#### METHOW VALLEY CLIMATE ACTION PLAN

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# A Toolkit for Electrifying your Home - FAQ

## Why should I electrify my home?

- 1. **Using electric appliances is cheaper than fossil fuel powered ones**, and the IRA incentives bring down the upfront costs of electric appliances. Households can save on average \$1,800 a year by going electric.
- 2. **Going electric improves your home health and safety**. Burning natural gas in the home can be a factor in causing childhood asthma.
- 3. 42 percent of energy-related emissions come from our homes and vehicles. **Going electric is a way that** individuals can help build a resilient, climate-safe future. (1)

#### What is the Inflation Reduction Act?

The IRA is the largest clean energy investment America has ever made and offers discounts and rebates to encourage the transition to clean electrical based services in the home, business, and transportation. The IRA provides; federal rebates, market incentives, and tax credits to help American households improve energy efficiency and reduce emissions through a broad range of programs centered on electrification.

## What products does the IRA cover?

Heat pumps, heat pump water heaters, electric stoves, electric ovens, and electric heat pump clothes dryers, solar energy and electric vehicles and battery storage are all eligible for rebates. Certain electrical upgrades and wiring projects also qualify for rebates, as do insulation, air sealing, and ventilation services. (2)

#### Which appliances have the biggest impact for reducing my carbon emissions?

On average, the three biggest contributors to your emissions are your car (50%), home heating (25%), and water heating (10%). If you electrify those three, you'll make a big impact on your personal "carbon footprint."

#### Who qualifies for the energy incentives?

The IRA provides energy improvement incentives through three channels:

- All taxpayers can benefit from the IRA 25C energy-efficiency home improvement tax credit.
- 2. Moderate to low-income households will be eligible for upfront cash rebates through the HEEHR program.
- 3. The HOMES provides rebates based on the actual performance of your whole-home energy efficiency and electrification improvements and are not restricted by income. (3) (4)

#### Are these incentives available now?

The Energy Efficiency Home Improvement **tax credits** are available for home energy efficiency projects commencing in 2023 and will continue through 2032.

The majority of the local electric utility **incentives** are available now

The HEEHR and HOMES **rebate** programs will be managed through the WA State Energy Office, and it is anticipated funding will become available mid 2024 <sup>(3)</sup> <sup>(4)</sup> <sup>(7)</sup>

## How do I apply for these energy incentives?

The IRA 25C energy-efficiency home improvement tax credits are available as a federal tax deduction. Therefore, a home energy efficiency project completed in 2023 can be claimed as a credit when filing taxes in 2024.

The local electric utilities (OCEC and Okanogan PUD) have application forms on their websites Rebates through the HEEHR and HOMES programs will be administered by the WA State Energy Office. Eligibility rules and cash rebate values for these programs are being defined and will be available mid 2024.

## Should you wait to get home upgrades?

For tax credits and electric utility incentives it's not a good idea for most people to put off your home's energy upgrades for 5 reasons:

- 1. The current utility incentives that are available to you may not be around much longer as the introduction of federal rebates may result in lower local rebate programs for energy upgrades.
- 2. Inflation on energy-efficient home appliances and equipment is likely to continue. So, rebates for qualifying upgrades could be offset with higher equipment prices.
- 3. Energy prices are rising. The best way to mitigate it is to reduce your home's energy use today.
- 4. Contractors will see heavy demand in the near future. Make sure your project gets installed in a timely manner by moving forward—that way, you can start cutting energy waste ASAP without having to wait months in a project queue.
- 5. You deserve to live in a healthy, comfortable home.

Overall, demand will increase, and inflation is likely to continue. (3)

However the specifics of the HEEHR and HOMES **rebate** programs will not be finalized until mid 2024 and it is recommended that applicants for these programs should wait until details are available on qualifying equipment. In addition rebates for these programs are not retroactive.

# Can I combine incentives from state and public utilities with IRA programs?

In many cases yes, but each program has its own specific rules which need to be complied with

## Does my home have enough power for all these electric appliances?

If you don't have at least 100 Amps available in your home, you'll eventually need to upsize your electrical service to electrify everything in your home. However, there are many things you can do before needing to upgrade even a 60A panel, by using things that plug into standard 120 Volt outlet such as: portable heat pumps, induction cooktops and condensing dryers.

#### What is a Heat Pump?

A heat pump is a single electric appliance that can replace both your traditional air conditioner and home heating system (like a furnace or boiler). Heat pumps use electricity to move heat from one place to another. In cooling mode, a heat pump acts like an air conditioner, moving the heat from inside your home to the outside. In heating mode, heat pumps go into reverse-mode and pump heat from the air outside your home to the inside. Heat pumps are 3-5 times more efficient than most current fossil fuel heating systems.

#### Does the IRA Help Tribal Communities?

The IRA includes Tribal-specific programs to plan for and adapt to climate change and shift to clean energy production and use, including Tribal electrification and energy development programs. (5)

## Does the IRA Help Latino Communities?

The IRA programs will benefit Latino households through making it more affordable to purchase energy efficient electric appliances as well as weatherization assistance. (6)

# It seems complicated where can I get help?

Rewiring America's <u>Electrify Everything in your home</u> provides a good entry point for how electrification can benefit your household and their <u>calculator</u> enables estimating of the rebates and credits for your household.

In addition, Resilient Methow's Toolkit for Electrifying your home offers a summary of the incentives available from Federal, State and public utilities.

- (1) Rewiring America | Go Electric now
- (2) Rewiring America | Electrify Everything in your home
- (3) Sealed
- (4) IRS IRA Fact Sheet
  (5) White House Fact Sheet Tribal Communities
- (6) White House Fact Sheet Latino Communities(7) WA Dpt Commerce Rebate Programs