

# Single Family Residential Program Updates

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*EmPower+*



**NYSERDA**

# EmPower+ updates for HEAR deployment

## Agenda

1. General Overview- timeline and incentive changes
2. Eligibility updates
3. DAC Check Box and Incentive
4. ENERGY STAR Requirements for HVAC, HPWH, and materials
5. HVAC Commissioning Check Box
6. Pictures must be aggregated into a single file
7. New Forms structure
8. Heat Pump rules
9. Moderate Income Changes- 100% incentive & set pricing for some measures
10. Cost effectiveness changes
11. Itemizing Costs - Labor vs. Materials
12. Changes to the Participation Agreement



NYSERDA

# Timeline for Home Energy Rebates: Phased Roll-Out

## Q1 2024

## Q2 2024

## Q3 2024\*

## Q4 2024+

- DOE review and approval of application and release of funding for first phase deployment
- NYSERDA publishes response to stakeholder questions and comments
- Contractor and community leader input, training and toolkits & customer outreach

- Blueprint submitted to DOE.
- In-market soft launch of first phase HEAR rebates through Empower+
- NYHEP System improvements
- Contractor and Community Group training for changes to EmPower+ program for IRA enablement

- Stakeholder engagement and working groups to shape forthcoming offerings (e.g., multifamily offering; consumer point-of-sale appliance rebates) and inform continuous improvement of active programs.
- NYSERDA applies to DOE for a phased roll-out of full range of Home Energy Rebate funding for all eligible customer segments

- NYSERDA delivers a phased roll-out of full range of Home Energy Rebate funding for all eligible customer segments by end of 2024.

\* estimated

# HEAR expected deployment timeline

- May 4- General Program overview meeting
- May 22/28- NYHEP training for contractors/Hubs
- Late May/Early June Estimated Program launch

*NYSERDA has been working with the Department of Energy on the launch of the first phase of the IRA HEAR program in New York to be deployed through the EmPower+ program. Starting May 4, 2024, the EmPower+ program team will have completed system modifications such that completing [the Empower+ Application](#) will also serve to qualify eligible projects for future IRA HEAR rebates expected to be available through the EmPower+ program in late May or early June.*

Paper applications must be version LMI-EMP+-form-1-v5 2/24 to be eligible.

The early enablement HEAR LMI funding is \$39.6 million including administration. The final budget figure will be determined after approval of the full application.

# In Process applications and projects

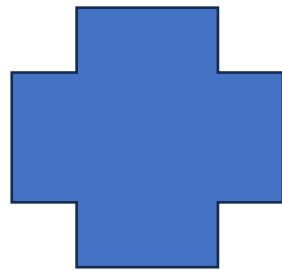
- Applications submitted on or after May 4th will be eligible for IRA HEAR early enablement funding.
- **Applications started before May 4 that are not submitted will be removed from the system at 4:00 on May 3.**
- If a customer is reapplying and their application was submitted after June 1, 2023, the income documentation they provided with their initial application will be used for their new application. If they applied before that date or used geo-eligibility for income eligibility, the customer will need to submit new income documentation.
- Contractors will be assigned a new enrollment when the new application is approved. They do not need to do a new assessment, information from the previous assessment can be used. When the new assessment is accepted, the previous enrollment can be cancelled by sending an email to [support.residential@nyserda.ny.gov](mailto:support.residential@nyserda.ny.gov). Please provide the enrollment ID and the reason for cancelation- a new enrollment was created to utilize IRA funding.

# HEAR/EmPower+ Incentives

NYSERDA will be combining HEAR funding with current Empower+ funding through the NYHEP system for a single program offering through EmPower+. The NYHEP system will calculate incentives for contractors. Empower+ funding sources such as NENY, RGGI, and CEF will be applied before HEAR funding. After the project is complete the customer will receive a letter telling them the exact amount of HEAR funding they received.

## Current EmPower+

- < 60% SMI (Tier 1)- \$10,000
- 60-80% AMI (TIER 2)- \$5,000



## HEAR- maximum per unit measure incentive

- Heat Pumps- \$8,000
- Heat Pump Water Heaters- \$1,750
- Electrical Service Upgrade (panel box)- \$4,000
- Electrical Wiring Upgrade- \$2,500
- Air Sealing, Insulation and Ventilation- \$1,600

Maximum Incentive \$14,000



## Total maximum possible EmPower+ Funding

Tier 1- \$24,000

Tier 3- \$19,000

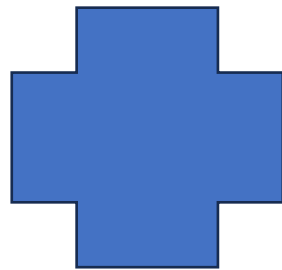
(total eligible amount is project-dependent based on the combination of measures)

# HEAR/EmPower+ 2-4 Unit Incentives

NYSERDA will be combining HEAR funding with current Empower+ funding through the NYHEP system for a single program offering through EmPower+. The NYHEP system will calculate incentives for contractors. Empower+ funding sources such as NENY, RGGI, and CEF will be applied before HEAR funding. After the project is complete the customer will receive a letter telling them the exact amount of HEAR funding they received.

## Current EmPower+

- < 60% SMI- \$10,000 for first unit, \$5,000 for each additional unit
- 60-80% AMI- \$5,000 for the first unit, \$2,500 for each additional unit



## HEAR- maximum per unit measure incentive

- Heat Pumps- \$8,000
- Heat Pump Water Heaters- \$1,750
- Electrical Service Upgrade (panel box)- \$4,000
- Electrical Wiring Upgrade- \$2,500
- Air Sealing, Insulation and Ventilation- \$1,600

Maximum Incentive \$14,000

## Maximum Possible Incentive

|                 |          |
|-----------------|----------|
| Tier 1– 2 units | \$43,000 |
| Tier 1- 3 units | \$62,000 |
| Tier 1- 4 units | \$81,000 |
| Tier 3-2 units  | \$35,500 |
| Tier 3- 3 Units | \$52,000 |
| Tier 3- 4 Units | \$68,500 |

# How will funding be braided at the project level?

NYSERDA will be prioritizing current available funding before using IRA HEAR funding on a project. In the legislation that created the IRA, these funds were meant to augment existing state funding, not displace it.

- If project has OTDA funding and is under \$20,000, no IRA will be allocated to it.
- For low-income customers, if project is under \$10,000 (\$5,000 for moderate income), no IRA funding will be allocated to it.
- For low-income customers, if project is over \$10,000 (\$5,000 for moderate income), the program applies IRA first for eligible measures, up to \$14,000 then use up to \$10,000 (\$5,000 for moderate income) in other EmPower+ funding, such as CEF, RGGI, etc.
- If a heat pump is involved, NYS Clean Heat funding should still be subtracted from the project cost first when submitting in NYHEP. **(Note that this policy is under review with the utilities and DPS and contractors will be updated if anything changes.)**



# Program eligibility updates

## Customer Facing

1. EmPower+ will be eliminating the 3 year look back starting May 4, 2024. Former customers will still need to fill out new applications and projects will be subject to cost effectiveness tests.
2. Customers on Long Island will be eligible for both HEAR and EmPower+ funding. If a customer is eligible for LMI programs from PSEG/National Grid that funding needs to be deducted from the project amount.

## Contractor facing

1. Contractors who have more than 20% of their projects older than 180 days since project acceptance will not be assigned any new enrollments, including their own. Thresholds will be monitored on a regular basis, and contractors will be made available once backlogs have been resolved. Once backlogs have been resolved, enrollment assignments will resume. Contractors can work with the CLEAResult Contractor Support Team for an approved exception if needed for projects with special circumstances.

# DAC checkbox and contractor incentive for projects receiving IRA funding

For projects receiving IRA funding, contractors who work on income qualified homes located in DAC areas (as defined by the NY DAC map: <https://www.nyserda.ny.gov/ny/Disadvantaged-Communities>) are eligible for a \$200 incentive on a substantial project. A substantial project must contain one of the following: Heat Pump, HPWH, panel box, electrical upgrade, air sealing, insulation, or ventilation.

If an IRA project has one of those measures, the contractor is eligible for an additional \$150.

If an IRA project contains two or more of the measures the contractor incentive goes to \$300.

**DAC= \$200    1 measure= \$150    2 or more measures= \$300**

**Total possible contractor incentive= \$500**

# ENERGY STAR Requirements for HEAR measures

For HEAR funding the following measures will be required to use ENERGY STAR Certified equipment: Heat Pumps, Heat Pump Water Heaters, and ventilation fans. A list of ENERGY STAR products can be found at <https://www.energystar.gov/products>

Contractors can also find out more about ENERGY STAR eligible products here: [https://www.energystar.gov/partner\\_resources/products\\_partner\\_resources/state-and-tribal-rebate-programs/connecting-your](https://www.energystar.gov/partner_resources/products_partner_resources/state-and-tribal-rebate-programs/connecting-your)

Contractors will need to verify that the products they are using are ENERGY STAR by checking of a box in the measure in NYHEP.

# HVAC Commissioning checkbox

A check box will be added to HVAC measures to verify that the contractor has commissioned the measure. This box will appear during final project submittal and the contractor will need to check the box before they can submit the measure, verifying that they have commissioned the equipment to manufacturer's specifications.

# Pictures must be aggregated into a single file

To reduce review time and conserve space in NYHEP, contractors will be required to upload project photographs as one document with each photo labeled. There will be multiple ways contractors can fulfill this requirement:

1. Use a commercial product like Company Cam which labels and organizes photos of a project.
2. NYSERDA will provide a PowerPoint template in the forms section of the contractor support site: (need link here). Once the photos are added to the PowerPoint, the contractor can save the PowerPoint as a pdf and upload to NYHEP.
3. The PNNL [Quality Install Tool](#) is a free website that can work on cell phones to aggregate photos of a project.
4. Contractors with other methods of organizing their photos into one document are encouraged to share their ideas with NYSERDA.

# New Forms structure

Working with the BPCA, NYSERDA has reduced the number of forms required for a project from a possible 28 to a possible 15. The goal behind this reduction was to eliminate the gathering of data points on forms that are already collected in NYHEP so that the forms included only data that needed a customer signature or that could not be collected from NYHEP.

Major changes:

- The Assessment Installation , Homeowner Agreement, and Proof of Ownership forms will be replaced by the Test-In Form.
- The Customer Attestation and Contractor Attestation for Heat Pump installations are combined into one Heat Pump form.
- The Pre-Installation Agreement Form, Post Installation Measure Report and the Field Change Order are all combined into the Test-Out form.
- Forms no longer needed by the program include: NEC Calculation Worksheet, AHRI Certificate, and the Clean and Tune Checklist.
- Utility Bills will only be required to be uploaded if the savings of the project is over 30%.
- These new form requirements will go live with the changes to the NYHEP system with the launch if IRA funding in late May/early June.

# New Forms structure

| <b>Workscope Submission Documents</b>                             | FullComp/ Muni | Audit Install | Full Comp/Muni | Audit Install |  | <b>Workscope Submission Documents</b>     | FullComp/ Muni | Audit Install | Full Comp/Muni | Audit Install |
|---|----------------|---------------|----------------|---------------|--|---|----------------|---------------|----------------|---------------|
| Assessment Installation Form                                      | ■              | ■             | ■              | ■             |  | Test In Form                              | ■              | ■             | ■              | ■             |
| Homeowner Agreement   | ■              | n/a           | n/a            | n/a           |  | Landlord Agreement (aka Rental Property E | n/a            | n/a           | ■□             | n/a           |
| Landlord Agreement (aka Rental Property Energy Efficiency Service | n/a            | n/a           | ■              | n/a           |  | Utility/Fuel Bills                        | □              | □             | □              | □             |
| Proof of Ownership  | ■              | n/a           | ■              | n/a           |  | House Diagram                             | ■              | ■             | ■              | ■             |
| Electric Bill   | ■              | ■             | ■              | ■             |  | Appliance Exchange Agreement              | □              | □             | □              | □             |
| Natural Gas Bill or Usage Waiver (Delivered Fuels)                | ■              | ■             | ■              | ■             |  | Workscope Submission Photos               | ■              | ■             | ■              | ■             |
| House Diagram   | ■              | ■             | ■              | ■             |  | SHPO Form                                 | □              | n/a           | □              | n/a           |
| Appliance Exchange Agreement                                      | □              | □             | □              | □             |  | Heat Pump Form                            | □              | n/a           | □              | n/a           |
| Workscope Submission Photos                                       | ■              | ■             | ■              | ■             |  |   |                |               |                |               |
| Customer Attestation (Heat Pump Information Form)                 | □              | n/a           | □              | n/a           |  |   | Homeowner      |               | Landlord       |               |
| NEC Calculation Worksheet   | □              | n/a           | □              | n/a           |  | <b>Final Project Submission Documents</b> | FullComp/ Muni | Audit Install | Full Comp/Muni | Audit Install |
| AHRI Certificate   NEEP Cold Climate Spec Sheet                   | □              | n/a           | □              | n/a           |  | Test out Form                             | ■              | n/a           | ■              | n/a           |
| SHPO Form   | □              | n/a           | □              | n/a           |  | Signed Contract                           | □              | n/a           | □              | n/a           |
| Initial Interview Form  | ○              | ○             | ○              | ○             |  | Final Project Submission Photos           | ■              | ■             | ■              | ■             |
| Notification of Possible Asbestos Form                            | ○              | ○             | ○              | ○             |  |   |                |               |                |               |
| Supporting Documentation  | ○              | ○             | ○              | ○             |  | Contractor Invoice (Invoice ProForma Rep  | ■              | ■             | ■              | ■             |
|   |                |               |                |               |  | Subcontractor Invoice                     | □              | □             | □              | □             |
|   |                |               |                |               |  | Appliance Exchange Agreement              | □              | □             | □              | □             |
|   |                |               |                |               |  | Heat Pump Form                            | □              | n/a           | □              | n/a           |
|   | Homeowner      |               | Landlord       |               |  |   |                |               |                |               |
| <b>Final Project Submission Documents</b>                         | FullComp/ Muni | Audit Install | Full Comp/Muni | Audit Install |  |   |                |               |                |               |
| Pre-Installation Agreement Form                                   | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Post Installation Measure Report                                  | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Signed Contract   | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Field Change Order  | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Final Project Submission Photos                                   | ■              | ■             | ■              | ■             |  |   |                |               |                |               |
| Contractor Attestation (Certificate of Completion - LMI Heat Pump | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Clean and Tune Checklist  | □              | n/a           | □              | n/a           |  |   |                |               |                |               |
| Contractor Invoice (Invoice ProForma Report)                      | ■              | ■             | ■              | ■             |  |   |                |               |                |               |
| Subcontractor Invoice   | □              | □             | □              | □             |  |   |                |               |                |               |
| Supporting Documentation  | □              | □             | □              | □             |  |   |                |               |                |               |
| AHRI Certificate   NEEP Cold Climate Spec Sheet                   | □              | □             | □              | □             |  |   |                |               |                |               |
| Appliance Exchange Agreement                                      | □              | □             | □              | □             |  |   |                |               |                |               |

■ – Required □ – As Needed ○ – Optional n/a – Not Applicable

# Review new forms

Screenshare the following forms:

Test-In Form

Test-Out Form

Heat Pump Installation Form



# Heat Pump Rules

Heat pumps rules for the EmPower+ program will be consolidated into [Section 5.10](#) of the contractor manual.

- The existing primary HVAC system must be older than 5 years.
- For homes that heat with oil, propane, coal, electrical resistance, kerosene, pellets, and wood, the project should pass a total project savings for approval. Considerations will be made for health and safety.
- For homes heating with natural gas, the existing equipment must be 80% efficient or below, and the project **must** show a net utility bill savings of 10% or greater for approval.
- Clean Heat incentives should be deducted from the cost of the heat pump before it is submitted to NYSERDA for approval. In NYHEP, this deduction should be shown in the utility cost section of the measure.
- NYSERDA is removing the per btu incentive and using program and funding incentive levels as a cap.
- Distribution upgrade costs will be included in the cost of the heat pump.
- Projects will still need to meet air sealing and insulation guidelines.

# Moderate Income

- The EmPower+ program is removing the required 50% match for Tier 3 – Moderate Income projects. The maximum incentive available for Empower+ funding for Moderate income customers is \$5,000.
- Tier 3 will be using Tier 1 pricing moving forward for measures such as insulation, air sealing, and ventilation.
- EmPower+ pricing can be found in [Section 5.5 of the Contractor Manual](#)

# Cost Effectiveness changes

The EmPower+ program will be changing its calculations for cost effectiveness moving forward.

1. Currently, for Tier 1 projects that are made up solely of "Prequalified measures" as found in Section 5.15 of the program manual, have less than \$1000 in Health and Safety, and a total project cost of less than \$10,000 automatically qualify. (For Tier 3 H&S is \$500 and total project cost is \$5,000.) This will remain for prequalified only projects.
2. For other projects, the following calculation will be used:

*Sum of [Annual Energy (\$) Dollar Savings × Effective Useful Life (EUL)] > NYSERDA Program Incentive (-enabling measures) × 80%*

Enabling measures such as health and safety that facilitate the installation of a project for up to 30% of the project cost will be deducted from the project cost for cost calculations.

# Cost Effectiveness changes (enabling measures)

Blower Door Test

Combustion Appliance Zone (CAZ) Test

No Show Fees

Other Fee

Repair Broken Plumbing Vents in Attic

Tolls

Air Purifier

Asbestos Abatement

Assessment Fee

Bath Fan: New Replacement and Venting

Energy Education

Chimney Liners and Caps

Dehumidifier

Detectors - CO, Smoke and Combo

Dryer Vent Repair

Drywall Repairs

Fuel (gas/oil) Leak Repair

Gutter Repair/Replacement

Heat Energy Recovery Ventilator

Heating/DHW Repair/CAZ Corrections

Knob and Tube Wiring Upgrades to install insulation

Lead Abatement

Main Panel Electrical Service Upgrade

Mold/Mildew Abatement

Oil Tank Removal

Oil Tank Replacement

Permits

Radon Abatement

Roof Repair

Sump Pump: New or Replacement

Ventilation Fans

Well Pump Replacement

Moisture Barriers

# Example for cost effectiveness

| Measures                   | Cost    | Total Lifetime Savings |
|----------------------------|---------|------------------------|
| Insulation and Airsealing  | \$6,000 | \$5,000                |
| Health and Safety Measures | \$1,800 | XXX                    |
| Total project cost         | \$7,800 | \$5,000                |

The cost of the Health and Safety measures are less than 30% of the project so these costs are exempt from the cost effectiveness calculation.

The lifetime savings for this project would need to be  $0.8 \times$  energy efficiency measures or  $0.8 \times \$6,000 = \$4,800$ .

This project would pass

# Example for cost effectiveness

| Measures                   | Cost     | Total Lifetime Savings |
|----------------------------|----------|------------------------|
| Insulation and Airsealing  | \$6,000  | \$5,000                |
| Health and Safety Measures | \$4,000  | XXX                    |
| Total project cost         | \$10,000 | \$5,000                |

Total project costs are \$10,000, total deductible health and savings are **\$3,000**.

The lifetime savings for this project would need to be 0.8 X energy efficiency measures (\$6,000) + \$1,000 of health and safety (over 30% of project cost) or  $0.8 \times \$7,000 = \$5,600$ .

This project would require a \$600 customer contribution to pass.

# Itemizing Costs

The Department of Energy is requiring State Energy Offices to include the labor and materials costs for all measures. For measures with EmPower+ pricing such as insulation, these rates will be automatically entered. For other measures, the contractor will enter the total cost and materials rate and NYHEP will deduct materials from the total cost to determine the labor cost.

Total cost – materials = labor costs.

Total Cost - \$10,000

Materials Cost - \$3,000

NYHEP Calculates labor to be \$7,000

# Participation Agreement changes

- > 2 changes to the Participation Agreement to be responsive to requirements from DOE for IRA funding:
  - > #1 Holder In Due Course
    - Contracts cannot contain mandatory arbitration clauses. Ensure inclusion of the holder-in-due course rule so consumer protections are not lost just because the contract is assigned to a 3rd party creditor
    - Section 6.1 of the Participation Agreement will be updated to add: **Furthermore, in the event the contract is assigned to a third party creditor, the contract must include the following holder-in-due course term: Any holder of a consumer credit contract is subject to all claims and defenses which the debtor could assert against the seller of goods and services obtained pursuant hereto or with the proceeds hereof, recovery hereunder by the debtor shall not exceed amounts paid by the debtor hereunder.**
    - **What this means:** It refers to a person who has received a specific type of document (ex: a check or promisory note) known as a 'negotiable instrument', in good faith. This means they received it honestly, without any knowledge of problems or issues with the document.
  - > #2 Updates Customer Dispute Resolution Policy
    - Added language to Section 3.9:
    - NYSEERDA requires the Participating Contractor maintain a dispute resolution policy on file. **The policy shall include protocols for a timely response, identification of responsible parties, documentation of corrective actions, results, and a means of identifying and addressing systemic issues.**