



HURRY UP AND WAIT:

MANAGING LONG-TERM INFLATION REDUCTION ACT ROLLOUTS

Peter Troast, Founder & CEO

March 1, 2023

What We'll Discuss

- 1 QUICK SUMMARY OF KEY IRA PROVISIONS, LATEST ON TIMING, AND RECENT NEWS
- 2 THE TIMING PROBLEM OF GROWING HOMEOWNER AWARENESS
- 3 STRATEGIC CONSIDERATIONS TO THINK ABOUT
- 4 IMMEDIATE MARKETING RECOMMENDATIONS



THE IRA'S KEY PROVISIONS & THE LATEST ON TIMING



25C—Energy Efficient Home Improvement Tax Credit

- Credit revived and made retroactive for 2022 (at original 10%)
- Starting in 2023, credit increases to 30% of total installation costs through 2032
- Lifetime cap of \$500 will be replaced by cap of \$600 per measure, with \$1,200 annual total limit (exceptions listed below)
- Eligible services and home improvements include:
 - Heat pumps and heat pump water heaters (\$2,000 credit)
 - Insulation and air sealing
 - Energy audits (\$150 credit)
 - Energy-efficient HVAC systems (including furnaces, boilers, and central AC)
 - Electrical panel upgrades
 - Energy-efficient windows and doors (\$500 credit for doors)
- Roofs are no longer eligible



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Solar Tax Credit

- Increases 2022 credit to 30% and makes it retroactive for all installations this year
- Credit extended at 30% through 2032; will step down in 2033 and be eliminated for residential in 2035
- Starting in 2023, stand-alone battery storage qualifies for credit



\$4.3 Billion in HOMES Rebates

- Rebates up to **\$4,000** for home energy efficiency retrofits with modeled or measured energy savings of 35% or more (or **\$2,000** for 20-34% energy savings)
- Services can include insulation, air sealing, heat pump/HVAC upgrades, and more
- Additional rebates up to **\$8,000** available for low and moderate-income homeowners
- Rebates cannot be combined with other federal grants or rebates
- Depending on location, state/local rebates may stack
- Allocation by state is via DOE formula (1/3 evenly, 1/3 population, 1/3 energy use)



\$4.5 Billion High Efficiency Electric Homes Rebates

- Rebates for low and moderate-income homeowners for electric system/appliance purchases and energy efficiency upgrades
- Maximum rebate of **\$14,000**; individual rebates are as follows:
 - Heat pump water heaters: \$1,750
 - Heat pump HVAC systems: \$8,000
 - Electric stoves: \$840
 - Heat pump clothes dryers: \$840
 - Electrical panel upgrades: \$4,000
 - Insulation, air sealing, and ventilation: \$1,600
 - Electric wiring: \$2,500
- Rebates cannot be combined with other federal grants or rebates



The Latest on Timing & Details

- State by state allocations are up on DOE website
- States may receive *Admin* funds Spring '23
- Fastest states might have rebate funds available Q4 '23. Many will be 2024.
- States have 2 years to apply before funds return
- Some states may opt for 100% of HOMES to LMI



Allocations to States

<https://www.energy.gov/articles/biden-harris-administration-announces-state-and-tribe-allocations-home-energy-rebate>

Table 1. Inflation Reduction Act Rebate Allocations to States*

State/Territory	Home Energy Performance-Based, Whole-House Rebate Allocations	High Efficiency Electric Home Rebate Allocations	Total Allocations Amount
Alaska	\$37,368,480	\$37,150,940	\$74,519,420
Alabama	\$73,032,210	\$72,607,220	\$145,639,430
Arkansas	\$52,739,720	\$52,433,010	\$105,172,730
American Samoa	\$25,069,710	\$24,923,740	\$49,993,450
Arizona	\$76,868,720	\$76,421,080	\$153,289,800
California	\$291,951,040	\$290,252,580	\$582,203,620
Colorado	\$70,395,350	\$69,985,890	\$140,381,240
Connecticut	\$49,830,560	\$49,541,390	\$99,371,950
District of Columbia	\$29,808,850	\$29,635,400	\$59,444,250
Delaware	\$33,029,650	\$32,837,400	\$65,867,050
Florida	\$173,668,720	\$172,657,670	\$346,326,390
Georgia	\$109,817,290	\$109,178,020	\$218,995,310
Guam	\$25,815,420	\$25,665,110	\$51,480,530
Hawaii	\$34,293,520	\$34,093,900	\$68,387,420
Iowa	\$60,827,450	\$60,473,810	\$121,301,260
Idaho	\$40,604,320	\$40,367,910	\$80,972,230



Request for Information on Inflation Reduction Act Home Energy Rebate Programs

This form is part of a Request for Information (RFI) issued by the U.S. Department of Energy's (DOE) Office of State and Community Energy Programs. The intent of the RFI is to inform DOE on best practices for new Home Energy Rebate programs to support durable market demand for installations that improve housing energy performance nationwide. The Home Energy Rebate programs are comprised of two provisions authorizing \$8.8 billion in spending from the Inflation Reduction Act of 2022 (Sec. 50121 and Sec. 50122 of Pub. L. 117-169). Responses to this RFI will be used to create program guidance that will assist states, territories, and Indian Tribes in designing, managing, and improving Home Energy Rebate programs.

The full version of this RFI, which includes additional background information and disclaimers, is available at <https://eere-exchange.energy.gov> under the title, "DE-FOA-0002981: Inflation Reduction Act (IRA) Request for Information (RFI): Home Efficiency & Electrification Rebate Programs".

Stakeholders wishing to respond to this RFI are encouraged, but not required, to submit their responses via this form. Respondents may answer as many or as few questions as they wish. Responses to this RFI may also be submitted electronically to IRAHomeRebates@hq.doe.gov as a Microsoft Word (.docx) attachment to the email. Responses to this RFI must be submitted no later than 8:00pm (ET) on March 3, 2023.

* Required

A. Respondent Contact Information

1. What is your name, organization, and contact information? *

Please include:

- Point of Contact Name
- Organization Name(s) (if applicable)
- Organization Type (state government, non-profit/community organization, individual, etc.)
- Phone Number
- Email Address



U.S. DEPARTMENT OF
ENERGY

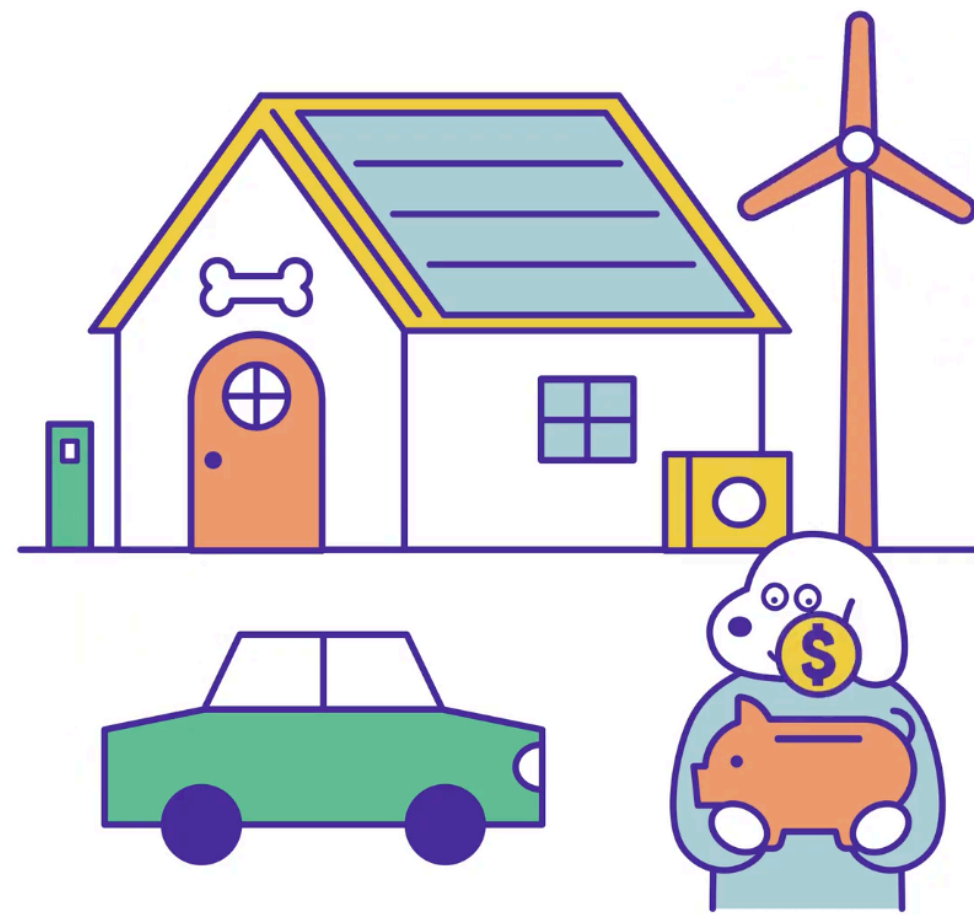


HERE'S THE PROBLEM:
CONSUMER INTEREST IS BUILDING
FAR IN ADVANCE OF FUNDS



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



STRATEGIC CONSIDERATIONS TO THINK ABOUT



Strategic Considerations

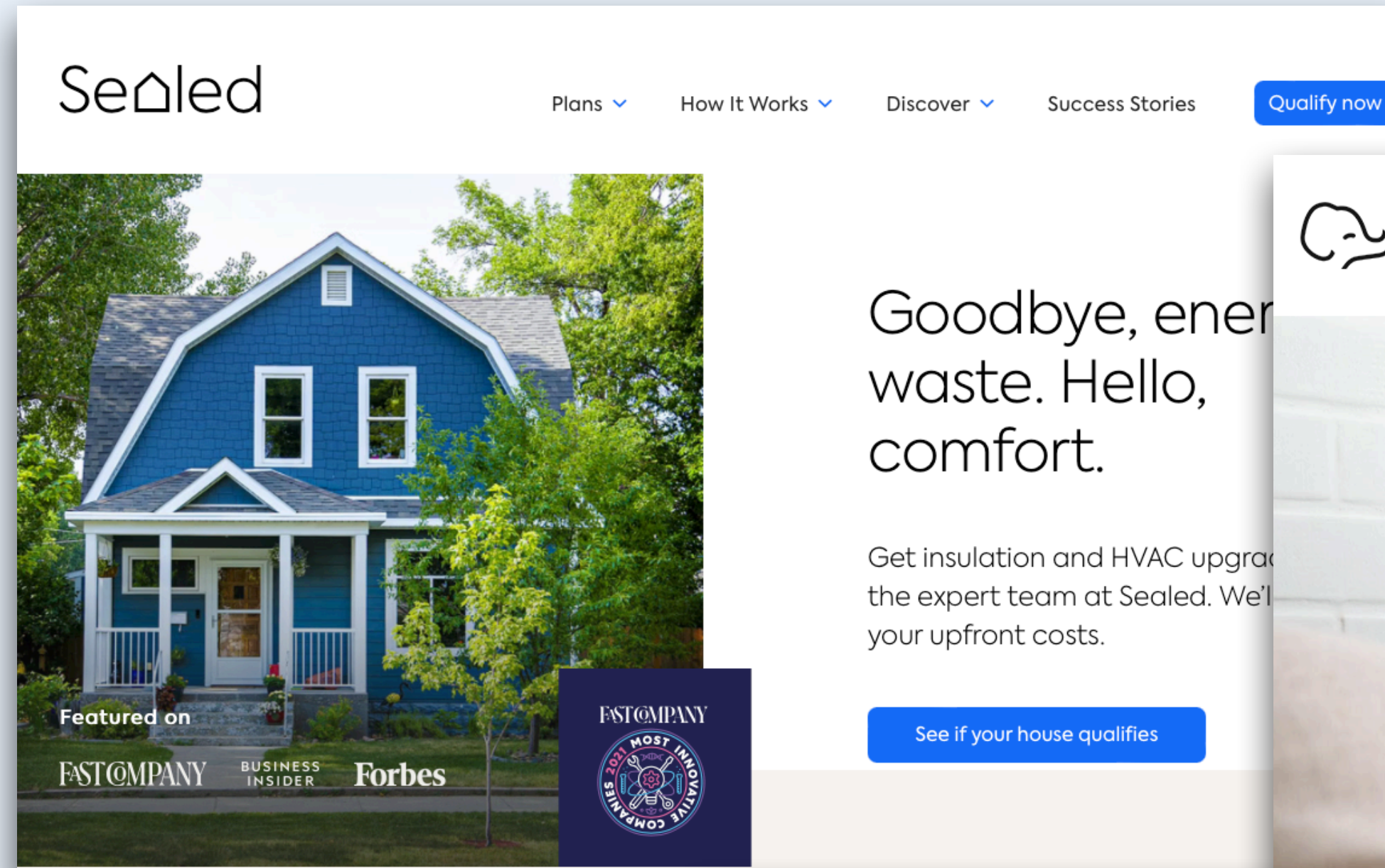
- Company Positioning
How Aggressive Around IRA?
vs. “we’re the incentive experts”
vs. not communicating rebates/incentives
- Low/Moderate Income Focus
- SOP’s & Data Management for Long Term Leads
(CRM)
- Processes/Communications to Overcome Project
Delays
- Shifts to Sales Process (incl modeling)
- Offer a Planning Process



MARKETING APPROACHES TO ESTABLISH YOUR BUSINESS AS THE TRUSTED AUTHORITY




IRA is Driving New Competition



Sealed

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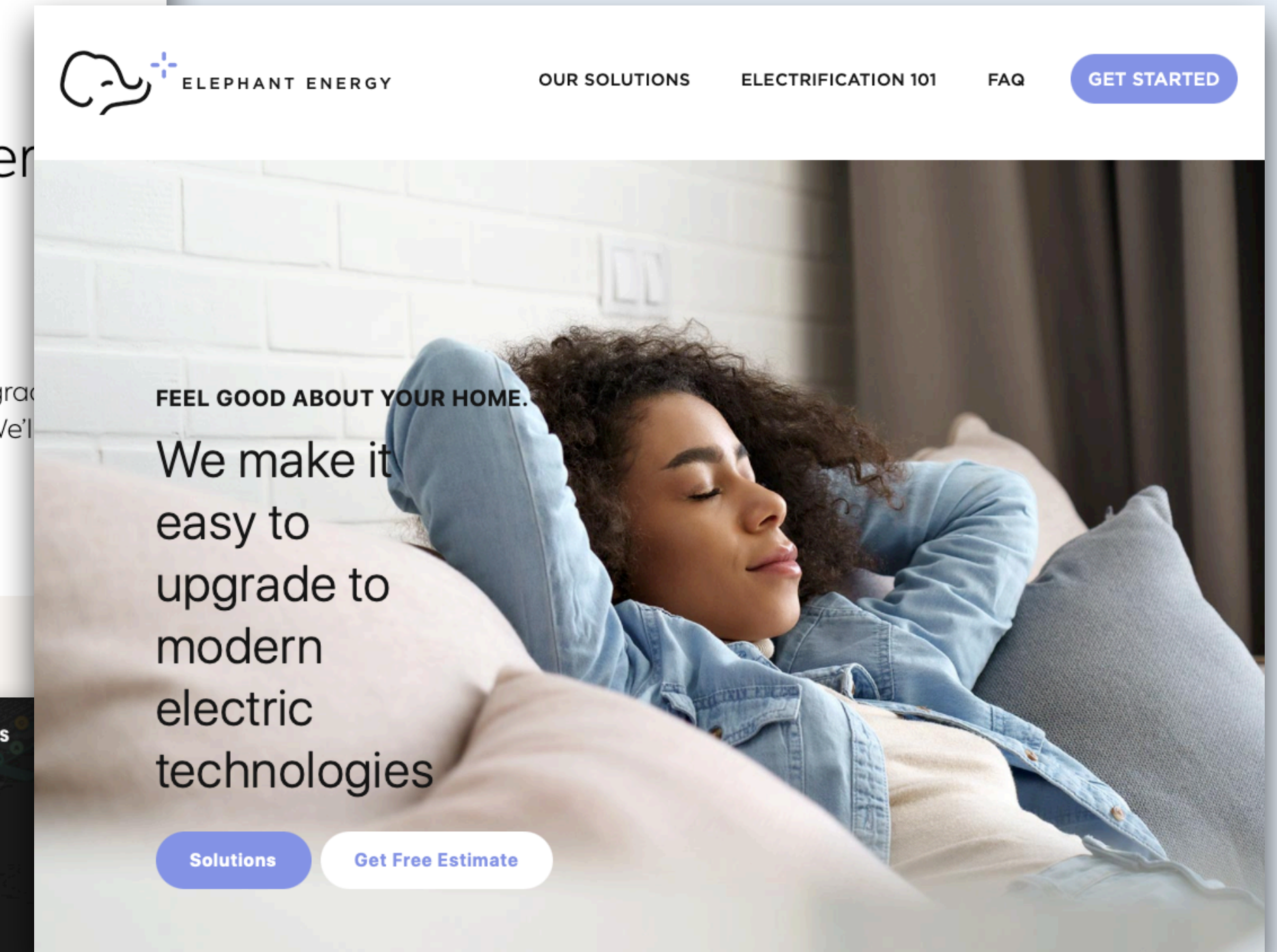
FAST COMPANY BUSINESS INSIDER Forbes

FAST COMPANY'S 2023 MOST INNOVATIVE COMPANIES

Goodbye, energy waste. Hello, comfort.

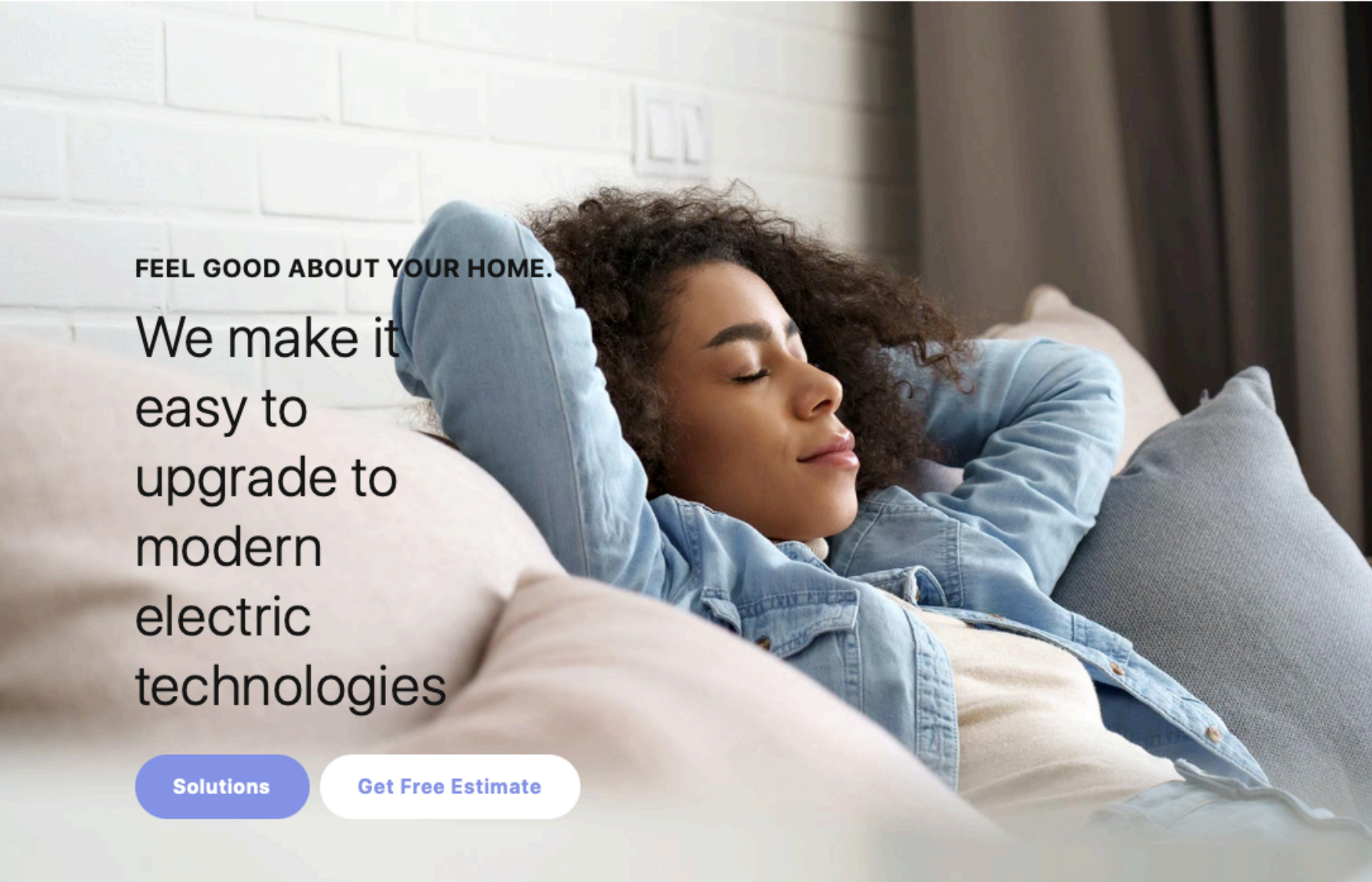
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Keep in Mind:
We're Confused
About the IRA;
Homeowners are
VERY Confused

"Rebates"

"Electrification"

"Heat Pumps"

"Tax Credits"



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Staging the Year

January
February
March
April
May
June
July
August
September
October
November
December

Tax Credit Focus

Audience Building & Planning Support

Rebate Campaign Ramp Up

Campaign in Full Swing: Year End Urgency



Lay the Foundation;
Prepare for Active Marketing

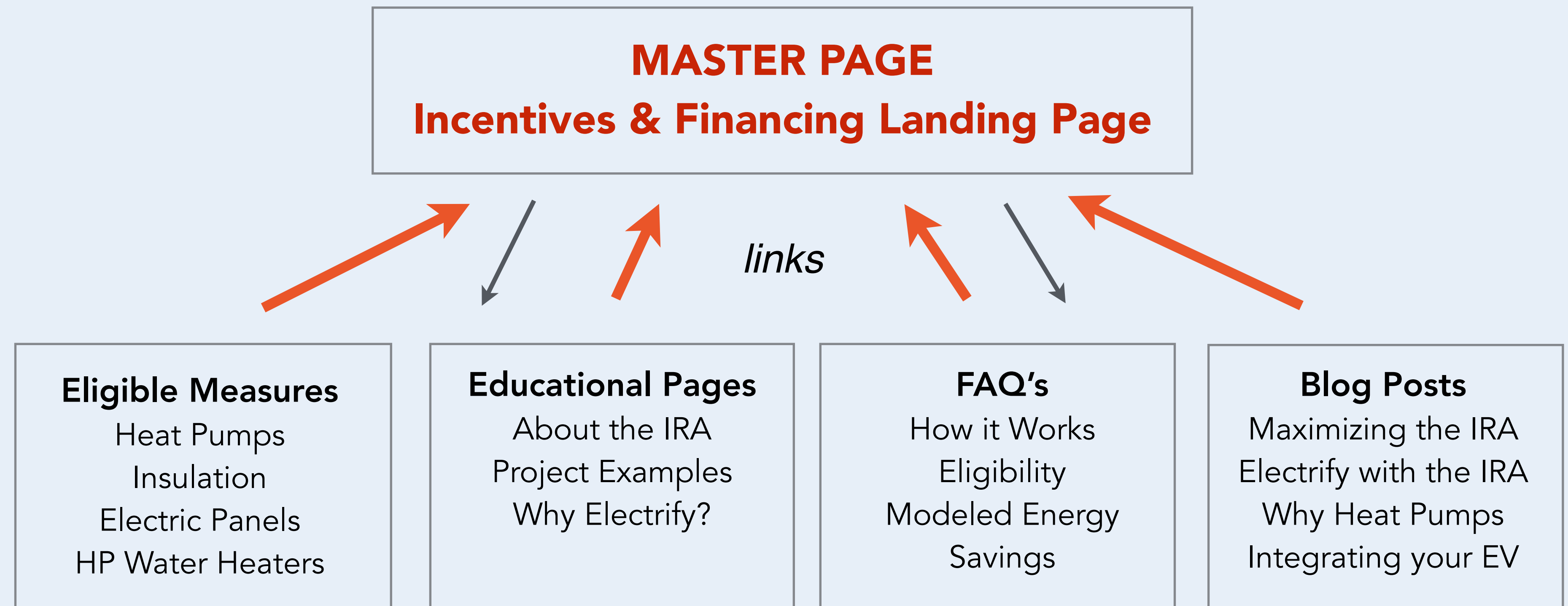
Brand & Digital FOUNDATION	Active LEAD GENERATION
<i>Slower building</i>	<i>More immediate</i>
Website Incentive Content Video Google My Business Reviews Custom Audiences Awareness Paid Social	Google & Bing Ads Local Services Ads Facebook Lead Ads Video Advertising



One of the Workhorses of Your Website: Long Form Incentives & Financing Landing Page



Ideal Content Approach



Aggressive Act Now Messaging

Sealed

Plans 

Our CEO's take on postponing home energy upgrades

IRA rebates and credits: 4 hidden costs of waiting that will undermine potential savings

Here's why waiting for the rollout of Inflation Reduction Act home upgrade incentives could cost you.



Lauren Salz
Co-founder and CEO, Sealed



FAQ's

HEAT PUMP FUNCTION/BENEFIT

- How do heat pumps/mini splits work?
- Are heat pumps the same as mini splits?
- What is the lifespan of a heat pump?
- How is a heat pump different from an air conditioner?
- Do heat pumps provide ventilation?
- Do heat pumps work in the (GEO) climate?
- Are heat pumps quiet?
- What is a heat pump?
- How energy efficient are heat pumps?
- Do heat pumps need ductwork?
- What are the benefits of heat pumps?
- What size heat pump do I need?
- For ductless mini splits, how many heads do I need?
- Can I cool my house with a heat pump?
- Are new heat pumps more efficient?
- What are the best places in a home for mini splits?
- Do mini splits have to be mounted on the wall?
- Can I really eliminate the need for gas or oil?

INFLATION REDUCTION ACT UNDERSTANDING

- What measures have IRA rebates?
- How does energy modeling work?
- What happens if we don't hit the modeled savings?
- Can you combine rebates?
- Can you combine tax credits and rebates?
- Can tax credits be used over multiple years?
- What are the qualifications for High Efficiency Elect Home?

ELECTRIFICATION

- Why is an all electric home better for the climate?
- What if my grid still has fossil fuels?
- Is induction really better than gas?
- What will my energy bill be given high electric rates?

HEATING

- Do heat pumps provide heat at low outside temperatures?
- Do heat pumps work in cold weather?
- Can a heat pump replace your boiler or furnace?
- Why does a heat pump blow cool air while in heating mode?
- Can you prevent HP's from going in to strip heat mode?



Start Building Custom Audiences Now

How to Take Advantage of Inflation Reduction Act Rebates

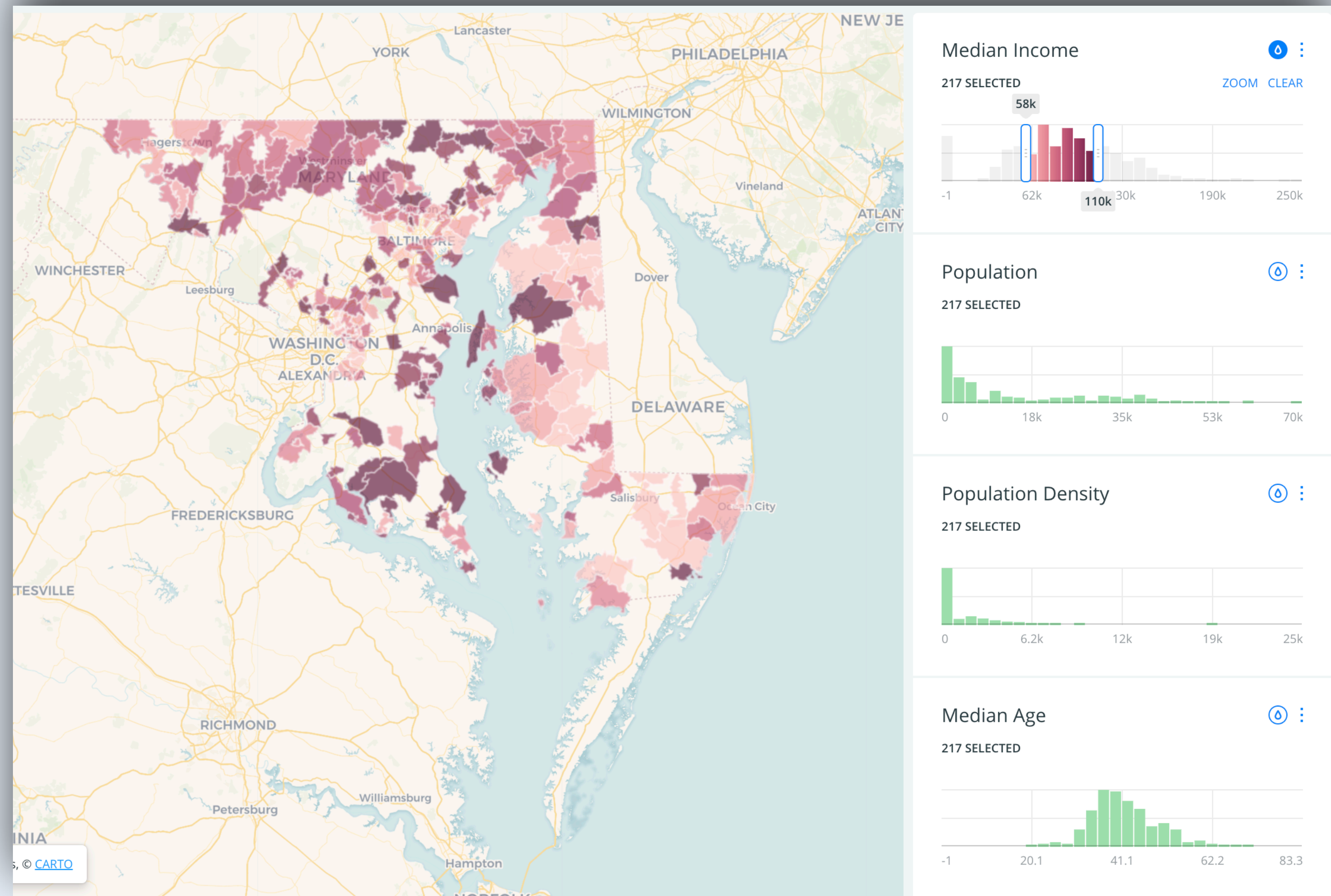
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The video player displays a scene with a person's hands using a calculator on a desk. In the foreground, there are tax forms, including a green form with a table. The video player interface includes a play button, a progress bar showing 0:31, and icons for volume, settings, and full screen.



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Insulation

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Summary

- Promote tax credits NOW
- Push existing incentives (if you got em)
- Build your organic foundation
- Start building custom audiences now
- Determine your LMI strategy & targeting
- Campaigns ready as funds get to market
- Get engaged with your state



QUESTIONS?

Peter Troast
peter@energycircle.com

