



Inflation Reduction Act HEAR EmPower+ Funding

Background

The Inflation Reduction Act (IRA) of 2022 represents the single largest investment in climate and energy in U.S. history, directing billions of dollars towards homeowners, renters, and businesses to lower the cost of clean energy technologies. Over the next decade, the IRA promises to grow New York's clean energy economy and reduce greenhouse gas emissions to meet the goals of the [Climate Act](#) ¹.

NYSERDA has been working with the Department of Energy on the launch of the first phase of IRA funding through the Home Electrification and Appliance Rebates (HEAR) Program, which is deployed through the EmPower+ program.

IRA HEAR Customer Eligibility:

Former customers will still need to fill out new applications and projects will be subject to cost effectiveness tests. Paper applications must be version LMI-EMP+-form-1-v5 2/24 or later to be eligible. It should be noted that the maximum lifetime project incentive for IRA HEAR is \$14,000, Program has implemented a 1 year look back period for EmPower+ applications approved February 1, 2025, or later.

Customers on Long Island will be eligible for both HEAR and certain EmPower+ funding such as OTDA, RGGI, and State Legislature funding as budgets allow. Per Program rules, customers cannot use HEAR and OTDA funds on the same project. Customers eligible for work through available PSEG or National Grid programs are required to apply through those programs first. If a customer is eligible for Low-to-Moderate Income programs from PSEG/National Grid, that funding is required to be deducted from the project amount.

Contractor Participation Requirements

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 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. Contractors with questions can reach out to support.residential@nyserda.ny.gov or call 1-800-284-9069.

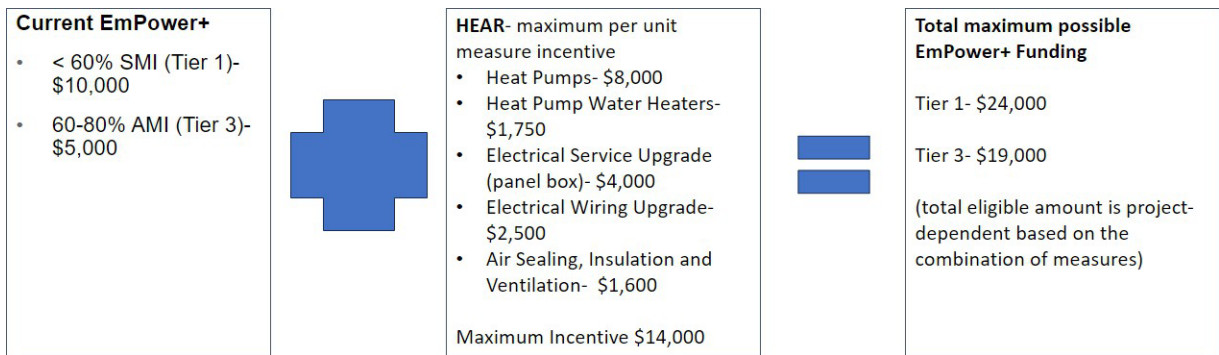
Incentives:

NYSERDA will be combining HEAR funding with current EmPower+ funding through the New York Home Energy Portal (NYHEP) system for a single program offering through EmPower+. The NYHEP system will calculate incentives for contractors using the funding prioritization rules found under Project Requirements below. To be eligible for IRA funding, if any of the following measures are being installed, they must replace a non-electric appliance and the dwelling cannot currently have or have previously had that same type of appliance:

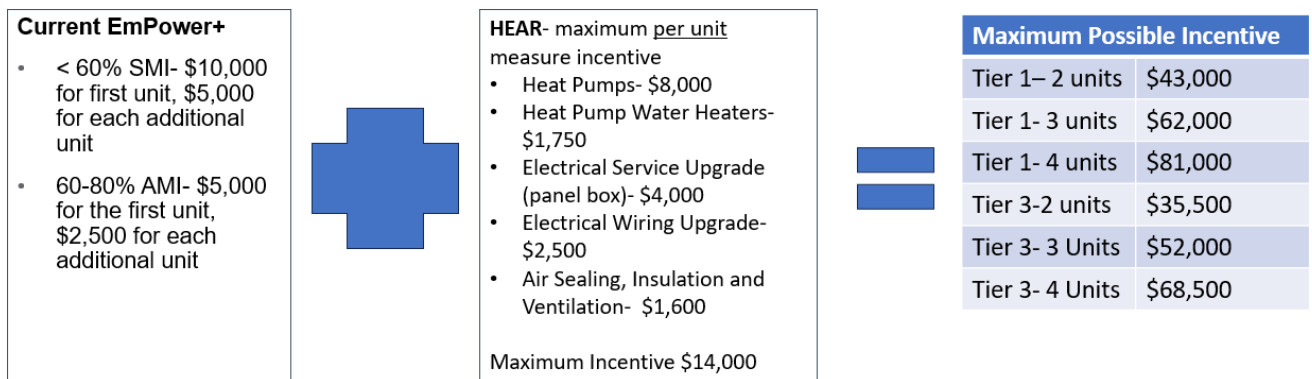
- Electric heat pump water heater
- Electric heat pump for space heating and cooling

Heat Pumps may replace existing electric resistance or electrical baseboard heating. A Heat Pump Water Heater may replace an electrical resistance water heater.

Single Family Project Caps



Multi-Family (2-4 Family) Project Caps





Contractor Incentives:

For projects receiving IRA funding, contractors who work on income qualified homes located in Disadvantaged Community (DAC) areas (as defined by the New York DAC map: [Disadvantaged Communities - NYSERDA](#)) are eligible for a \$200 incentive on a substantial project.

A substantial project must contain one of the following qualifying measures:

- Heat Pump
- Heat Pump Water Heater,
- Panel Box
- Electrical Upgrade,
- Air Sealing, Insulation, or Ventilation

In both DAC and non-DAC areas, Contractors are eligible to receive the following for IRA-funded projects:

- Substantial Project with one qualifying HEAR measure- \$150
- Substantial Project with two or more qualifying HEAR measures- \$300

Example: For a project located in a DAC, where the contractor installed a heat pump and a heat pump water heater, the contractor would be eligible for \$500.

DAC= \$200, 2 or more measures= \$300 Total Incentives= \$500

Project Requirements:

Measures must be installed in accordance with program rules and requirements as outlined in the [Program Manual](#).

Funding Prioritization:

NYSERDA will be prioritizing current available funding before using IRA HEAR funding on a project.

- If project has OTDA funding and is under \$20,000, no IRA HEAR funding will be allocated to it.
- For low-income customers, if the project is under \$10,000, no IRA HEAR funding will be allocated to it.
- For low-income customers, if a project is over \$10,000, the program applies IRA HEAR funding first for eligible measures, up to \$14,000, then will apply up to \$10,000 in other EmPower+ funding, such as CEF, RGGI, etc.
- For moderate-income customers, if a project is under \$5,000, no IRA HEAR



funding will be allocated to it.

- For moderate-income customers, if a project is over \$5,000, the program applies IRA HEAR funding first for eligible measures, up to \$14,000, then will apply up to \$5,000 for moderate income in other EmPower+ funding, such as CEF, RGGI, etc.

Projects with heat pumps cannot receive both EmPower+ and NY Clean Heat Funding. Participating Contractors must inform the program if **ANY** additional funding is being utilized on the project.

ENERGY STAR® Requirement

For HEAR funding, the following measures will be required to use ENERGY STAR Certified equipment: Heat Pumps, Heat Pump Water Heaters, insulation¹ and ventilation fans. A list of ENERGY STAR products can be found at <https://www.energystar.gov/products>.

¹ Insulation Measures need to be installed in accordance with Program rules.

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

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

HVAC Commissioning:

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.

Cost Itemization:

The Department of Energy requires that labor and materials costs are provided 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