

Program Overview Questions

1. WHAT IS THE INFLATION REDUCTION ACT?

President Joseph R. Biden signed the landmark **Inflation Reduction Act (IRA)** into law on Aug. 16, 2022. The law authorizes \$391 billion in spending on energy and climate change, including roughly \$35 billion clean energy investments managed through DOE. The IRA represents the single largest investment in tackling the climate crisis and investing in clean energy in U.S. history.

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2. WHICH PROVISIONS IN THE INFLATION REDUCTION ACT (IRA) ESTABLISH HOME ENERGY REBATES?

The Inflation Reduction Act of 2022 includes **two provisions authorizing \$8.8 billion in rebates** for home energy efficiency and electrification projects. These two provisions are:

Section 50121: Home Energy Performance-Based, Whole House Rebates (Referred to as Home Efficiency Rebates).

Section 50122: High-Efficiency Electric Home Rebate Program (Referred to as Home Electrification and Appliance Rebates).

Together, these provisions are referred to as the Home Energy Rebates.

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3. HOW MUCH MONEY IS THERE FOR HOME ENERGY REBATES?

Congress has structured these rebate programs to be administered by state energy offices and Indian tribes, with DOE providing guidance and oversight. The Inflation Reduction Act (IRA) authorizes the following:

\$4,300,000,000 in grants to state energy offices to develop and implement Home Efficiency Rebates programs. Section 50121 of IRA authorizes rebates based on the energy savings predicted from a home energy upgrade.

\$4,275,000,000 in grants to state energy offices to develop and implement Home Electrification and Appliance Rebates programs. Section 50122 of IRA authorizes rebates based on purchase or installation of high-efficiency home appliances and equipment.

\$225,000,000 in grants to Indian tribes to develop and implement Home Electrification and Appliance Rebates programs. Section 50122 of IRA authorizes rebates based on purchase or installation of high-efficiency home appliances and equipment.

The law specifies that DOE shall **allocate funds for each state energy office** in accordance with the allocation formula for the State Energy Program (SEP) in effect on Jan. 1, 2022. The IRA also identifies 3% of the rebate funds for DOE to conduct program oversight, administration, and technical assistance through 2031.

DOE is in the process of determining the way grants for Indian tribes will be allocated.

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4. WHAT IS U.S. DEPARTMENT OF ENERGY'S TIMELINE FOR DISTRIBUTING THESE FUNDS TO STATES AND INDIAN TRIBES?

States and territories are now able to apply for Home Energy Rebates funds. Application information can be found on the **Program Guidance website**. The application for Tribal Home Energy Rebates is forthcoming.

States and Indian tribes are responsible for designing and administering their own home energy rebates programs that will make the rebates accessible to households. Exact timing will vary across programs, but generally, DOE expects households to be able to access these rebates in much of the country in 2024.

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5. ARE HOME ENERGY REBATES FUNDS CURRENTLY AVAILABLE FOR HOUSEHOLDS?

No. DOE has made funds available to states through release of the **Full Home Energy Rebate Program Funds Administrative and Legal Requirements Document (ALRD)**. This means states and territories are now able to apply for these funds to launch local home energy rebates programs and begin distributing rebates to households. The application for Indian tribes to apply for funds are forthcoming.

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6. IS THERE A WEBSITE WHERE HOUSEHOLDS CAN APPLY FOR HOME ENERGY REBATES?

No. DOE has made applications available to states to set up the Home Energy Rebate programs. Only authorized state energy office representatives may apply for funds on behalf of their state.

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7. I NEED A HOME ENERGY UPGRADE NOW. WHAT SHOULD I DO?

DOE does not recommend that households wait to accomplish needed home energy upgrades or projects. Households looking for home energy upgrades assistance today cannot yet access these rebates but may be eligible for other federal programs, including **tax credits**, the **Weatherization Assistance Program**, and other **state, local, and utility programs**.

A homeowner can access rebates through the Home Efficiency Rebates program if a project was initiated on or after Aug. 16, 2022, **only if the project fulfills all DOE and state program requirements**. Given the unique requirements of the Home Efficiency Program and the general complexity of whole-home retrofit projects, DOE expects that it will be difficult for states to provide rebates for projects completed before programs are operational. Please check with your state for additional information on when programs may be available.

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8. WHAT CAN I DO NOW AS A HOMEOWNER TO PREPARE FOR THE REBATES?

There are many things **homeowners** and **renters** can do now to prepare for the Home Energy Rebates. If your home needs urgent energy efficiency upgrades, do not wait for the Home Energy Rebates to become available in your area. If you need financial assistance to accomplish these upgrades, **existing programs**, including the **Weatherization Assistance Program**, and **tax credits** may be available.

If you are not sure which energy upgrades may be a good fit for your home, consider getting a home energy assessment from a professional. In some cases, home energy assessments may be offered at low or no cost from **existing programs** or be eligible for a **tax credit** of up to 30% of the assessment cost.

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