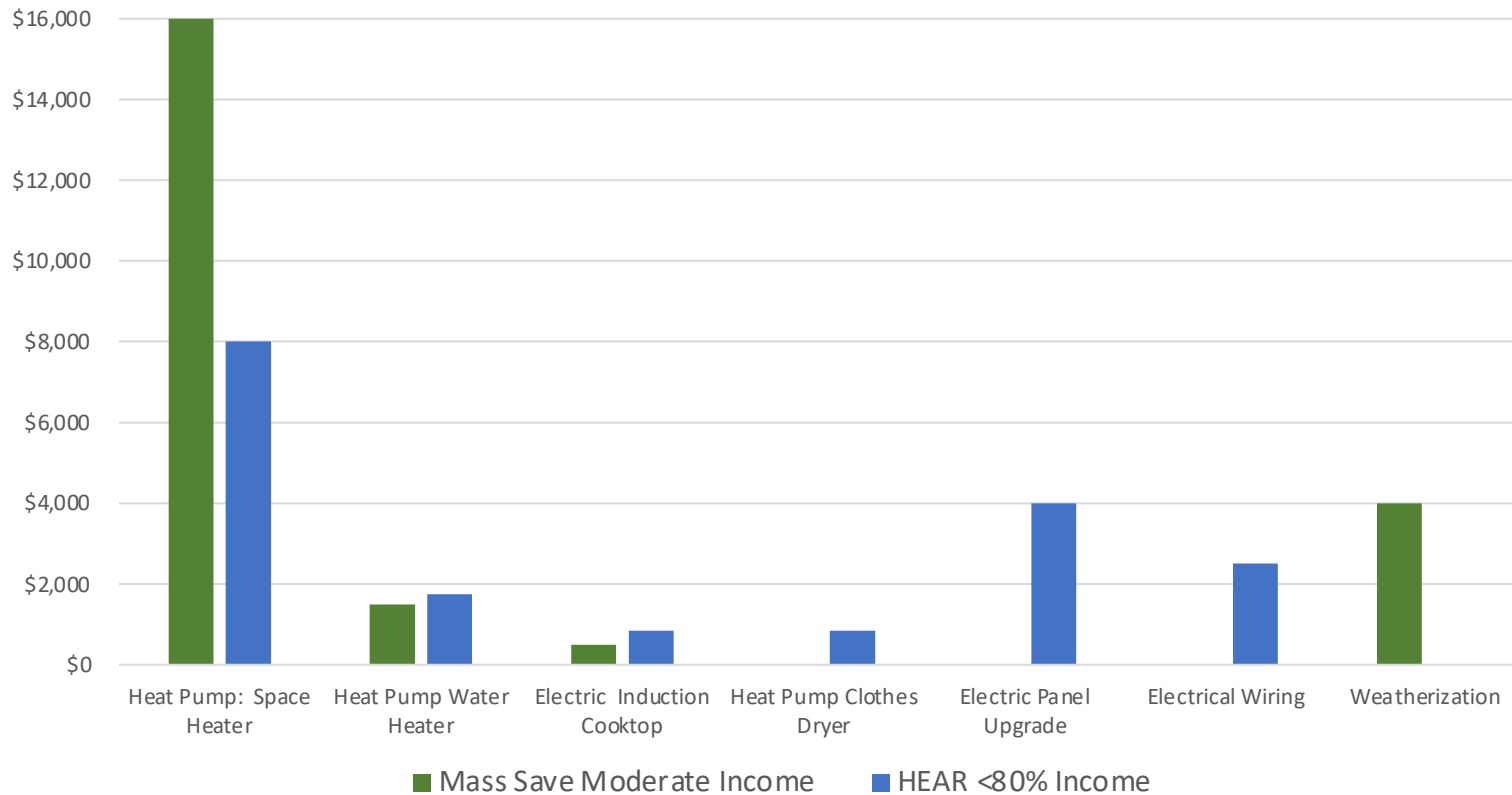
DOE Requirements for State Energy Office Program Design

- 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
- Rebates by income eligibility
 - 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

DOER Program Proposal: HEAR

Proposed Mass Save moderate income program enhancements



- For each measure, low-moderate income customers will be offered either HEAR or Mass Save® rebates to maximize incentivizes
- Use federal funds to expand electrification scope for moderate income Mass Save® customers with focus on panel and wiring upgrades to help expand electrification potential
- Mass Save® funds alone should be able to cover most heat pump costs for moderate income customers
- Program Administrators would disburse to optimize participation by moderate income customers
- Would increase the Commonwealth's total spend on energy efficiency for moderate income customers, as customers will receive both HEAR and Mass Save® funds