



Inflation Reduction Act Home Electrification Rebates

The Inflation Reduction Act passed by Democrats in Congress includes rebates for home energy efficiency and electrification projects. This legislation provides point-of-sale discounts to low- and moderate-income households across America to electrify their homes. When households make qualifying electrification purchases, they will receive these rebates as immediate, off-the-top discounts. The California Energy Commission will implement each rebate in the upcoming months, and will provide clarity on final rebate amounts, eligibility, and timelines for California.

Rebates

High-Efficiency Electric Home Rebate (Up to \$14,000)

[California Energy Commission](#) will administer the program, which provides rebates on ENERGY STAR-certified appliances and other home electrification projects. It may take 1-2 years to get the program up and running in California.

Please note that homeowners can only receive a rebate from either the HEEHRA or the HOMES program (additional information below)—not both. However, it is expected that homeowners will be eligible, pending DOE guidance, to combine both a rebate from either of these two rebate programs with an energy efficiency tax credit at the same time.

ELIGIBILITY

- Qualifying Households:
 - Low-income households (<80% of their Area Median Income (AMI): 100% rebate of the purchase and installation costs for qualified electrification projects.
 - Moderate-income households (80-150% of their Area Median Income): 50% rebate of the cost of home electrification projects.
- Incentives apply to equipment installed on January 1, 2023 or later. The maximum allowable rebate amount for qualifying upgrades is \$14,000 and includes:
 - Heat Pump Air Conditioner/Heater (Up to \$8,000)
 - Heat pumps both heat and cool your house, so it replaces both your traditional air conditioner and home heating system (such as a furnace or boiler).
 - Heat Pump Water Heater (Up to \$1,750)
 - Heat pump water heaters use electricity to move heat from one space to another instead of generating the heat directly.

- Electric/Induction Stove, Range, or Oven (Up to \$840)
 - There are two types of electric stoves: traditional electric resistance stoves and modern induction stoves. An electric stove sends electricity into a resistive coil that radiates heat to your pan. Induction cooking is performed on an electric stove using energy transferred through a magnetic field directly to the cooking pan.
- Heat Pump Clothes Dryer (Up to \$840)
 - Heat pump clothes dryers send air through an evaporator that will remove moisture, rather than releasing humid air through a traditional dryer vent.
- Upgraded Electric Panels (Up to \$4,000)
 - Inefficient or outdated electric panels cannot supply power to new appliances when existing circuits cannot handle the additional load. Upgrading electric panels, especially in older homes, would greatly reduce the risk of electrical fires due to an overload and allow for the system to work more efficiently.
- Upgraded Electric Wiring (Up to \$2,500)
 - Electric wiring upgrades with higher voltage outlets is often required for electric appliances, such as EV chargers, induction stoves, and most heat pumps.
- Weatherization (Up to \$1,600)
 - Weatherization of your home includes air sealing, ventilation, and insulation upgrades to make your home more energy-efficient.

Homeowner Managing Energy Savings Rebate (Up to \$8,000, Rollout Timing TBD)

The Inflation Reduction Act will allocate \$292 million to help Californian families undertake comprehensive energy-efficient home improvement projects through the Home Owner Managing Energy Savings (HOMES) rebate program. These rebates will benefit households that have undergone energy efficiency retrofits with modeled or verifiable minimum energy use reductions. The California Energy Commission will provide additional guidance on the HOMES rebate program in the coming months.

Homeowners can only receive a rebate from only one rebate program, not both. However, it is expected that homeowners will be eligible to combine both a rebate from either of these two rebate programs with an energy efficiency tax credit at the same time.

ELIGIBILITY

The HOME rebates program is not income restricted but is rather based on the modeled or measured energy savings from your energy efficiency upgrades. Qualifying Households energy-saving incentive tiers are as follows:

- Upgrades with modeled energy system savings of 35% or more: the lesser of \$4,000 or 50% of project costs.
- Upgrades with modeled energy system savings of 20-34%: the lesser of \$2,000 or 50% of project costs.
- Upgrades with measured energy savings of 15% or more: the lesser of \$100 per percent of energy saved or 50% of project cost.

Incentives for low-income households (less than 80% of Area Median Income) are doubled, or up to 80% of project costs.