

## June 21, 2024 1-4 Family Homes Program Webinar: Attendee Questions Regarding HEAR through EmPower+

*@Questions edited for clarity and combined similar questions*

### IRA Eligibility Questions Programs

1. Can customers access IRA HEAR funding multiple times? For example, if the customer has 2 large insulation projects, could they get the \$1600 IRA HEAR insulation funding twice?
  - a. A dwelling unit would not be eligible to receive \$1,600 for air sealing/insulation/ventilation more than one time. Customers can only receive the funding for individual measures up to the maximum for the measure, and up to \$14,000 cumulatively for the dwelling unit.
2. Will a household need to meet project spending requirements before they can access IRA HEAR funds even if the cost is less than the cap?
  - a. The existing project caps remain the same for EmPower+ and IRA funding is available above that. NYSERDA's systems are programmed with logic to determine which combination of funding sources is used for any given project based on the measures being installed and availability of funds so contractors will not be responsible for figuring out how to stack incentives for their projects. Three illustrative scenarios of how this works are below:
    - i. For a low-income customer with an existing \$10,000 project cap, they could receive additional funding through IRA if the home is in need of work beyond the existing program cap up to a total of \$24,000 not to exceed 100% of project costs. An additional \$5,000 may be available if a heat pump was designed using value engineering.
    - ii. For a home with a project scope below the \$10,000 cap, they would still be eligible for the same measures that have been available through EmPower+, but IRA funds would not be applied; in this case there is no difference for the customer in the services and incentives received through the program.
3. Once a project is completed, what is the timeframe for a contractor to get their funds from this rebate/ program?
  - a. IRA HEAR funds are processed like any other EmPower+ project. Once the final project submission has been approved, payment is typically received by the contractor in one to two weeks.
4. If the HEAR rebates are point-of-sale, will homeowners and contractors be able to apply the rebates to the project costs directly?
  - a. Yes, IRA HEAR funds are applied directly to offset the project cost to the homeowner. This operates the same way as any other EmPower+ project.
5. When will the incentive amounts be known for a project?

- a. Customers and contractors will be made aware of the incentives available prior to installation. The incentive amounts are available after workscope submission and savings will be shown on the Test Out form that the customer and tenants sign before work is started.
6. For clients that applied to the program before May 4, 2024, do they have to reapply to the program for the IRA funds?
  - a. Yes, to get IRA HEAR funding, they do need to apply again to ensure they have signed off on the most recent application language, but they do not have to resubmit income documentation.
7. Can a Tier 3 project that has been approved for insulation and a heat pump just complete the insulation and do a change order to remove the heat pump and then have the customer re-apply to maximize the IRA funding?
  - a. There is a fixed amount of IRA HEAR funding (\$14,000) for each household with maximum HEAR incentives for each eligible measure. Applying multiple times will not increase this funding level.
8. Can natural gas customers receive IRA funding for non-heat pump measures?
  - a. Yes, IRA HEAR and Empower+ funds can be utilized on non-heat pump measures in homes served by natural gas heating.
9. If an LMI customer has received a natural gas conversion to a heat pump through Clean Heat previously, can they receive an Empower + incentive for envelope or insulation work at later date?
  - a. A customer in this situation would be eligible for Empower+ provided that the customer is income eligible.
10. Are municipal utility customers eligible for IRA funding?
  - a. Yes.

## **Heat Pump Measure Eligibility and Technical Requirements**

11. What are the parameters for decommissioning an existing heating system that could be used for supplemental heat such as a wood stove?
  - a. For heat pump installations, the primary (main) heating system, such as a furnace or boiler, must be decommissioned, however a home can use supplemental heating, such as wood stoves or electric baseboards, especially in colder regions of the state. Decommissioning will be a topic for stakeholder feedback in the upcoming feedback

sessions.

12. If a customer's primary heating is a combi-boiler, does that system have to be decommissioned; or no because the boiler will continue to be used to provide hot water?
  - a. The heating portion of the boiler must be disconnected so the boiler can no longer be used for space heating. A better course would be to remove the boiler entirely and install a Heat Pump Water Heater. This will be a topic for stakeholder feedback in the upcoming feedback sessions.
13. Are dual-fuel systems eligible?
  - a. This is currently being explored and will be a topic for stakeholder feedback in the upcoming feedback sessions.
14. In certain areas of the state, it is almost impossible to reduce air infiltration below 7 ACH. If that is the case, and the customer has a high-efficiency heating system more than 5 years old, is there anything we can do for those customers? What if an existing heating system is over 20 years old? Are there minimum or maximum efficiency requirements for existing systems older than 5 years? Would it be helpful for Hubs and contractors to document cases where 7 ACH can't be met in homes even after going through EmPower+/WAP/ other programs for insulation work?
  - a. Older homes will be reviewed on a case-by-case basis to determine the best way to remediate concerns. NYSERDA continues to evaluate the "heat pump ready" envelope specification and anticipates updating those requirements to cover a broader range of housing types before the end of 2024. The Program encourages Hubs and Contractors to document these cases and provide details to Program staff for future consideration when developing program guidance.
15. Has any consideration been given to lowering the ACH for air to water systems?
  - a. No, not at this time. The program is not currently planning to have different building specifications for different heat pump types.
16. Are "No-Heat" (non-functioning heating systems) customers eligible for incentives since these projects won't accurately show 20% savings?
  - a. Due to the rollout of this offering occurring during the summer, there will not be any no heat customers. This will be revisited during the fall, prior to heating season.
17. Will these new NYSERDA guidelines for ASHPs be required for all funding sources in EmPower+?
  - a. Yes, the rules for heat pumps are the same in the program, regardless of how it is funded.
18. Is there a cutoff date for no longer layering EmPower+ and Clean Heat Incentives for heat pump water heaters & ASHP?
  - a. Only projects with a workscope that had been previously submitted with Clean Heat funds prior to **6/24/2024** can move forward. Any new workscope submissions after that date are not eligible for both EmPower+ and NYS Clean Heat incentives.

19. What about heat pump projects that had to be resubmitted after CLEAResult sent it back but had NY Clean Heat funding attached to it initially?

- a. If the workscope was submitted prior to 6/24/2024, the project can proceed as approved.

20. How are you determining the cost energy savings? Is there an energy calculator you are providing?

- a. The program will have fields available in NYHEP that show dollar and percentage savings so contractors can determine if the project passes the savings screening. To determine the savings, NYHEP uses the annual fossil fuel use multiplied by the price per unit of that fuel and adds it to the annual electric use multiplied by the electric rate to determine an annual fuel cost for the home.

The first year's savings calculated by NYHEP are divided by the Annual fuel cost to determine what the percentage of savings will be on the utility bill.

Savings calculations (with NYHEP data field titles)

$(\text{Annual fossil fuel use} \times \text{price per unit}) + (\text{electric usage} \times \text{electric rates}) = \text{Annual fuel cost}$

$\text{First Year Dollar Savings} / \text{Annual Fuel Cost} \times 100 = \text{first year savings percentage}$

21. Can you clarify what is meant by the \$5,000 add-on heat pump incentive being subject to "modification or reduction with short notice"? Does this mean that the incentives are first-come-first serve, or are they at risk of being reduced after already being allocated as part of the work scope submission/approval (if the funding runs out)?

- a. Project funding is secured at work scope approval. If a project has an approved work scope, the funding will be available. However, funding for this is limited and will be available on a first come first served basis. NYSERDA will notify contractors in advance before changing this incentive.

22. What does value-engineered mean in the context of the additional \$5,000 incentive?

- a. Value engineering strategies should follow the guidelines established in the Northeast Energy Efficiency Partnerships' "Guide to Sizing & Selecting Air-Source Heat Pumps in Cold Climates". We encourage value engineering of all heat pump projects, but it is especially important to document that efforts have been made to optimize the design of the heat pump system to manage the cost of bigger ticket projects while still maintaining high performance systems. Value engineered projects include:
  - i. Right sizing the heat pump system to the heating and cooling loads of the home after weatherization measures have been installed to make the home's envelope "heat pump ready"
  - ii. Optimizing the system design to deliver heating and cooling comfort conditions using a minimal amount of equipment
  - iii. Locating installed equipment to deliver heating and cooling efficiently while minimizing distances needed to run line set and wiring

- iv. Selecting least-cost available equipment that meets sizing and design specifications

### **Heat Pump Water Heater Measure Eligibility**

- 23. Are Heat Pump Water Heater (HPWH) measures eligible for EmPower+ and Clean Heat incentives?
  - a. No, projects cannot receive both EmPower+ and NY Clean Heat for the same measure. Under EmPower+, HPWHs are now eligible for an incentive cap of \$4,000 for Tier 1 customers and \$2,000 for Tier 3 customers.
- 24. Are HPWHs treated differently from all other measures in terms of stacking with IRA?
  - a. Regardless of the funding source used, the same caps on HPWH are applied. IRA HEAR funding allows for \$1,750 so other EmPower+ incentives can cover the balance.
- 25. When will incentive changes for heat pump water heaters occur; when will the changes affect projects that have already been approved?
  - a. Projects submitted June 24, 2024, and later will have the increased \$4,000 (Tier 1) and \$2,000 (Tier 3) incentive for HPWHs. In-progress projects submitted prior to June 24, 2024, can be rolled back to receive the higher incentive level.

### **Insulation Measure Eligibility**

- 26. Are insulation measures eligible for IRA HEAR incentives or are only air sealing and additional attic accessories eligible?
  - a. The incentive for insulation, air sealing, and ventilation combined is \$1,600 under IRA HEAR. DOE requires insulation to be ENERGY STAR certified in order to be eligible for IRA rebates. Because ENERGY STAR certification is not an EmPower+ requirement for insulation and there can be limited availability of ENERGY STAR listed insulation products, most projects will have the \$1,600 of IRA HEAR funding applied to air sealing and/or ventilation. Insulation will continue be covered under other existing funding sources through EmPower+.
- 27. How is the \$1,600 for air sealing and insulation being applied?
  - a. There are calculations built into NYHEP that determine how much funding each major measure group receives based on the workscope, available funding sources, and rules of each funding source. These calculations are designed to maximize incentives for customers. While the funding sources may be applied differently depending on project and home conditions, the total available funding will remain the same.
- 28. Will waivers for usage be allowed for projects that are just doing envelope measures? If bills for delivered fuel are not available, will the utility bill waiver still be allowed?
  - a. While all projects require a utility account number, at this time, submission of utility bills is only required on heat pump projects and projects with estimated savings over 30%.

Therefore, a waiver is not needed, but it is best practice for Participating Contractors to collect utility usage information whenever possible.

### **Electrical Panel and Wiring Upgrade Eligibility Questions**

29. How does an electric panel upgrade show 20% savings?
  - a. The 20% savings requirement is specifically for a project with a heat pump. Non savings measures--such as an electric panel upgrades-- do not need to meet a 20% savings threshold as an individual measure.
30. Would an electrical panel upgrade be considered eligible as part of the electrical service upgrade, or is only the electrical wiring itself eligible for IRA incentives?
  - a. Electrical panels qualify under the electrical service category. Electrical wiring would qualify under the electrical wiring category.
31. Does a project need to include any specific measures to also receive IRA funding for electric upgrades? For example, does an electric upgrade require a heat pump to be proposed or could projects with a furnace or non-HPWH upgrade also be eligible?
  - a. No specific measures are required to propose electrical service upgrades that qualify for IRA funding. However, the project still needs to pass project level cost effectiveness.
32. Do you have to propose a heat pump to get the electrical service upgrade incentive?
  - a. No, these funds, including electrical service upgrades, can be used to make a home heat pump ready.

### **NYS Clean Heat Specific Questions**

33. If a customer went through EmPower+ in the past few years, but does not re-enroll now, will they be precluded from NYS Clean Heat?
  - While NYS Clean Heat does not limit participation based on income, it is designed to serve market rate customers and currently does not have requirements for accompanying upgrades to insulation and air-sealing. Given the Energy Affordability Policy of New York State, the ratepayer supported programs are generally designed to encourage low-income customers to participate in the targeted low-income programs in which a focus can be given to both energy affordability and GHG reductions.
  - The current pause on combining NYS Clean Heat and EmPower+ does not impact the manner in which NYS Clean Heat is administered. Customers continue to be able to access NYS Clean Heat. The pause was put into place to allow NYSERDA, DPS, and the utilities to review the plans for administering EmPower+/HEAR rebates to mitigate the potential for increased energy burden for lower-income customers, while also ensuring adequate plans are in place to manage NYS Clean Heat budgets.

NYSERDA will work with the Department of Public Service and utility companies on the design of future offerings funded through the IRA and will communicate with contractors and other interested parties as updates are available.

34. Are natural gas customers, who are not eligible for EmPower+ for heat pumps, eligible for Clean Heat?

- While NYS Clean Heat does not limit participation based on income, it is designed to serve market rate customers and currently does not have requirements for accompanying upgrades to insulation and air-sealing. Given the Energy Affordability Policy of New York State, the ratepayer supported programs are generally designed to encourage low-income customers to participate in the targeted low-income programs in which a focus can be given to both energy affordability and GHG reductions.
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35. If gas customers are not eligible for an ASHP from NYSERDA, can they leverage NYS Clean Heat funds if they buy their own?

- While NYS Clean Heat does not limit participation based on income, it is designed to serve market rate customers and currently does not have requirements for accompanying upgrades to insulation and air-sealing. Given the Energy Affordability Policy of New York State, the ratepayer supported programs are generally designed to encourage low-income customers to participate in the targeted low-income programs in which a focus can be given to both energy affordability and GHG reductions.
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- NYSERDA will work with the Department of Public Service and utility companies on the design of future offerings funded through the IRA and will communicate with contractors and other interested parties as updates are available.

36. If Clean Heat incentives are being eliminated for current EmPower+/HEAR projects does this mean that utilities don't have to contribute to electrification at all while funding is available?

How is this compliant with their rate case hearing? Wouldn't you want to stack incentives to reduce the cost burden on LMI customers?

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### **Braided Funding with Other Sources**

37. What will the timeline for the contractor to know what incentives will be available for the project?
  - a. HEAR funding through EmPower+ operates just like the existing EmPower+ process; contractors submit a workscope and will receive approval or notice for additional review, depending on the specifics of the application. Under this design, contractors and customers will know their approved incentive amount before work begins.
38. Are OTDA customers eligible for HEAR or Clean Heat funding?
  - a. Customers receiving OTDA (which is a form of federal funding) will not be able to combine these funds with federal IRA HEAR funding. Projects that receive EmPower+ funding cannot receive Clean Heat funding as well.
39. Will Hubs be able to see IRA or OTDA funding in the NYHEP platform?
  - a. Yes, Hubs have access to NYHEP (read only) and are able to see this information.
40. Has NYSERDA developed a streamlined process for braiding outside funding?
  - a. NYSERDA is working with Homes and Community Renewal's (HCR) Weatherization Assistance Program to coordinate projects between programs and is exploring future opportunities for streamlining and broader coordination.
41. Have there been any updates on bringing back the companion loan to cover the cost of significant heat pump projects \$25k+ done through Clean Heat/Comfort Home?
  - a. There are no plans to bring back the companion loan at this time.



42. Are there additional sources of financing for the low-income population for customers are denied loans due to their credit score?
- a. Through GJGNY, NYSERDA offers low-cost financing options for low-income (below 80% AMI) consumers with low credit scores (greater or equal to 540 FICO) and with debt-to-income ratio of at least 70%. Other institutions, including regional or local credit unions and CDFIs may offer alternative financing options.
43. Are customers eligible for tax credits as well as IRA HEAR program incentives?
- a. Households should consult with their tax professional, but in general, if the EmPower+ incentive does not cover 100% of the project cost, there may be opportunities for tax credits on measures paid for by the household if they meet the criteria established under the IRA law. There is no exclusion on receiving a tax credit for work that also received HEAR funding.

## Other Questions

44. Can the utility bills collected at time of application by NYSERDA be shared with the contractor?
- a. Yes, this feature currently available.
45. What steps do homeowners have to take to show proof of income?
- a. When completing the EmPower+ application, there are three different options:
    - i. Categorical, supply an award letter from SNAP/HEAP;
    - ii. referral from utility with code
    - iii. provide income documentation through tax documents or paystubs.
46. When do we expect EmPower+ incentives for gas furnace installs to end?
- a. Currently, NYSERDA provides incentives for gas furnaces and boilers. Contractors will be notified of any change to these incentives well ahead of time.
47. What if the household is no longer income qualified for EmPower+? Will incentives be available?
- a. There will be other Programs coming out for IRA HEAR and HER focused on higher income levels. Additional information will be available later in the year.
  - b. In the meantime, for customers who are over the income threshold for EmPower+, Comfort Home is an available program for envelope measures, and NYS Clean Heat is an available option for heat pumps.
48. How will the heat pump rules apply to Healthy Home projects that use natural gas but are requiring AC?
- a. Window air conditioners for the alleviation of health issues are the preferred measure under the Healthy Homes pilot and will still be allowed.
49. Is the 180-day rule based on when the project was assigned to the first contractor or when the project was assigned to the last contractor?
- a. The 180-day rule is based on the date the current contractor accepted the project at the Enrollment Acceptance step.

50. Do projects on-hold count against the 20% of projects older than 180 days since Project Acceptance?
- a. No, projects that are placed on hold will not count toward the 20% of projects older than 180 days since Project Acceptance
51. Are vacant units eligible under the EmPower+ Program?
- a. Yes, the building must be income qualified either through qualification of other units or the owner being income qualified. The Owner must also agree to rent vacant, eligible dwelling units to a low or moderate rate tenant within 90 days. See Program Manual, Section 3.9: Rental Property Energy Efficiency Services Agreement for additional details.
52. Can natural gas furnaces/boilers still be replaced in EmPower+?
- a. Currently primary natural gas furnaces and boilers can be replaced if the existing natural gas furnace/boiler has an efficiency of 80% or less. There was no change to the incentive caps. Refer to the Eligible Measures List, Section 5.15 in the Program Manual, for additional details.
53. Does the customer need to be given a copy of the Test-Out form as a record of the Federal funds used?
- a. Yes, and customers should be provided with a copy of all documents that are signed as part of the EmPower+ Program.
54. Can the new forms be used on pre-IRA projects?
- a. Yes, pre-IRA projects can also use the new forms starting May 31. Existing forms will continue to be accepted for pre-IRA projects as well.
55. Does an Appliance Exchange Agreement need to be submitted for each assessment?
- a. No, it only needs to be submitted when recommending an appliance replacement. It is best practice to collect the information on all assessments. Should a customer's appliance fail after the project started or sometime after completion, the Program will reach out to the contractor for the information.