



# GETTING READY TO HIT THE GROUND RUNNING ON IRA REBATES IN 2024

**Energy Circle Webinar Series**

Peter Troast, Founder & CEO

November 29, 2023

## What We'll Discuss

1

### **HARD REALITY: THE LATEST ON TIMING AND RECENT NEWS**

2

### **CORE ELEMENTS OF READINESS**

Understanding the Incentive Buyer Persona

Distinct Focus on 25C Tax Credit

Moderate Income Audience Targeting

Core Elements of a Content Strategy

Anticipating "Quality Contractor" Requirements

Preparing to Use Modeling Software

Dealing with HOMES Retroactivity

Engaging with Your State Energy Office

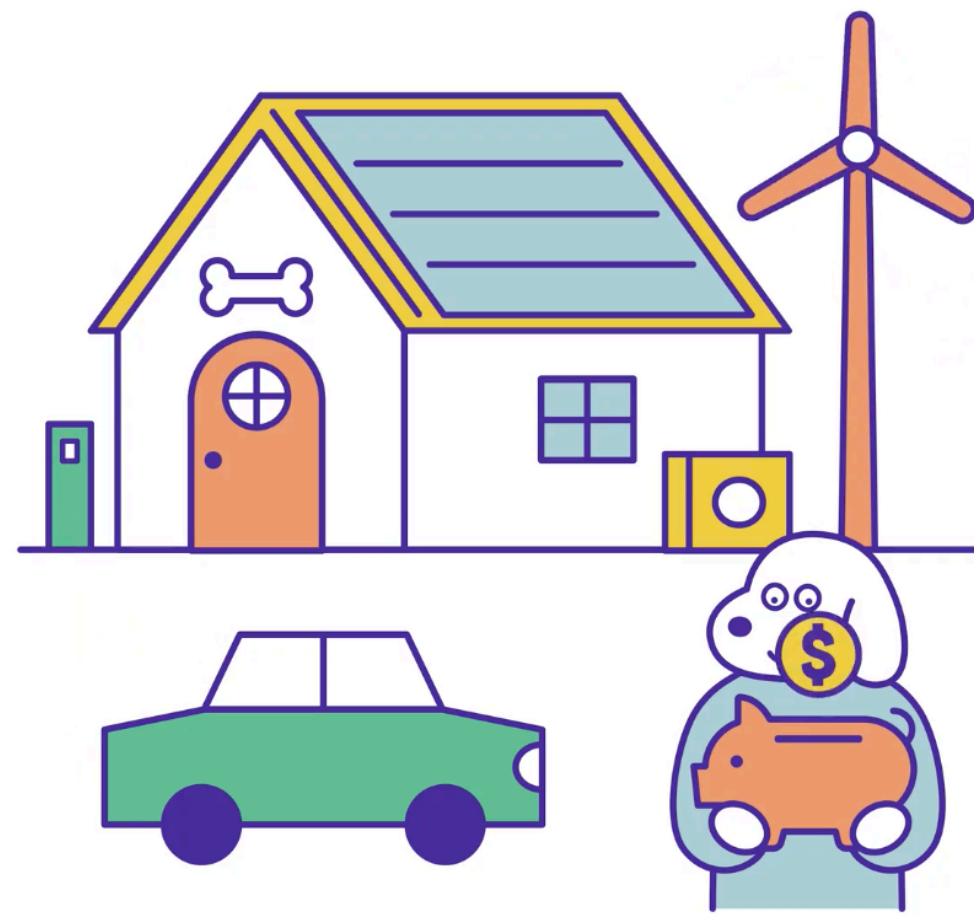


**THE YEAR OF HURRY UP AND WAIT:  
EARLY CONSUMER INTEREST HAS  
SOMEWHAT FADED**



# This Guide Can Help You Save Money and Fight Climate Change

The new climate and tax law can bring big savings for anyone looking to buy an electric car or make their home more energy efficient.



Seiji Matsumoto

By Nadia Popovich and Elena Shao Feb 1, 2023

EDITORS' PICK

# How To Cash In On Billions In Green Home Improvement Tax Credits And Rebates

Jonathan Ponciano Forbes Staff

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Sep 28, 2022, 06:30am EDT



The Washington Post  
Democracy Dies in Darkness

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Climate Environment Weather Climate Solutions Climate Lab Green Living

# Heat pumps are defying Maine's winters and oil industry pushback

Fossil fuel industry groups say the technology isn't ideal for the state's climate. Mainers aren't buying it.

By Anna Phillips  
February 7, 2023 at 6:00 a.m. EST



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RENEWABLE ENERGY

## We Need to Make 'Electrifying Everything' Easier

Incentives and remodeling need to be more straightforward and equitable if we expect people to convert their homes away from fossil fuels

By The Editors on July 1, 2022



The Washington Post  
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THE CLIMATE 202

# Why we need to 'electrify everything' according to Saul Griffith

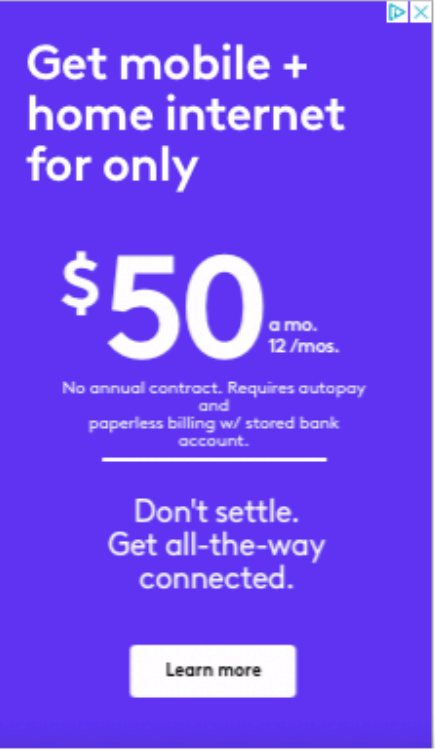
Analysis by Maxine Joselow  
with research by Vanessa Montalbano  
March 17, 2022 at 8:09 a.m. EDT

Comment 2 Gift Article Share

Good morning and welcome to The Climate 202! Did you know that a [pro-fossil-fuel ride](#) voiced by **Ellen DeGeneres** and **Bill Nye** was at **Disney World** until a few years ago?

**A Washington Post investigation** found that a highway under construction in Brazil could vastly increase deforestation of the Amazon, pushing it past the tipping point. More on that below. But first:

Why we need to 'electrify everything,' according to this 'genius' inventor



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# America's home improvement boom appears to be over

## *Inflation Is Unrelenting, Bad News for the Fed and White House*

Inflation rose quickly in September and a key measure accelerated to the fastest pace since 1982, underlining the persistence of price increases.


# What it would mean for the global economy if the US defaults on its debt

**Los Angeles Times** [SUBSCRIBE](#)

WORLD & NATION

## Today's Headlines: U.S. inflation reached a new 40-year high

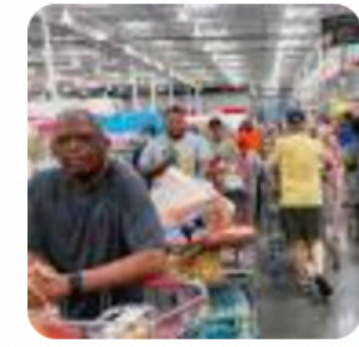
# Banks: Is this a banking crisis - how worried should I be?

 **CNBC**

### Consumer spending is weakening as economic uncertainty grows

American consumers are continuing to rein in spending amid growing concerns over the health of the U.S. economy, putting further pressure on...

23 hours ago



## No Great Source of Status by State

State	Status	Projected Dates
Alabama	Developing	Late 2023
Alaska	Developing	Early 2024
Arizona	Developing	Early 2024
Arkansas	Developing	Mid-2024
California	Developing	Early 2024
Colorado	Developing	Mid-2024
Connecticut	Developing	Early 2024
Delaware	Developing	Late 2023
Florida	Declining	
Georgia	Developing	Late 2023
Hawaii	Developing	Early 2024
Idaho	Developing	Mid-2024
Illinois	Developing	Early 2024
Indiana	Developing	Mid-2024
Iowa	Developing	Late 2023
Kansas	Developing	Mid-2024
Kentucky	Developing	Early 2024
Louisiana	Developing	Late 2023
Maine	Developing	Early 2024
Maryland	Developing	Mid-2024
Massachusetts	Developing	Early 2024
Michigan	Developing	Late 2023
Minnesota	Developing	Mid-2024
Mississippi	Developing	Early 2024

Missouri	Developing	Mid-2024
Montana	Developing	Late 2023
Nebraska	Developing	Mid-2024
Nevada	Developing	Early 2024
New Hampshire	Developing	Late 2023
New Jersey	Developing	Early 2024
New Mexico	Developing	Mid-2024
New York	Developing	Late 2023
North Carolina	Developing	Early 2024
North Dakota	Developing	Mid-2024
Ohio	Developing	Late 2023
Oklahoma	Developing	Mid-2024
Oregon	Developing	Early 2024
Pennsylvania	Developing	Mid-2024
Rhode Island	Developing	Early 2024
South Carolina	Developing	Late 2023
South Dakota	Developing	Mid-2024
Tennessee	Developing	Early 2024
Texas	Developing	Mid-2024
Utah	Developing	Late 2023
Vermont	Developing	Early 2024
Virginia	Developing	Mid-2024
Washington	Developing	Early 2024
West Virginia	Developing	Mid-2024
Wisconsin	Developing	Late 2023
Wyoming	Developing	Mid-2024

Google Bard AI Hallucinations



# Incentive Programs Bring Out Unscrupulous Contractors





# CORE ELEMENTS OF READINESS



## **Core Principles for Marketing with Uncertain Timing**

- **Don't Create Project Delays**
- **Narrow Focus on Audiences That Won't Buy Without Incentive**
- **Lean on Tactics with Lesser Buying Intent**
- **Gather Soft Leads That Can Be Nurtured While Waiting for Timing Certainty**
- **Build Custom Audiences That Can Be Activated Later**



## Understanding the Incentive Buyer Persona

### Rhonda and Roger Rebate

**Overall Goal:** To take advantage of rebate programs.

**Level of knowledge:** Relatively low.

**What they want:** To take advantage of the deal.

**Mindset:** Searching for and trying to understand what incentives and rebates are available.

**Buying Intent:** Unlikely to close without an incentive.



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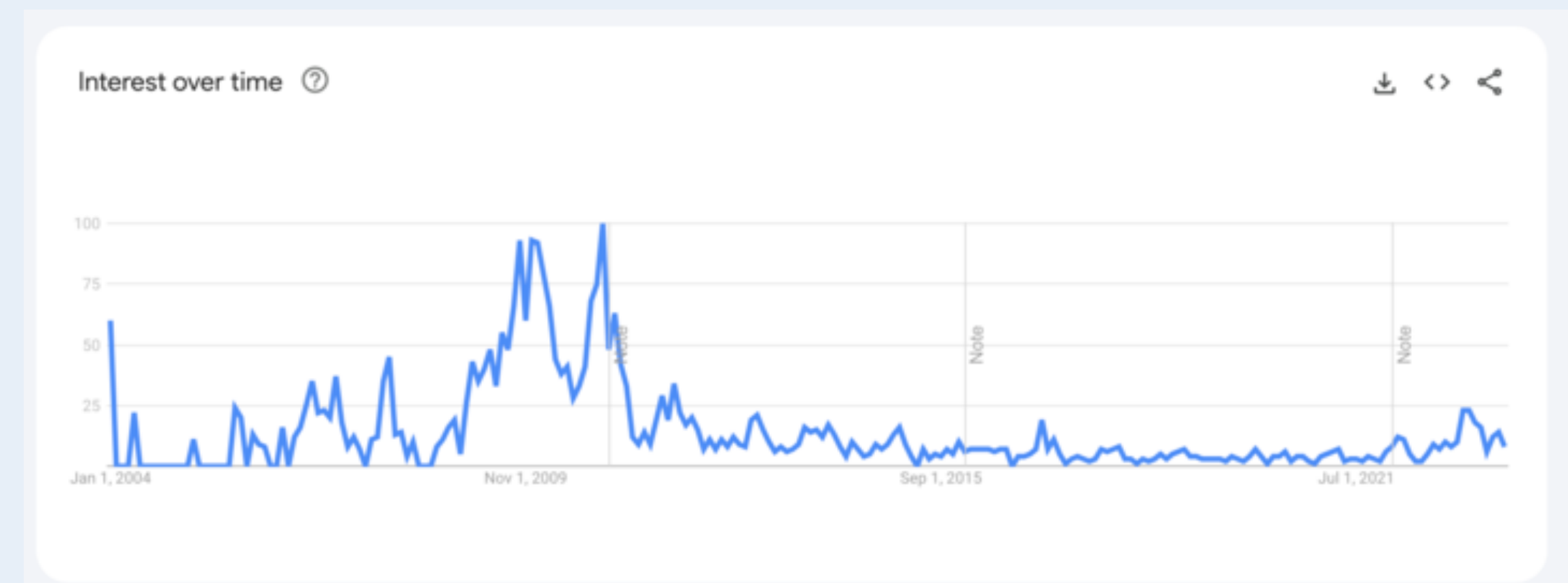


# FOCUS ON THE 25C TAX CREDIT. IT IS AVAILABLE NOW

## VERY LOW UPTAKE

**Table B-1. Residential Energy Credits Claimed and Average Amount, 2006-2015**

	Number of Tax Returns Which Include Claims for Residential Credits	Total Amount of Residential Credits Claimed (Millions)	Average Credit Amount
2006	4,344,189	\$1,000.15	\$230
2007	4,326,398	\$1,007.58	\$233
2008	225,733	\$216.69	\$960
2009	6,711,682	\$5,822.88	\$868
2010	7,155,889	\$6,173.49	\$863
2011	3,642,988	\$1,676.00	\$460
2012	2,225,307	\$1,266.56	\$569
2013	3,036,039	\$1,613.80	\$532
2014	2,663,702	\$1,638.35	\$615
2015	2,592,967	\$2,087.75	\$805



“Insulation tax credit”



## Engage the Moderate Income Audience



- **Reducing Energy Costs**
- **Fixing Comfort Problems**
- **Adding Home Value**
- **Getting Rebates**
- ***Climate/Environment***



## Area Median Income (AMI) Family of 4

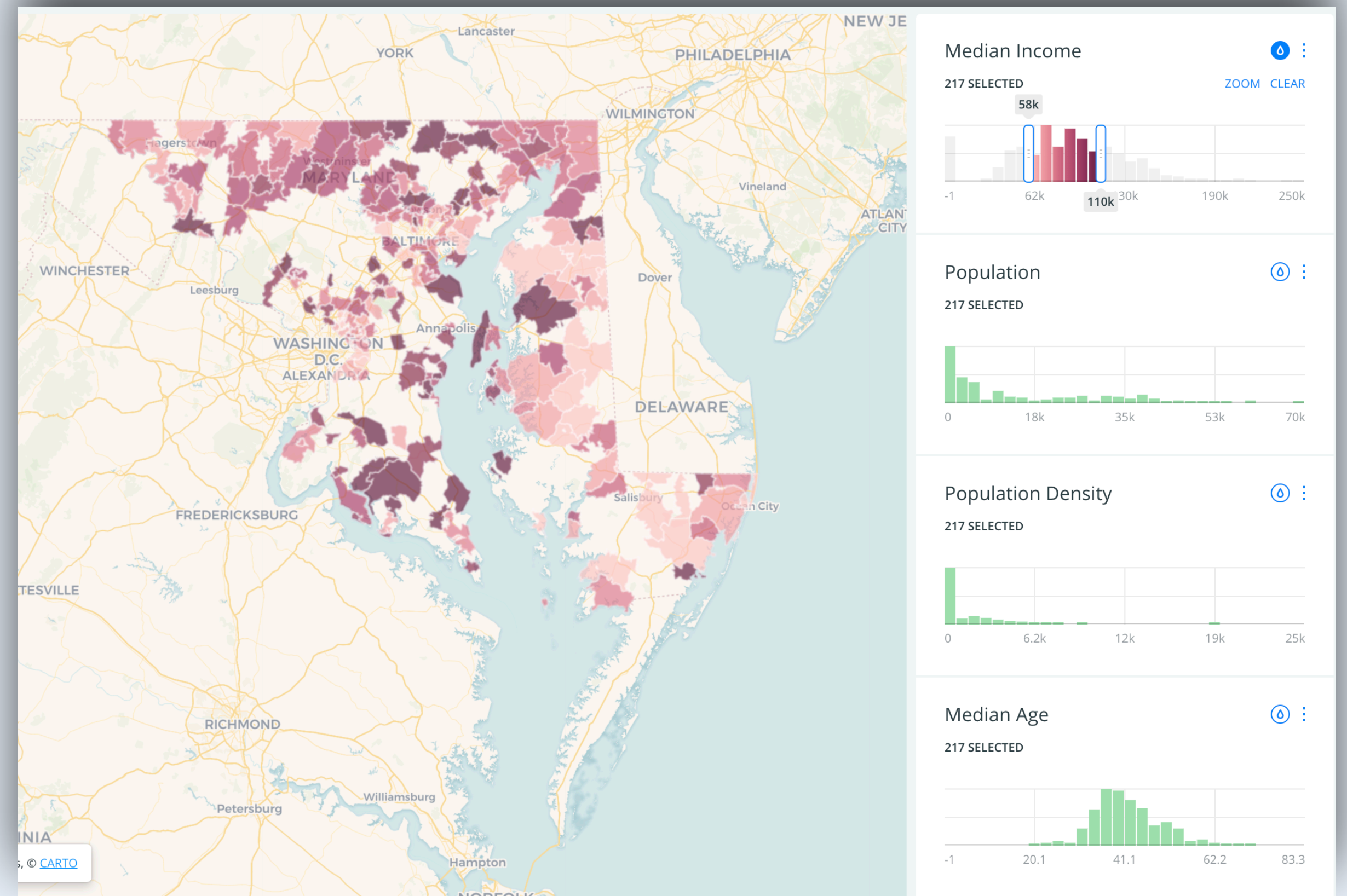
Location	80% AMI	150% AMI
Springfield, MA	\$79,700	\$140,550
Columbus, OH	\$59,960	\$112,425
Provo, UT	\$79,300	\$148,687
Sacramento, CA	\$64,840	\$121,575
Mobile, AL	\$41,800	\$78,375
Erie, PA	\$48,000	\$90,000
Rochester, NY	\$57,400	\$107,625
Baker City, OR	\$41,200	\$77,250



MODERATE INCOME

# 70% OF US HOMEOWNERS

DEPT OF ENERGY



[www.incomebyzipcode.com](http://www.incomebyzipcode.com)



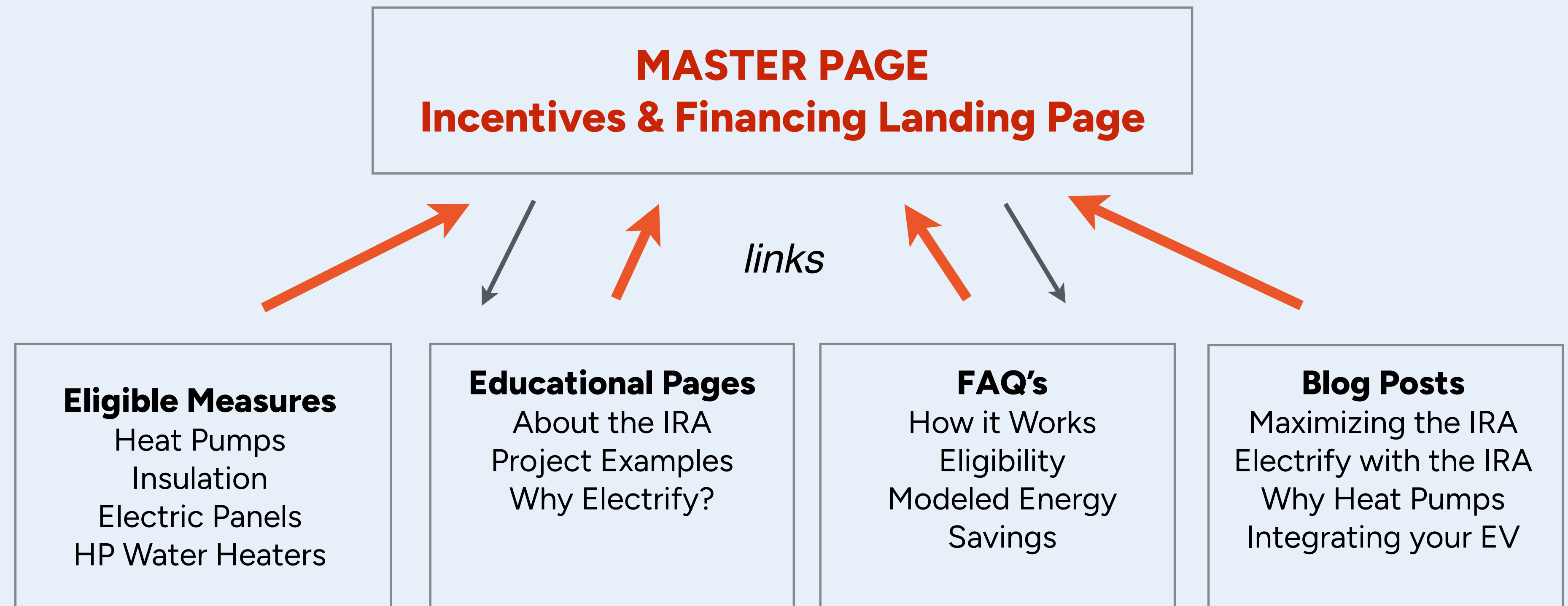
## Key Content Elements for your Website:

1. Incentives & Financing Landing Page
2. Home Page Hero Image or Banner\*
3. Incentive Info on Each Service Page\*





# Ideal Content Approach



# Be First—Qualified Contractor Networks

## Contractors and other partners

A **qualified contractor list** is a required element of a State's Consumer Protection Plan. States must:

- Describe how the program will initially develop the qualified contractor list.
- Describe which qualification(s) that contractors will be held to, potentially including but not limited to home performance industry credentials, training requirements, business insurance and licensure, skills standards, and labor standards.
- Describe the process by which contractors will be added to the qualified contractor list, including how implementers will review and consider contractors trained under IRA 50123.
- Describe the conditions that would lead to a contractor being delisted and the process by which a contractor would be delisted.
- Describe how the State program will ensure energy savings are calculated using allowable methods according to the statute, including how approved tools/software will be identified, and how contractors will be alerted to these tools and trained on proper use.
- Describe how the State will educate contractors and building owners to invest in envelope improvements before investments are made in mechanical equipment.



# Adjust Processes for Home Assessments & Modeling Software

## HOMES

### 3.2.2. Program Requirements: Home Assessments

Home assessments are an important component of consumer protection to better understand the potential risks and benefits to a household pursuing an energy upgrade project. Through observation and documentation of a home's pre-condition, consumers can make informed decisions to avoid upgrades that may not produce utility bill savings or may require additional upgrades to be safe and effective. Assessments also protect taxpayer funds from being spent on unallowable expenditures.

An assessment is required for every single-family home and multifamily building receiving Home Efficiency Rebates. State programs are required to establish basic requirements that ensure each home assessment:

- Complies with the steps and procedures for home energy auditing in accordance with ANSI/BPI 1100-T-2023 and ANSI/BPI 1200-S-2017, except that the Cost Benefit Analysis is not required. If a Cost Benefit Analysis is performed, it shall be for consumer information only, must project total household energy consumption, and must, at a minimum, be presented in terms of reduced energy costs.
- Collects required information. Data requirements may differ depending on whether the project is deemed eligible through the modeled or measured energy savings program paths.
- At a minimum, the home assessor must collect and/or produce the following data points: Unique home identifier (e.g., address).
- Dwelling type.
- Performance/efficiency of the home and its components, materials (such as insulation), and systems (potentially including but not limited to equipment type, age, fuel source, efficiency level, R-value, air leakage rate, etc.).
- Identification of existing equipment/materials/systems to be replaced.
- Identification of new equipment/systems/materials being proposed for installation.
- Estimated total project cost as defined in section 2.1.
- Identification of the tool/software used to produce the energy cost estimate.
- Written acknowledgement from the consumer of the proposed project's estimated impact on household energy costs and consumption including estimate of the energy savings in dollars in year one based on current utility rates at the home.
- Written acknowledgement from the consumer of the amount they will owe not covered by the rebates.
- Estimated Post-Retrofit Energy Consumption of the proposed project, in a manner consistent with section 3.2.3.1.
- Estimated energy savings attributable to the proposed project, calculated in a manner consistent with section 3.2.3.1.
- Datapoints as required per the State's requirements to retain data in section 3.2.4.
- All other datapoints listed as required in the [Data & Tools Requirements Guide](#).

## HEERA

### 4.2.4. Program Requirements: Home Assessments

Home assessments are an important component of consumer protection to better understand the potential risks and benefits to a household pursuing an upgrade. For the Section 50122 program, home assessments in specific installations can ensure the consumer receives a quality installation. In addition, States must ensure that consumers are aware where certain QEPs could result in unintended consequences, including increased utility bills due to fuel switching.

As an initial matter, a State must identify a pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills based on the State's rate structure, existing equipment and fuel type, and other relevant factors.

To mitigate these risks, States are required to conduct a limited home assessment for the installation of QEPs that include any of the following upgrades:

- Electric heat pump for space heating and cooling

A limited home assessments consists of, at a minimum:

- A recommendation of a properly sized unit recommended by a qualified contractor for HVAC.
- An onsite visual inspection of the existing condition of duct sealing for HVAC & envelope.
- If the upgrade includes a fuel switch, an estimate of utility bill impacts and written acknowledgement by the consumer.
- Written acknowledgement from the consumer of the amount they will owe not covered by the rebates.
- If the upgrade falls within one of the State's pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills, an estimate of utility bill impacts and written acknowledgement by the consumer.
- Collection of the following data points:
  - Unique home identifier (e.g., address)
  - Dwelling type
  - Existing energy equipment/systems to be replaced, if any
  - New energy equipment/systems being proposed for installation
  - All other datapoints listed as required in the [Data & Tools Requirements Guide](#)
  - Estimated total project cost as defined in section 2.1



# HOMES Rebates Retroactivity—

## Comply Going Forward? Be Ready for Client Questions

**Modeled path.** Each statement below, plus any additional requirements established by the state, must be confirmed for a project to qualify under the modeled path.

- The retrofit began on or after Aug. 16, 2022.<sup>3</sup>
- A home assessment was conducted prior to the retrofit that recorded each of the following:
  - Dwelling type
  - Performance or efficiency of the dwelling unit and its components, materials (such as insulation), and systems
  - Existing equipment, materials, or systems to be replaced.
- The contractor identified the new equipment, systems, or materials proposed for installation and modeled the energy savings based on those measures.
- Prior to initiating the retrofit, the contractor produced an energy savings estimate using a DOE-approved modeling software<sup>4</sup> consistent with BPI 2400 and based on an energy savings model calibrated to the dwelling unit's historical energy use.
- The modeled energy savings estimate met or exceeded 20 percent of total dwelling unit's energy use.
- The contractor obtained written acknowledgement from the consumer of the proposed project's estimated impact on household energy costs and consumption, including an estimate in dollars of the energy savings in the first year based on current utility rates at the dwelling unit.
- The contractor obtained written acknowledgement from the consumer of the remaining payment amount they will owe after applying the Home Efficiency rebate.
- The contractor provided the total cost of all upgrades within a completed project invoice inclusive of any rebated amount.
- The retrofit included at least one major upgrade as defined in the [Program Requirements and Application Instructions](#), Section 2.1.
- Did not include generation technologies.
- Collected all data required in the [Data & Tools Requirements Guide](#).



# Get Involved with Your State Energy Office



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**PERFORMANCE**  
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### My electrification plan

I'm electrifying to:


- MAXIMIZE GOVERNMENT INCENTIVES
- LOWER MY CLIMATE IMPACT

[EDIT](#)





[HOW TO READ MY PLAN](#) [HOW THE DATA WORKS](#)

#### Prework

<input type="checkbox"/>  Pre-wire your home to get it ready	INCENTIVES \$6,500 BILL IMPACT None UPFRONT COST \$4,900 - \$7,800	<a href="#">View project</a>
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#### Project list

<input type="checkbox"/>  Install solar panels	INCENTIVES \$9,600 BILL IMPACT ▼ ~\$1,600/yr UPFRONT COST \$28,500 - \$42,000	<a href="#">View project</a>
<input type="checkbox"/>  Install a heat pump and weatherize	INCENTIVES \$12,800 BILL IMPACT ▼ ~\$1,500/yr UPFRONT COST \$31,000 - \$38,400	<a href="#">View project</a>



# QUESTIONS?

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