



STATE OF RHODE ISLAND  
**OFFICE OF  
ENERGY RESOURCES**

# Rhode Island Home Energy Rebate Programs: Overview and HER Proposal

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July 31, 2024



# Inflation Reduction Act of 2022

- Will provide over \$369 billion in funding for clean energy
- Intention is to supplement, not supplant, existing funding and programming in the states
- At least 40% of program benefits must go to disadvantaged communities
- Goals of the IRA are to:
  - Save households money
  - Grow American manufacturing and clean energy jobs
  - Fight climate injustice

# IRA Home Energy Rebate Program Objectives

- Help households enjoy lower energy bills and more comfortable homes
- Make it easier to access and implement residential energy improvements
- Attract and retain a qualified workforce to serve both single and multifamily markets
- Spur durable market demand for residential efficiency and electrification by demonstrating value



# IRA Home Rebate Programming – 2 Programs

## Home Electrification and Appliance Rebates (HEAR)

- Point-of-sale rebates, primarily for electrification measures
- Limited to low- and moderate-income households
- RI is allocated \$31,820,030 for this program

## Home Efficiency Rebates (HER)

- Point-of-sale rebates for energy efficiency improvements that achieve a minimum of 20% energy savings
- RI is allocated \$31,943,127 for this program

- **Program Timeline: 2024 – Sep. 30<sup>th</sup>, 2031**
- **Programs will be implemented by the Rhode Island Office of Energy Resources (OER)**



A man in a dark jacket is working on a laptop in a server room. In the background, there is a large yellow industrial fan and various cables and equipment. The entire image has a blue tint.

# Home Efficiency Rebates (HER)

IRA Section 50121

# Definitions

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- **Multifamily building** - A single building containing at least two dwelling units used for residential purposes. Commercial uses that are not eligible include but are not limited to hotels/motels, dormitories, assisted living facilities that include hospital amenities, and correctional facilities. For mixed-use buildings, a State may elect to treat the residential portion of the building as a multifamily building.
- **Low income** - a household under 80% area median income (AMI) per U.S. Department of Housing and Urban Development (HUD) guidelines
- **Moderate income** - a household between 81-150% area median income (AMI) per HUD guidelines

# HER Funding Programmatic Requirements

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## **Funding requirements:**

- 40% of benefits must go to disadvantaged communities
- 40% must go to low-income homes (<80% AMI)
- 10% of funding must go to multifamily homes
  - Defined as a single building with two or more units

## **Tool used for identifying disadvantaged communities:**

- The Council on Environmental Quality's Climate and Economic Justice Screening Tool: [CEJST Map](#)

# Rhode Island Area Median Incomes

FY2024 Rhode Island Income Limits for Low- and Moderate-Income Households  
(Incomes over 80% AMI are calculated based on HUD 2008 income limits policy)

Providence-Fall River, RI-MA HMFA 2024 MUNICIPALITIES: Barrington, Bristol, Burrillville, Central Falls, Charlestown, Coventry, Cranston, Cumberland, East Greenwich, East Providence, Exeter, Foster, Glocester, Jamestown, Johnston, Lincoln, Little Compton, Narragansett, North Kingstown, North Providence, North Smithfield, Pawtucket, Providence, Richmond, Scituate, Smithfield, South Kingstown, Tiverton, Warren, Warwick, West Greenwich, West Warwick, Woonsocket								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$23,600	\$27,000	\$30,350	\$33,700	\$36,580	\$41,960	\$47,340	\$52,720
50%	\$39,350	\$45,000	\$50,600	\$56,200	\$60,700	\$65,200	\$69,700	\$74,200
60%	\$47,220	\$54,000	\$60,720	\$67,440	\$72,840	\$78,240	\$83,640	\$89,040
80%	\$62,950	\$71,950	\$80,950	\$89,900	\$97,100	\$104,300	\$111,500	\$118,700
100%	\$78,680	\$89,920	\$101,160	\$112,400	\$121,400	\$130,400	\$139,400	\$148,350
115%	\$90,510	\$103,500	\$116,380	\$129,260	\$139,610	\$149,960	\$160,310	\$170,660
120%	\$94,440	\$108,000	\$121,440	\$134,880	\$145,680	\$156,480	\$167,280	\$178,080
Westerly-Hopkinton-New Shoreham-RI HMFA 2024 MUNICIPALITIES: Hopkinton, New Shoreham & Westerly								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$24,750	\$28,300	\$31,850	\$35,350	\$38,200	\$41,960	\$47,340	\$52,720
50%	\$41,250	\$47,150	\$53,050	\$58,900	\$63,650	\$68,350	\$73,050	\$77,750
60%	\$49,500	\$56,580	\$63,660	\$70,680	\$76,380	\$82,020	\$87,660	\$93,300
80%	\$66,000	\$75,400	\$84,850	\$94,250	\$101,800	\$109,350	\$116,900	\$124,450
100%	\$82,460	\$94,240	\$106,020	\$117,800	\$127,200	\$136,650	\$146,050	\$155,500
115%	\$94,870	\$108,440	\$122,010	\$135,470	\$146,400	\$157,210	\$168,020	\$178,830
120%	\$99,000	\$113,160	\$127,320	\$141,360	\$152,760	\$164,040	\$175,320	\$186,600
Newport-Middletown-Portsmouth RI HMFA 2024 MUNICIPALITIES: Newport, Portsmouth, Middletown								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$27,800	\$31,800	\$35,750	\$39,700	\$42,900	\$46,100	\$49,250	\$52,720
50%	\$46,350	\$52,950	\$59,550	\$66,150	\$71,450	\$76,750	\$82,050	\$87,350
60%	\$55,620	\$63,540	\$71,460	\$79,380	\$85,740	\$92,100	\$98,460	\$104,820
80%	\$72,900	\$83,300	\$93,700	\$104,100	\$112,450	\$120,750	\$129,100	\$137,400
100%	\$92,330	\$105,520	\$118,710	\$131,900	\$142,452	\$153,004	\$163,556	\$174,108
115%	\$106,600	\$121,780	\$136,970	\$152,150	\$164,340	\$176,530	\$188,710	\$200,900
120%	\$111,240	\$127,080	\$142,920	\$158,760	\$171,480	\$184,200	\$196,920	\$209,640
Statewide Income Limits for Rhode Island FY 2024								
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$23,650	\$27,000	\$30,400	\$33,750	\$36,450	\$39,150	\$41,850	\$44,550
50%	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250
60%	\$47,280	\$54,000	\$60,780	\$67,500	\$72,900	\$78,300	\$83,700	\$89,100
80%	\$63,000	\$72,000	\$81,000	\$90,000	\$97,200	\$104,400	\$111,600	\$118,800
100%	\$78,750	\$90,000	\$101,250	\$112,500	\$121,500	\$130,500	\$139,500	\$148,500
115%	\$90,620	\$103,500	\$116,490	\$129,370	\$139,730	\$150,080	\$160,430	\$170,780
120%	\$94,560	\$108,000	\$121,560	\$135,000	\$145,800	\$156,600	\$167,400	\$178,200
140%	\$110,320	\$126,000	\$141,820	\$157,500	\$170,100	\$182,700	\$195,300	\$207,900



# HER Program Modeled Energy Savings Funding Eligibility

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% or 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
35% or greater	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.<sup>7</sup> See Section 3.1.3 for details.

# HER Program Design Process

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- Heat pump conversions are home energy upgrades that can typically achieve the required minimum 20% energy savings
- The Rhode Island Office of Energy Resources has our existing [Clean Heat Rhode Island](#) (CHRI) program to help Rhode Islanders with heat pump costs
- Current CHRI program pathways include:
  - Market-rate residential
  - Income-eligible residential (100% of costs covered)
  - Commercial (serving small businesses and nonprofits)



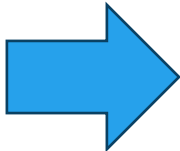
# HER Program Proposal

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- Create a new, dedicated **low-income multifamily** Clean Heat RI pathway
  - Pathway would be accessible to public housing authorities
  - There is a need and interest to provide more dedicated energy efficiency support to the state's multifamily low-income homes
  - Rhode Island already has the Clean Heat RI program, so this proposal would supplement existing heat pump upgrade efforts, reducing administrative costs
- Require that housing is weatherized prior to heat pump installation

# HER Program Proposal

Single-Family		
Modeled Energy Savings	Income Level	Rebate Amount
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- Request approval from the Department of Energy to increase funding per unit to \$16,000
- In addition, if project costs exceed \$16,000, we intend to supplement with Regional Greenhouse Gas Initiative (RGGI) funds to ensure project completion for approved applicants



# HER Program Proposal Timeline

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- **Mid-July:** Public presentation posted
- **Late July:** Public meeting held for stakeholder feedback
- **Early August:** Submit DOE HER Application
- **August:** Submit HER Blueprint
- **October 2024:** Launch HER program
- **End of 2024:** Submit Market Transformation Plan

\* Timeline is hypothetical and subject to change