



NY - GEO 2024
APRIL 8-9 | ALBANY NY



Catching Up on IRA Implementation

Moderator: Zeyneb Magavi / [HEET](#)

Panel: Ryan Dougherty / [GeoExchange Organization](#)

Jacob Goldman / [Energy Tax Savers](#)

John Thomas / [WaterFurnace International](#)

Laura Geel / [NYSERDA](#)

POLICY & PROGRAMS - 11:00 AM

GEO Exchange Organization

Ryan Dougherty, President



GEOEXCHANGE

INFLATION REDUCTION ACT (IRA)

JACOB GOLDMAN, VP, ENERGY TAX SAVERS, INC.

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- **Apprenticeship Rules**



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Subject : "Please send the slides"

Victory Lap

- **Old 10% credit is now potentially 30% or 40% or 50%**
- **Section 6417 “Elective Pay”**
 - **State & Local Governments, Not For Profits, Tribal...**
 - **Pre-filing Platform is open for business**
 - **Form 3468 is ready for filing**
- **Section 6418 “Transferability”**
- **Dual Use Property “50% Cliff” – Distribution Equipment is Credit Eligible**
- **Fiscal Year Hangover is solved**
 - **State & Local governments with Fiscal Years can qualify 1/1/23-6/30/23 projects**

The Work of Winning Still Under Construction

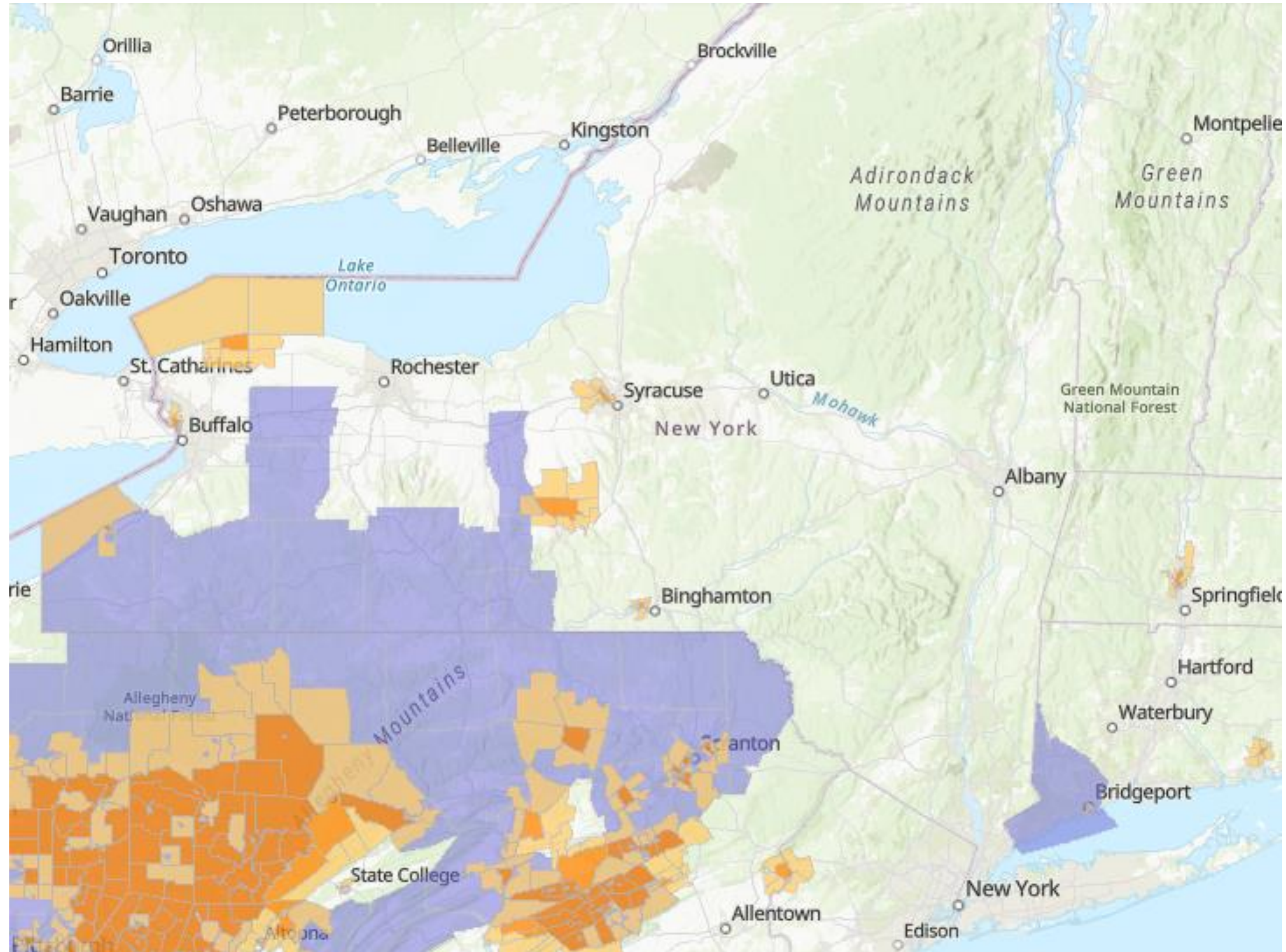
- **IRS is not infallible they are interpreting the Law**
 - **Our Comments to Proposed Regs could change the Final Regs**
 - **We could Lobby Congress and Congress could pass new laws**
 - **A Taxpayer can take a reasonable position contrary to the Regs and it could be settled in Audit, Appeals or Tax Court**
 - **Most Tax Law comes from precedents set by Tax Court Cases**
- **Some of the Unresolved Items**
 - **Dual Ownership**
 - **Third Party Ownership of the Ground Loop**
 - **80/20 Rule**
 - **Repairs, Alterations & Additions**
 - **Domestic Content Rules**
 - **Domestic Hot Water**

Energy Community Update

(IRS Notices 2023-29, 2023-45, 2023-47, 2024-30)

- New Energy Communities Added
 - Current Map does not include these recently added Energy Communities
 - <https://www.irs.gov/pub/irs-drop/n-24-30-appendix-2.pdf>
 - For NY State – Broome & Tioga Counties added
- Eligible Communities updated Every May
 - Based on Start of Construction
 - Start your projects in April if you are in a “Purple” Area
 - Official IRS Site:
 - <https://arcgis.netl.doe.gov/portal/apps/experiencebuilder/experience/?id=a2ce47d4721a477a8701bd0e08495e1d>

Map of Energy Communities



<https://arcgis.netl.doe.gov/portal/apps/experiencebuilder/experience/?id=a2ce47d4721a477a8701bd0e08495e1d>

Prevailing Wage Requirement(REG-100908-23)

- **Prevailing wages can be found at www.sam.gov**
- **Wage Determination for Unlisted Categories, IRAPrevailingwage@dol.gov**
 - the type of facility,
 - facility location,
 - proposed labor classifications,
 - proposed prevailing wage rates,
 - job descriptions and duties, and
 - any rationale for the proposed classifications
- **Records required (Taxpayer's employees, contractors and subcontractors)**
 - identifying the applicable wage determination,
 - the laborers and mechanics who performed construction work on the facility,
 - the classifications of work they performed,
 - Apprentice/Journeyworker
 - Hours worked in each classification,
 - And the wage rates paid for the work and fringe benefits.

Apprenticeship Requirement (REG-100908-23)

Projects Started:	Apprentices make up:
Before 1/29/2023	Exempt from Requirement
In 2023 1/29/23 and later	12.5% of Total Labor Hours
After 12/31/2023	15% of Total Labor Hours

- If a Contractor has 4 or more workers, at least 1 is required to be an Apprentice
- Apprentice-to-Journeyworker ratio must be met DAILY
- Apprentice must be part of a [registered apprenticeship program](#) (3131(e)(3)(B))
- Good Faith Effort Exception
 - The taxpayer requests qualified apprentices from a registered apprenticeship program in accordance with usual and customary business practices for registered apprenticeship programs in a particular industry.
 - The taxpayer must maintain sufficient books and records establishing the taxpayer's request of qualified apprentices from a registered apprenticeship program and the program's denial of such request or non-response to such request
 - Must try every 120 days

Requirements for Requesting an Apprentice (REG-100908-23)

- The Registered Apprenticeship Program(RAP) must have a usual and customary business practice of entering into agreements with employers for the placement of apprentices in the occupation for which they are training
- The request to the RAP must include:
 - Dates of employment,
 - Occupation or classification needed,
 - Location and type of work to be performed,
 - Number of apprentices needed,
 - Number of hours the apprentices will work, and the name
 - Contact information of the person requesting the apprentices.
 - The following statement:
 - *“This request for apprentices is made with an intent to employ apprentices in the occupation for which they are being trained and in accordance with the requirements and standards of the registered apprenticeship program”*
- Request cannot have been denied because of a refusal of the taxpayer or any contractor or subcontractor to comply with the requirements and standards of the RAP

Energy Tax Savers, Inc.



Recorded Webinar

<https://www.youtube.com/watch?v=BQJqiq6Nyll>

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WaterFurnace Perspective

John Thomas , President & CEO

WaterFurnace®

Smarter from the Ground Up™





Inflation Reduction Act (IRA): Home Energy Rebate Programs In New York State

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April 9, 2024



NYSERDA

What are the Home Energy Rebate Programs?

The Inflation Reduction Act of 2022 includes **two provisions** for rebates for home energy efficiency and electrification projects. These two provisions are:



Section 50121:

Home Energy Performance-Based, Whole House Rebates (Referred to as **Home Efficiency Rebates, or HER**)

Total: \$159.3 million



Section 50122:

High-Efficiency Electric Home Rebate Program (Referred to as **Home Electrification and Appliance Rebates, or HEAR**)

Total: \$158.4 million

Together, these provisions are referred to as the **Home Energy Rebates**. New York State will receive a **total of \$317.7M** for the Home Energy Rebates, for a budget period no later than September 30, 2031.

Which Households Qualify for the Performance-based Home Efficiency Rebate (**HER**) Program?



Rebates are available to households of any income.

Single-family homes and multifamily buildings are eligible.

Rebates are available to individuals and aggregators carrying out energy efficiency upgrades of single-family homes and multifamily buildings.

New construction projects are not eligible.

States may choose to restrict program eligibility to a narrower set of households, existing conditions, and/or technologies than those articulated in the law.

HER Rebate Amount



Energy Savings (whole house)	Income >80% AMI		Income <80% AMI	
20-34% Modeled	\$2,000/ unit (max \$200,000 for MF)	Up to 50% of total project cost	\$4,000/unit	Up to 80% of total project cost
35%+ Modeled	\$4,000/unit (max \$400,000 for MF)		\$8,000/unit	
----- OR -----				
15%+ Measured	Per kWh rate equivalent to \$2,000/unit for a 20% reduction of energy use for average home in the state	Up to 50% of total project cost	Per kWh rate equivalent to \$4,000/unit for a 20% reduction of energy use for average home in the state	Up to 80% of total project cost

Multifamily buildings require “not less than 50%” of households to meet the eligible income level to qualify

Which Households Qualify for Home Electrification and Appliance (**HEAR**) Rebates?



The law specifies that HEAR is available to:

- > Low- or moderate-income households, defined as **less than 150% Area Median Income (AMI)**
- > Individuals or entities that own a **multifamily building with low- or moderate-income households comprising at least 50% of the households**, and
- > Governmental, commercial, or nonprofit **entities implementing projects for low- or moderate-income households** or multifamily owners.
- > HEAR may cover up to **100% of a total qualified electrification project's** cost for households with a total annual income less than 80% AMI
- > States may decide if new construction projects are eligible
- > States may choose to restrict program eligibility to a narrower set of households, existing conditions, and/or technologies than is articulated in the law but may not further restrict income eligibility rules.

HEAR Eligible Measures and Rebate Amounts



Measure Type	Rebate Amount Per Housing Unit	80-150% AMI	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 50% of total project cost	Up to 100% of total project cost
Heat Pump	\$8,000		
Electric Cooking Appliance	\$840		
Heat Pump Clothes Dryer	\$840		
Electrical Service Upgrade	\$4,000		
Electrical Wiring Upgrade	\$2,500		
Insulation, Air Sealing, Ventilation	\$1,600		
Maximum per home	\$14,000		
Multifamily buildings require “not less than 50%” of households to meet the eligible income level to qualify			
Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”			
Appliances, systems, equipment, infrastructure, and components must be ENERGY STAR certified if applicable			

Partial-scope Application for Federal Funds Low-Income, 1-4 Family Home



On December 28, 2023, NYSERDA submitted its initial application to the U.S. Department of Energy (DOE) for the first phase of deployment of the Inflation Reduction Act Home Energy Rebate programs funding.

Although this is the first step in a multi-step process, NYSERDA is excited by the opportunity to pursue this critical federal funding and looks forward to building home energy programs based on valuable stakeholder feedback so that all New York State residents benefit.



With support from DOE, NYSERDA delivered an accelerated partial-scope application for HEAR to expedite making rebates available to low-income communities as soon as possible.

NYSERDA is proposing to use the EmPower+ program as a vehicle for this first phase of funding. A full application is continuing to be developed for approval by DOE later this year covering the full spectrum of HER and HEAR Programs.

Fast Track Application Strategy – Partial Deployment of HEAR Rebates in Phase 1



Partial-scope application submitted December 2023 and implementation blueprint planned for Q1 2024, for EmPower+ for the following Measures and Income Levels:

Measure Type	Rebate Max	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 100% of total project cost
Heat Pump	\$8,000	
Electrical Service Upgrade	\$4,000	
Electrical Wiring Upgrade	\$2,500	
Insulation, Air Sealing, Ventilation	\$1,600	
Maximum per home	\$14,000	
Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”		

Full-Scope application to be submitted in first half of 2024

Timeline for Phased Roll Out

Spring/Summer '23

- Systems Planning
- RFI response submitted to DOE
- **Stakeholder engagements and cross-state collaboration**

Fall/Winter '23

- NYSERDA secured early Admin funding from DOE
- Rules review and clarification with DOE
- **Stakeholder engagement on HEAR/HER rules & considerations**
- Partial-scope application for HEAR for EmPower+ submitted to DOE to expedite New Yorkers' access to rebates and benefits

Q1 2024

- DOE review of partial-scope application
- **Stakeholder engagement** on strategy and program design for “shovel-ready” elements of Rebate programs and well as planning for forthcoming offerings.
- Implementation planning for partial-scope HEAR roll out through EmPower+

Q2-Q4 2024*

- DOE approval of partial-scope application and release of funding
- **Stakeholder engagement and working groups** to shape forthcoming offerings and drive continuous improvement of active programs.
- Contractor **training** & customer **outreach**
- Launch of partial-scope HEAR for EmPower+
- Apply for and deliver a **phased roll-out** of full range of Home Energy Rebate funding for all eligible customer segments

* estimated

DOE Application Requirements & Considerations

States are required to submit an application followed by an implementation "blueprint" that collectively address all of the following elements. States may rely on existing programs and infrastructure to meet these requirements.

Application Elements

- > Budget Allocations
- > Program Design Narrative
- > Program Metrics

Implementation Blueprint

Required to be submitted at least 60 days prior to Program Launch

- > Community Benefits Plans
- > Education and Outreach Plan
- > Consumer Protection Plan
- > Utility Data Access Plan
- > Privacy and Security Risk Assessment

Market Transformation Plan

Required to be submitted within 1 year of application approval

Additional Program Design Considerations

- > Customer Application Processes
- > Data Collection and Evaluation
- > Data Protection and Data Standards
- > Delivering Rebates to Consumers
- > Energy Savings Calculations
- > Home Energy Assessments
- > Integrating with Other Programs
- > Income Level Considerations
- > Maximizing Rebate Impact
- > Multifamily Considerations
- > Point of Sale Retail Considerations
- > Post Installation Certificate
- > Single Family Considerations
- > Qualified Measures

Questions?



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