

Inflation Reduction Act - HOMES and HEAR Rebate Considerations for Contractors – April 2025

- 1. Is this a whole-home project? Does it include high-efficiency gas equipment?** If so, this is a HOMES project. The rebate will be based on either measured or modeled savings of the whole home. If you work with an aggregator, both you and the customer receive the rebate up front.
- 2. Does a heat pump or electric appliance make sense for this customer? If so, do they meet the income requirements (<150% AMI)?** If the customer meets the income eligibility, a HEAR project for electric appliances will likely be most beneficial; the rebate will be a fixed amount, based on the appliance(s).
 - a. If the customer does not meet the income requirements, consider incorporating the electric appliances into a HOMES whole-home project. States may choose to require envelope upgrades before HVAC upgrades in HOMES projects (state-level decisions TBD).
- 3. Home Assessments:** All HOMES projects must include a home assessment with specific data requirements, including assessment of existing insulation and heating and cooling systems. HEAR heat pump space heating projects require a limited home assessment/sizing analysis.

Household Income May Change the Rebate Value or Cap:

- Market rate customers are capped at 50% of project costs; low-income customers can receive up to 80-100% of project costs, and HOMES rebate values double.
- See rebate table below.

- 4. Income Verification:** HEAR projects require income verification (<80% AMI or <150% AMI), and HOMES projects seeking higher rebates also require verification (<80% AMI). The state will typically provide a direct interface to the customer to verify their income, so you don't have to. However, you may need to explain the income eligibility guidelines during initial consults to inform homeowners whether they qualify. Formal verification of income eligibility may occur after you perform the initial home assessment, depending on the state.

- 5. Qualified Contractor List:** You will need to apply to the state's qualified contractor list for all HOMES projects and all HVAC, air sealing, electrical wiring, and electrical load service center projects under HEAR. Eligibility for the list may include requirements for home performance industry credentials, training requirements, business insurance and licensure, skills standards, and labor standards, but specifics will vary by state. If you have suggestions for state qualification requirements, please [contact AnnDyl](#) to share ideas.
- 6. Installation standards:** States must establish quality installation standards for all projects, to include ensuring work complies with: local and state laws, permits, codes, and industry standards. States will require specific data submission via software platforms (see below) to verify installs, including photos, HVAC commissioning testing, and combustion safety testing. If you have suggestions for state installation standards, please [contact AnnDyl](#) to share ideas.

7. Software Requirements:

- **Home Assessments:** DOE is developing a list of approved software; Snugg Pro and Optimiser are the first software approved for BPI-2400 model compliance. Software must meet Data Guidelines and HPXML/BuildingSync transfer format from DOE (all projects).
- **Installation Data:** PNNL Quality Installation Tool or other installation data interface (to be determined by states) for upload of installation data/photos.

For HOMES projects: Are you working with an aggregator?

Aggregators can provide software tools to contractors to access rebates and provide the rebate up-front (no waiting for rebate payments from the state).

Homes with the highest energy usage (e.g. leaky or poorly insulated) will benefit the most from the measured rebates.









- 8. Installation Incentives:** Contractors will receive a \$200 incentive for each project in an identified Disadvantaged Community, or up to \$500 for HEAR projects (see chart below), subject to specific state incentive levels.
- 9. Post-Installation Quality Assurance (On-Site or Virtual):** Contractors performing HOMES projects and HEAR heat pump projects will receive independent post-installation inspection on the first 5 projects, and then 5% of all projects. Contractors performing QA inspections must meet certain training and credential requirements.
- 10. Home Certificates:** All HOMES projects will receive a home certificate documenting the work performed and the projected energy savings; this certificate may be issued by the contractor, the auditor, or the state implementer (depending on the state).
- 11. Special Circumstances:** Installations for landlords will trigger additional tenant protection requirements, and projects utilizing financing trigger additional disclosure/repayment analysis requirements.
- 12. Rebate payments:** States must issue payments to contractors within 4 weeks of final submission (HOMES Modeled and HEAR). Aggregators will typically pay rebates up-front (HOMES Measured; aggregators reimbursed within 60 days of final submission).

Rebate Maximum Values		Market rate	Income < 150% AMI	Income < 80% AMI
HOMES Modeled	>20% savings		\$2,000 50% of project costs	\$4,000 80% of project costs*
	>35% savings		\$4,000 50% of project costs	\$8,000 80% of project costs*
HOMES Measured	>15% savings		\$2,000 for each 20% average savings 50% of project costs	\$4,000 for each 20% average savings 80% of project costs*
HEAR (Electrification)		Not Available	Set amounts per appliance, up to \$14,000, 50% of project costs	Set amounts per appliance, up to \$14,000, 100% of project costs

Lesser of \$ value and % of project cost

*States may increase \$ value and up to 100% of project costs

HEAR Rebate Values

Appliance/Product	Rebate Amount (Maximum)	Contractor Incentive (Maximum)
 Installation of one or more Heat Pumps for space heating and cooling	\$8,000	\$300 (ducted) \$200 (non-ducted)
 Installation of one or more Heat Pump Water Heaters	\$1,750	\$150
 Installation of Electric Wiring (per dwelling unit)	\$2,500	\$250
 Installation of one or more Electric Load Service Center (Breaker Box)	\$4,000	\$150
 Insulation, Air Sealing, and Ventilation	\$1,600	\$250
 Installation of one Electric Stove, Cooktop, Range, or Oven	\$840	\$0
 Installation of one Heat Pump Clothes Dryer	\$840	\$0
 Installation Located within a Disadvantaged Community (excludes electric stove and electric heat pump dryer installation)	-	\$200

Rebates Fact Sheet



Tax Credits Fact Sheet



Stacking/Braiding Fact Sheet

