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SOUTHERN NEW ENGLAND ENERGY CONFERENCE · CLOSING LUNCHEON

IRA Rebate Program Changes

HOMES & HEEHR Update for Heating Fuel and Home Comfort Businesses

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I. WHO WE ARE

NEFI: A National Voice for Delivered Fuels

The National Energy & Fuels Institute (NEFI) is a national trade association advocating for delivered-fuel and home-comfort businesses in Washington, DC and in support of our association partners at the regional, state and local level.

Energy choice first

Protecting consumers' ability to access the fuels that work best for their homes, climates, and family budgets.

Federal advocacy

Fighting fuel bans and electrification mandates and defending heating fuel dealers and HVAC services businesses before Congress and the agencies.

Partnership

Supporting allied national, state and local associations' efforts on policies that affect your ability to remain viable and competitive in today's market.

Serving America's Delivered Fuel and Home Comfort Businesses

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IRA Home Energy Rebates: $8.8 Billion

New Rules Now in Effect

Aug 2022	2023-24	2024-26	Late May 2026	Sept. 1, 2026
IRA signed into law	Original DOE guidance to states issued by Biden Administration	States begin launching programs	Revised Program Rules Announced by Trump Admin.	State rebate programs must fully comply with new rules.

HOMES Rebate Program — $4.3B

Rewards whole-home energy-saving retrofits, paying more as a home saves more energy. Fuel-neutral by statute.

IRA § 50121 / 42 U.S. Code § 18795

HEEHR Rebate Program — $4.5B

Created to help low- and moderate-income households buy electric appliances and make supporting upgrades.

IRA § 50122 / 42 U.S. Code § 18795a

NO DOUBLE-DIPPING ON THE SAME MEASURE. HOMES and HEEHR may be combined within a larger project only if they fund different upgrades. Under new rules, HEEHR-funded measures cannot be counted toward HOMES energy-savings thresholds.

Inflation Reduction Act, signed August 16, 2022. Funds are available only through September 30, 2031, or until depleted. Anything unspent at that point lapses to the Treasury.

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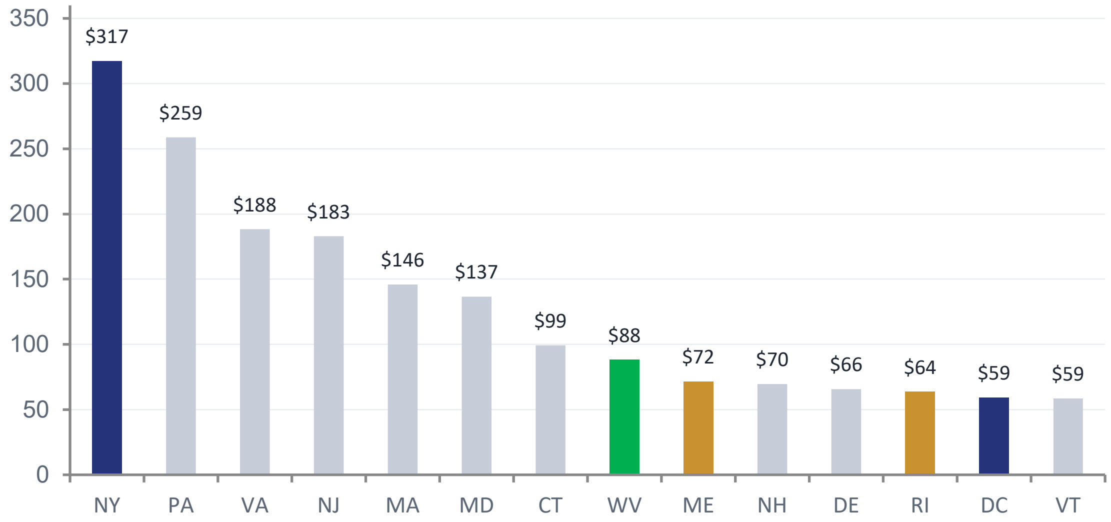
Where the Money Went: Northeast & Mid-Atlantic



HOMES + HEEHR combined ($ millions). *Every state's total splits roughly 50/50 between the two programs. Bar colour shows program status: navy = both open, gold = HEEHR open, green = HOMES open, grey = DOE-approved but not yet open.*

$1.81B

Combined regional share
(13 states + DC, HOMES + HEEHR combined)

Fully obligated. In a meeting with DOE last year, officials from DOGE confirmed that these funds could not be clawed back in the 2025 reconciliation law (One Big Beautiful Bill Act). The programs survived, and NEFI and its coalition allies focused efforts on how these programs are deployed and administered.

NOTE: Part of $8.8 billion nationally; this region holds 20.5%. The 13 states and DC shown here received $1,808,224,620. Nationally DOE funds HOMES at $4.3B and HEEHR at $4.5B, of which $225M is set aside for Indian Tribes and $4.275B flows to states and territories, so HOMES receives marginally more than HEEHR at the state level. Program status as of September 15, 2026, per NASEO tracking. Outside the region? Reach out for your state's number.

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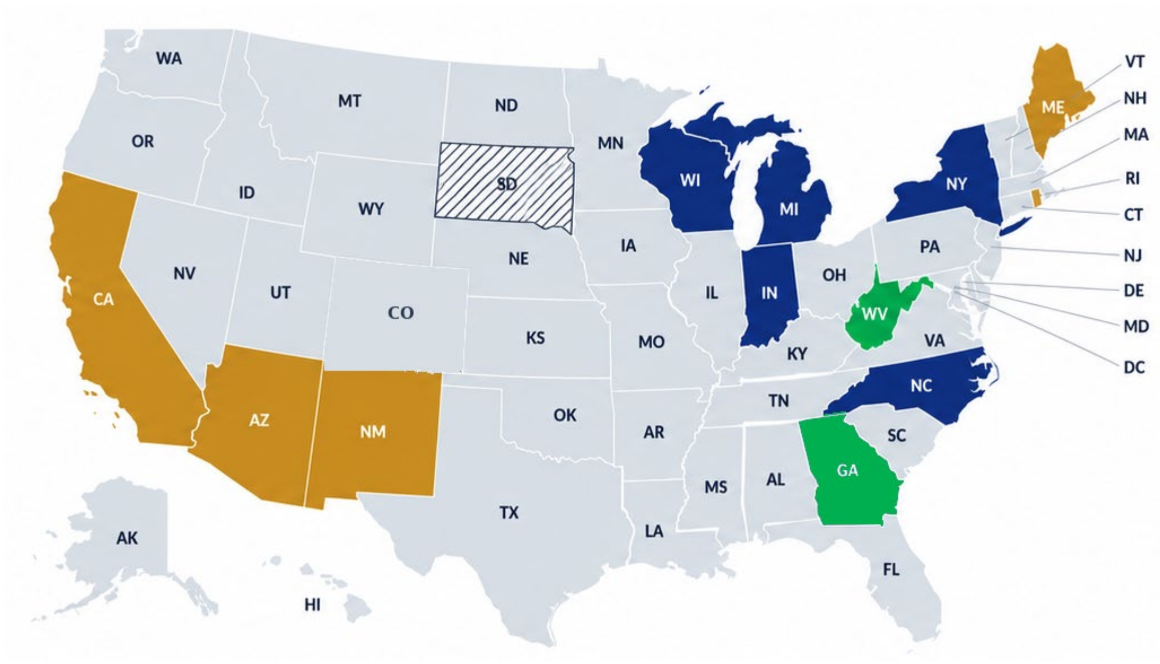
State-by-State: Where Programs Stand Today



- Both programs 5 states + DC
- HEEHR only 5 states
- HOMES only 2 states
- Approved, not yet open 37 states
- Declined to participate 1 state

HOMES is the laggard. The fuel-neutral program our members can actually use is open in only eight places, and on its own in just two states.

Source/notes: NASEO Home Energy Rebates tracker and state energy office sources; status as of September 15, 2026. “Open” does not necessarily mean statewide or available to all households; eligibility may vary by income, geography, housing type, or program phase. Georgia has paused HEEHR submissions while its HOMES program remains open. Colorado launched but closed single-family HEEHR to new applications after August 1, 2026, and is counted here as not open. California’s single-family rebates have been fully reserved since February 2026. West Virginia HOMES is a waitlisted pilot in southern counties. Idaho is shown as approved but its legislature declined to appropriate the award. Five U.S. territories are not shown.

The Funding Outlook Through 2031

September 30, 2031

Both programs' funds are available only through that date. For HOMES, the retrofit must be COMPLETED by then, not merely started.

Unused funds can be redistributed

If a state declines or never applies for its allocation, the statute directs DOE to redistribute those funds to states operating that same program.

Funding cannot be rescinded

NEFI confirmed with DOGE in 2025 that funding for these programs were obligated under the previous administration and can't be clawed back.

The rules can still change

An administration can rewrite the guidance, as DOE just did. Existing grant terms also let DOE halt or discontinue funding to a state that fails to make progress toward program goals.

The money itself is durable through September 30, 2031. The rules governing how it may be spent are not.

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HEEHR Program: What It Offers and Who Qualifies

Statutory rebate amounts and income limits are unchanged. The important changes are what projects qualify and how states implement them.

Who qualifies

Household income by Area Median Income (AMI)	Rebate covers
Below 80% AMI	100% of cost, up to $14,000
80% to 150% AMI	50% of cost, up to $14,000
Above 150% AMI	Not eligible

Minimum requirements

- Electric equipment must meet ENERGY STAR where applicable
- Household income at or below 150% AMI
- Up to $14,000 total per household

What is covered

Eligible electric equipment	Max rebate
Heat pump (space heating & cooling)	$8,000
Heat pump water heater	$1,750
Heat pump clothes dryer	$840
Electric stove, cooktop, range, oven	$840
Electrical panel / load center	$4,000
Electrical wiring	$2,500
Insulation, air sealing, ventilation	$1,600

Per IRA Section 50122 (42 U.S.C. 18795a). Amounts set by statute and unchanged by the 2026 notices.

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New HEEHR Guidance: What It Means

New Trump Administration DOE Rules for IRA-Funded State Rebate Programs "Change the Game"

Fuel-switching rebates prohibited

Electric appliance rebates (HEEHR) **may not** pay to replace an existing non-electric HVAC system or appliance with electric equipment.

Existing system must stay in place to qualify

A heat pump may be installed in a home with a liquid or gas heating system, even as a secondary heat source, only if the existing system remains in place and is not decommissioned. The heat pump may be either the primary or secondary heat source.

Dual-fuel permitted

A qualifying dual-fuel system may receive a rebate, but only the electric unit and related components may be rebated.

Weatherization is prioritized

States set DOE-approved insulation and air-sealing thresholds. Emergency heat-pump replacements may proceed before the assessment and necessary envelope work.

COMPLIANCE

Rules Now In Effect

All new reservations after August 31, 2026 must comply. Projects reserved on or before that date may still be completed and paid.

What it means

A customer may keep an existing oil, propane, or natural gas heating system and add a qualifying electric heat pump. The IRA rebate cannot pay to remove and replace that fuel system.

Program Notice 26-2, Section 3.3, effective May 29, 2026. Reservation deadline and emergency-replacement treatment per DOE Home Energy Rebates FAQ, updated August 2026.

HOMES Program: What It Offers and Who Qualifies

***Note:** While other program details may vary, these requirements are established by federal law and may not be changed by the states.*

Rebates scale with whole-home energy savings, and double for low-income households. All income levels are eligible.

Modeled energy savings	Low-income (below 80% AMI)	Market-rate (80% AMI and up)
20% to 34%	80% of cost, up to $4,000	50% of cost, up to $2,000
35% or more	80% of cost, up to $8,000	50% of cost, up to $4,000

Minimum requirements

At least 20% modeled, or 15% measured, whole-home energy savings. Existing homes only, not new construction.

Multifamily Buildings

Building caps of $200,000 (20-34%) and $400,000 (35%+). A building qualifies as low-income if at least 50% of units are below 80% AMI.

Per IRA Section 50121 (42 U.S.C. 18795) and DOE program guidance. Rebates double for households below 80% AMI.

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New HOMES Guidance: What It Means

New Trump Administration DOE Rules make some changes to the IRA funded whole home efficiency rebate programs.

ENERGY STAR now optional

ENERGY STAR is no longer a federal eligibility requirement under HOMES. It remains required under the electric appliance rebate program (HEEHR) where applicable.

"Technology-neutral" at the federal level

DOE confirms HOMES is a whole-home energy upgrade program that is not technology specific, and that Program Notice 26-1 does not change equipment eligibility. Savings decide, not fuel.

State discretion remains

However, DOE says states may narrow HOMES eligibility by household type, existing condition, fuel, or technology, provided projects continue to meet program requirements and energy-savings thresholds.

Important note

Greater flexibility is offered to contractors in determining how best to reduce energy use, and federal rules no longer screen out delivered fuels. But that does not guarantee every state will rebate every technology.

Note: Projects must still meet the minimum energy-savings threshold and include a "major upgrade."

Program Notice 26-1, Section 3.3 ("Expanding Consumer Choice"); DOE Home Energy Rebates FAQ 3.1.2.A and 3.1.2.C, August 2026.

What DOE Has Now Confirmed

DOE's August 2026 FAQ resolves several implementation questions left open by the May Program Notices.

Heat pump + retained fuel system	**YES.** An existing fossil-fuel HVAC system may remain in place while a heat pump is installed, and the heat pump need not become the primary heating source.
Emergency heat-pump replacement	**ALLOWED.** HVAC may be replaced first; the insulation assessment and necessary envelope work may follow.
Weatherization threshold	**STATE-SPECIFIC.** Each state establishes its insulation and air-sealing threshold, subject to DOE review and approval.
HOMES + HEEHR stacking	**PERMITTED FOR DIFFERENT MEASURES.** Rebates may be combined for a project but cannot pay for the same upgrade; HEEHR measures cannot count toward HOMES savings thresholds.

DOE says additional FAQs are expected on a monthly or quarterly basis.

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What the New Rules Do, and Do Not Do

What the new rules DO

- Ends HEEHR rebates for replacing a non-electric HVAC system or appliance with an electric one
- Confirms a retained fossil-fuel system may coexist with a rebated heat pump
- Restores technology neutral federal guidance for the HOMES program
- Makes the revised rules applicable to new reservations after August 31

What it does NOT change

- HOMES may still fund electrification when the project meets energy-savings requirements
- States may still restrict which HOMES technologies qualify
- State and utility electrification incentives are unaffected
- The federal §25C home-improvement tax credit is no longer available for 2026 installations

The federal win is real, but the larger electrification push continues with state and ratepayer money.

What to Watch for Next

State implementation

New reservations must comply with the revised federal rules, but states retain significant discretion, particularly under HOMES.

More DOE guidance expected

DOE says it plans to issue new FAQ answers monthly or quarterly as implementation questions arise. DOE treats these answers as governing program implementation, so further rounds could adjust how the programs run.

Need to Closely Monitor

State HOMES choices

Which fuels and technologies will each state actually rebate?

HEEHR envelope standards

What insulation and air-sealing threshold will each state adopt?

Further federal action

Watch for additional DOE FAQs, enforcement decisions, legal challenges, and what the next Congress might do.

Senate letter led by Sen. Heinrich, Ranking Member, Energy and Natural Resources Committee, June 8, 2026.

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Donate to Advocacy Fund

Thank you!

Home Comfort PAC

NEFI will continue tracking DOE guidance and state implementation of the HOMES and HEEHR programs and working with our national, regional, and state partners to protect consumer energy choice.

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