

# Inflation Reduction Act (IRA) Home Energy Rebate Programs Frequently Asked Questions

The Maryland Energy Administration provides these FAQs as general guidance on the Inflation Reduction Act (IRA) Home Energy Rebate Programs. This information does not serve as professional advice or override official program requirements. For additional questions, contact the IRA Rebates team at irarebates.mea@maryland.gov.

#### What are the IRA Home Energy Rebate Programs?

The IRA established two rebate programs to support home energy efficiency and electrification projects. Together, these are known as the **IRA Home Energy Rebate Programs:** 

- The Home Efficiency Rebates Opportunity Program (HERO) for qualifying whole-home energy efficiency upgrades that reduce home energy use by at least 20%.
- The Home Electrification & Appliance Rebates Program (HEAR) for replacing fossil-fuel appliances (e.g., fuel oil, natural gas, etc.) with electric alternatives, along with some supporting upgrades.

#### What is electrification?

Electrification means replacing fossil fuel-powered systems and appliances with electric alternatives, such as switching from a gas furnace to an electric heat pump or replacing a gas water heater with an electric one. Electrification enhances home health and safety, increases energy efficiency, improves indoor and outdoor air quality, and reduces greenhouse gas emissions.

What is the status of these programs and when will they be available in Maryland? The U.S. Department of Energy (DOE) has conditionally approved Maryland's applications for both Home Energy Rebate Programs under the IRA. Additional approvals from DOE are still required before funding is received and the programs can officially launch. The Maryland Energy Administration is actively pursuing final approval and working to deliver these rebates to Marylanders as soon as possible.

The Maryland Energy Administration cannot confirm a program launch date at this time as the proposed programs must ultimately be approved by DOE.

#### How can I determine if I'm eligible for these programs?

The Maryland Energy Administration cannot confirm the details of program eligibility at this time as the proposed programs must ultimately be approved by DOE. However, the Maryland Energy Administration's plans for both programs are outlined in the materials below:

- 9/27/24 Public Comment Session
- 10/1/24 Public Comment Session
- Presentation PDF

#### Will these rebates be available for projects that have already been completed?

<u>HERO Program</u>: since states must establish programs that comply with the IRA in addition to their own requirements, it will be difficult to offer rebates for projects completed before program requirements are fully defined and programs are operational.

HEAR Program: The IRA does not allow HEAR rebates to be provided retroactively.

### I need a home energy upgrade now. What should I do?

The Maryland Energy Administration does not recommend that households wait to accomplish needed home energy upgrades. While the IRA Home Energy Rebates are not yet available, you may qualify for other federal, state, local, and utility-sponsored energy efficiency programs, depending on project specifics, including:

- <u>EmPOWER Maryland</u> residential efficiency incentives:
  - Potomac Edison service territory
  - Southern Maryland Electric Cooperative service territory
  - Baltimore Gas & Electric service territory
  - o Pepco service territory
  - Delmarva Power & Light (DPL) service territory
- Maryland Department of Housing & Community Development (DHCD) Energy Efficiency Programs:
  - EmPOWER Maryland Limited Income Energy Efficiency Program
  - Weatherization Assistance Program
  - Maryland Energy Assistance Program
  - Multifamily Energy Efficiency and Housing Affordability Program
  - BeSmart Energy Efficiency Loans for Homeowners
- Maryland Energy Administration Energy Efficiency Equity Grant Program: Contact an Energy Efficiency Equity grantee serving your geographic area to determine if you are eligible for grant-funded home energy efficiency upgrades. A list of service organizations and service territories is available here.
- <u>Federal Energy Efficiency Home Improvement Credit</u> (Note: The Maryland Energy Administration is unable to give tax advice. Please consult a tax professional for any tax-related questions.)
- <u>Maryland Clean Energy Advantage Loan Pilot Program</u> through the Maryland Clean Energy Center

## Can the HEAR Rebates be used to replace an electric appliance with a more efficient electric appliance?

The IRA prohibits HEAR rebates for the replacement of an electric appliance with another electric appliance (e.g., like-to-like/electric-to-electric replacements). DOE requires that all appliance replacements rebated under this program are fossil fuel to electric conversions.

#### How can I stay updated on these programs?

For the latest information, visit the <u>IRA Home Energy Rebates</u> webpage.