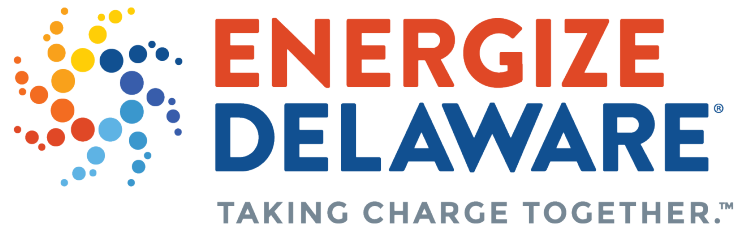


2024 Fall Home Performance with ENERGY STAR Contractor Workshop

Wednesday, October 16, 2024



Welcome



Today's Agenda

| Topic | Duration | Start | End |
|--|----------|-------|-------|
| Welcome | 10 | 9:00 | 9:10 |
| Chesapeake Utilities Program Review | 40 | 9:10 | 9:50 |
| EV Charger Rebates / EEIF for Non-Profits | 30 | 9:50 | 10:20 |
| Business Technical Assistance Program | 20 | 10:20 | 10:40 |
| Update on the Inflation Reduction Act / Home Rebates Programs | 45 | 10:40 | 11:15 |
| Ask Drew / Trade Ally Feedback Session | 30 | 11:15 | 11:45 |
| Closing | 5 | 11:45 | 11:50 |
| Networking Lunch | | 12:00 | |

CHESAPEAKE
UTILITIES
CORPORATION

All Hands Home Performance
with Energy Star – Partner
Meeting

CHESAPEAKE

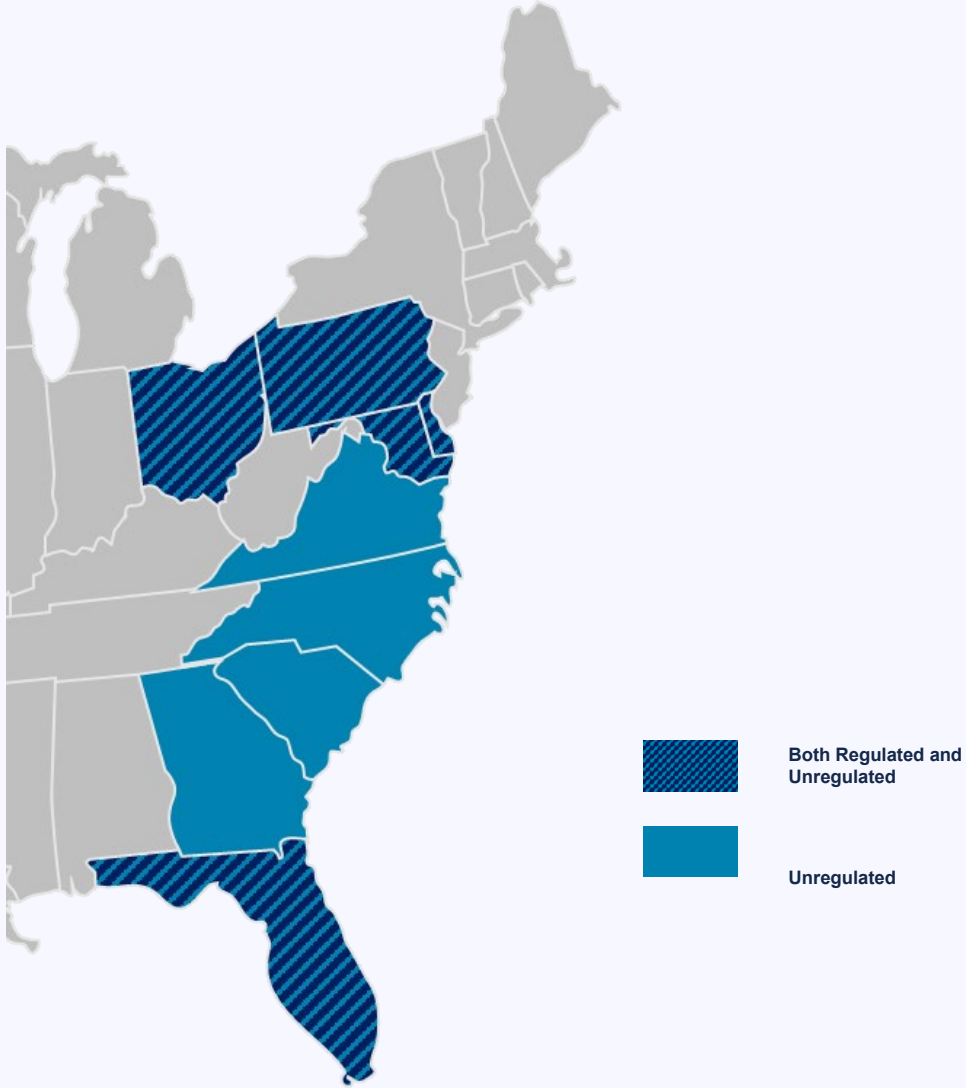
UTILITIES CORPORATION



| | |
|--------------|--|
| UTILITIES |      |
| TRANSMISSION |    |
| UNREGULATED |       |

DIVERSIFIED PORTFOLIO OF ENERGY SOLUTIONS

| Business Line | States Served |
|-----------------------------------|--|
| Regulated Energy Segment | |
| Natural Gas Transmission | DE, FL, MD, PA, OH |
| Natural Gas Distribution | DE, MD, FL |
| Electric Distribution | FL |
| Unregulated Energy Segment | |
| Propane Distribution | PA, DE, MD, VA, NC, SC, FL |
| Natural Gas Pipeline System | OH |
| CNG Services | Multiple – Including New CNG Fueling Station in GA |
| CHP Generation | FL |
| RNG Opportunities | Multiple – Including recent RNG project in OH |





Chesapeake Utilities Corporation

By the Numbers



160+

**Years of
Providing
Energy**



1,280+

Employees



445k+

**Distribution
Customers**



17

**Years of
Earnings
Growth**



\$3.3B

**Total
Assets
Growth**



\$1.9B

**In Capital
Investments Over
the Last 5 Years**

OUR VALUES

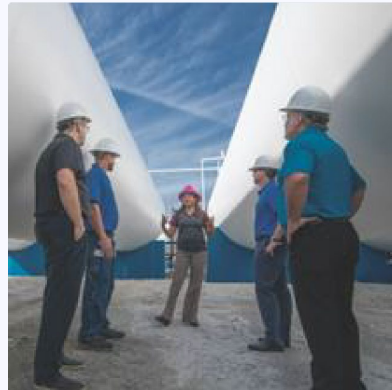


OUR MISSION

We deliver energy that makes life better for the people and communities we serve.

OUR VISION

We will be a leader in delivering energy that contributes to a sustainable future.



CARE

We care.

We put people first. Keep them safe. Build trusting relationships. Foster a culture of equity, diversity, and inclusion. Make a meaningful difference everywhere we live and work.

INTEGRITY

We act with integrity.

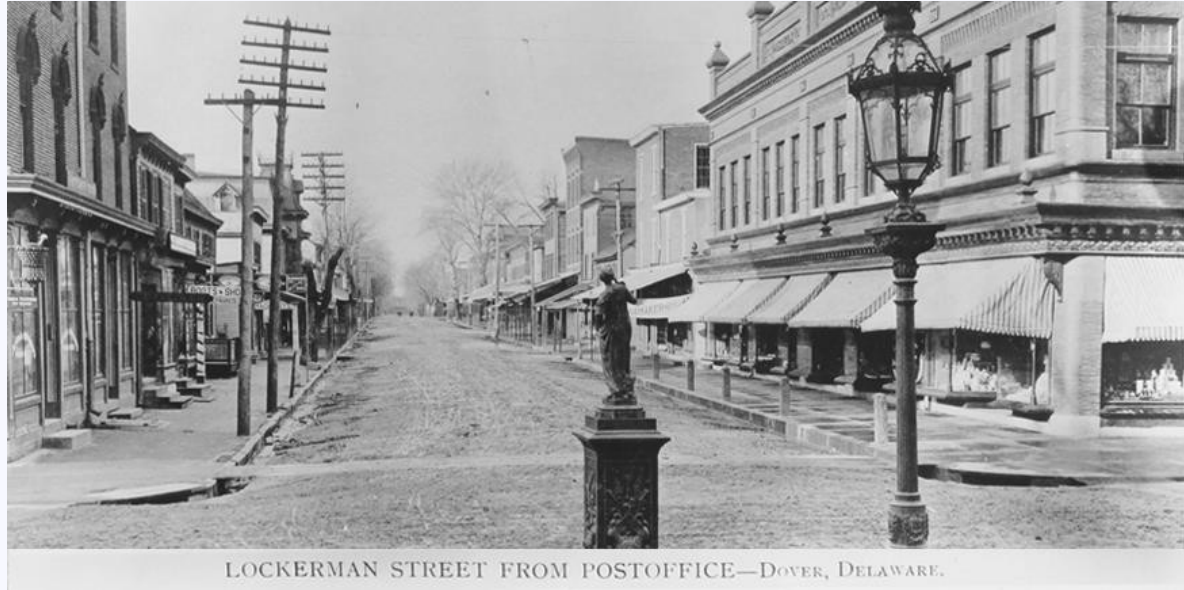
We tell the truth. Ensure moral and ethical principles drive our decision making. Do the right thing even when no one is watching.

EXCELLENCE

We are committed to excellence.

We achieve great things together. Hold each other accountable to do the work that makes us better every day. Never give up.

160+ YEARS OF SERVICE





Delaware by the Numbers



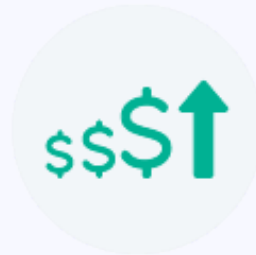
390+

Employees



60,000+

Customers



**\$838.8
Million+**

**Assets Operating
in State**



**\$2.9
Million**

**Annual Property
Taxes Paid**



**1,570
Miles**

**Distribution
and
Transmission**



Delaware

Customer Demand and Growth



94.3%

customer growth since 2005

Added **over 3,300**
new Delaware
customers
in 2023

NEW NATURAL GAS COMMUNITIES





Delaware Customer Demand and Usage



87% of Delaware's electricity is generated by natural gas



CO2 emissions are down over **25% since 2005*** primarily due to transition to natural gas

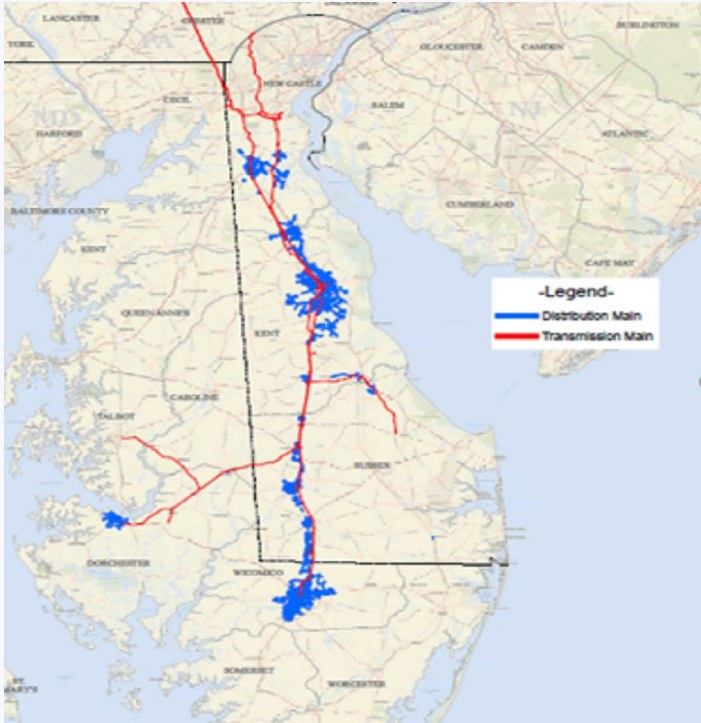


48.9% annual customer natural gas utility bill price decrease since 2005

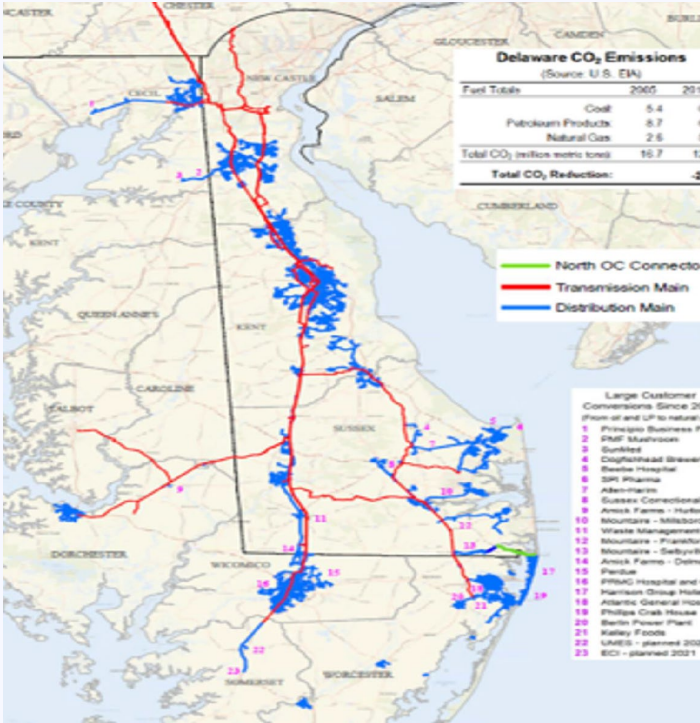


- **6%** reduction in an average residential customers usage since 2017

LOWER EMISSIONS AND SYSTEM GROWTH



2005 Footprint



Current Footprint



OUR VISION

We will be a leader in delivering energy
that contributes to a sustainable future.



MACH2 & THE REGIONAL HYDROGEN ECONOMY

—
A New Era of Economic Development

SELECTED REGIONAL CLEAN HYDROGEN HUBS



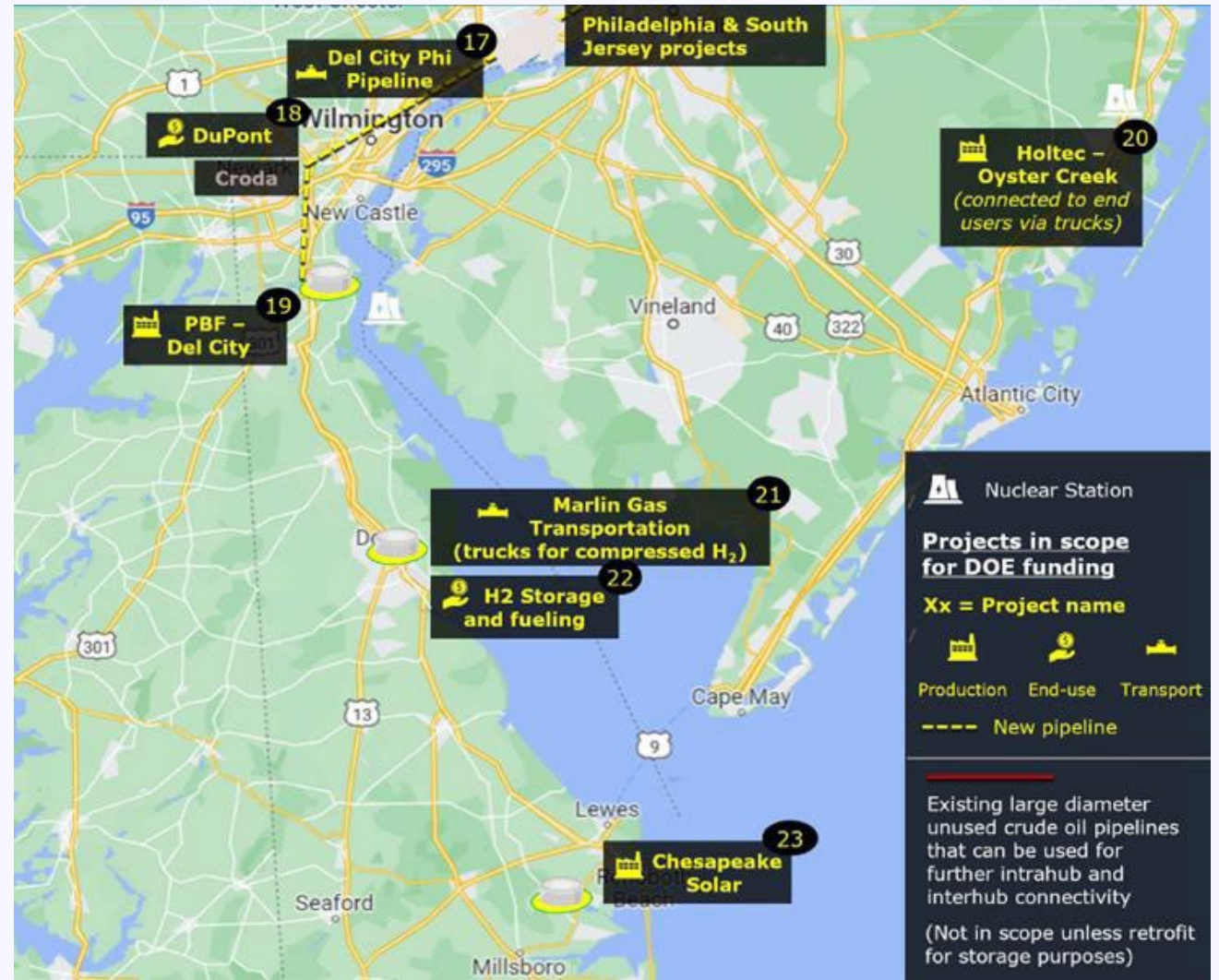
MACH 2 – Mid-Atlantic Clean Hydrogen Hub

Funding request:
\$750M over 10 years

Projected H₂ production: 170 mtpd by end of Phase II (2028-2029) and 270 mtpd by 2034

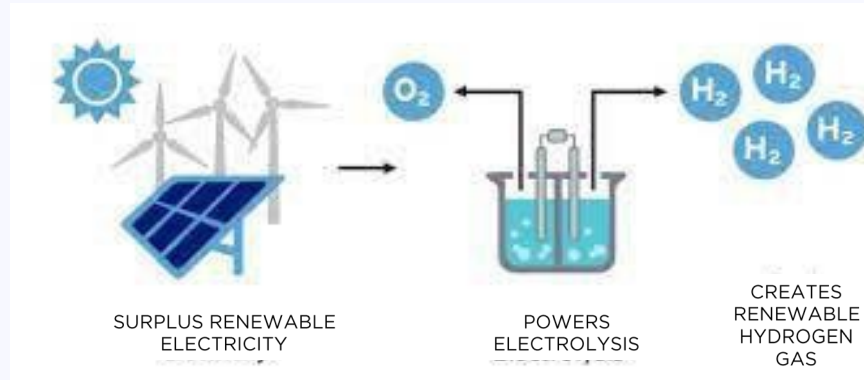
Job creation:
>13,000 jobs retained and/or created at all levels

Localized cost of hydrogen:
below target of \$4.50 /kg needed by consumers for viable purchase



MACH2 – CHESAPEAKE UTILITIES

- Production
- Storage
- Fueling/Injection
- Delivery (on-road)
- Workforce Training





Lower Carbon Energy Supply (RNG)



RNG is fossil-free natural gas that is produced by cleaning and processing biogas into pipeline quality gas.



Anaerobic Digestion is the most often used technology to produce biogas from feedstocks such as animal manure, agricultural byproducts and wastewater facilities. Landfills capture biogas from on-site collection systems.



Biogas must be treated and cleaned, raising it to a standard where it can be injected into gas pipelines.





Warming Hearts & Homes on Delmarva

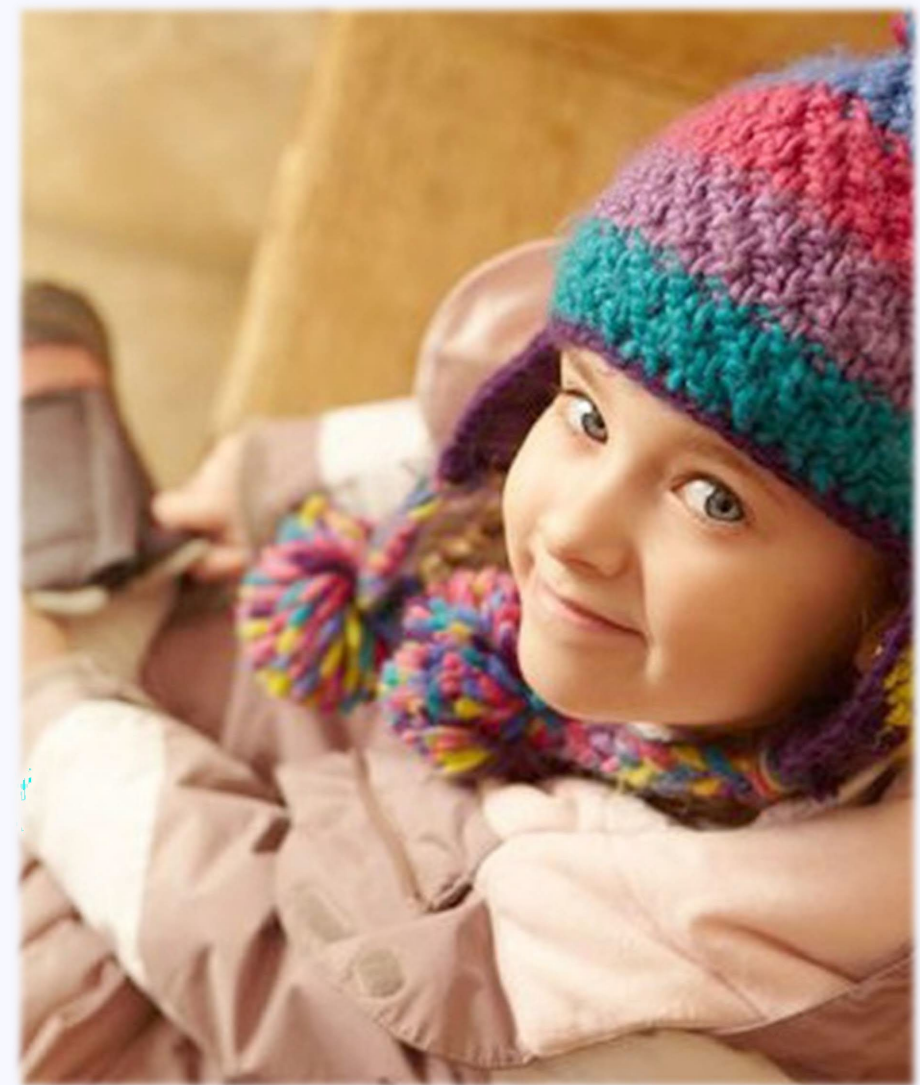
- SHARING Program provides assistance to those in need and is funded with donations provided by customers, employees, the community and Chesapeake
- All proceeds go to help our customers on the Delmarva Peninsula with their energy bills
- Over \$600,000 in grant money distributed over the last 15 years
- Partnered with First State Community Action Agency and NCALL and have funded training for over 200 income eligible customers on energy conservation

For those eligible for LIHEAP

- \$400 Grant – Assist with bills
- \$1,000 Grant – Assist with appliances
- \$200 Grant - Energy Audit Reimbursement

Not eligible for LIHEAP BUT Over 60 and Homeowner

- \$200 Grant - Energy Audit Reimbursement
- \$750 Grant – Assist with appliances

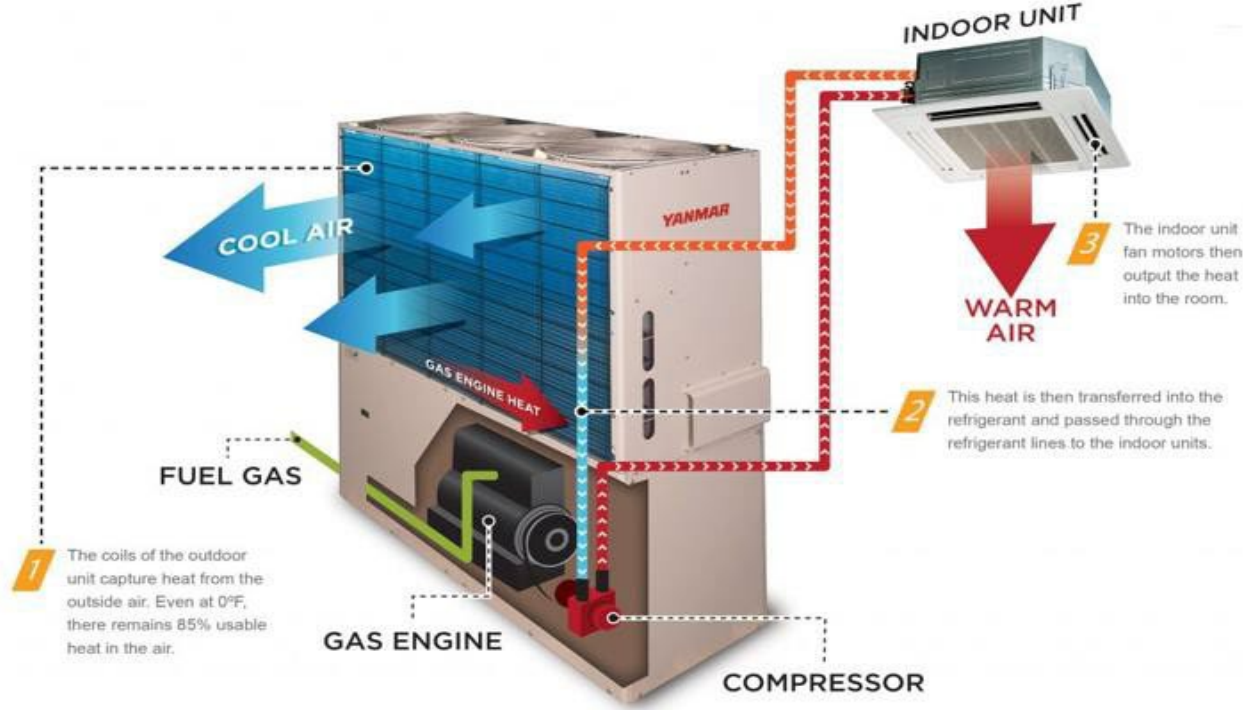


WWW.CHESAPEAKESHARING.COM

Delaware Energy Efficiency Program

- On May 1, 2024, the Public Service Commission approved the establishment of the first natural gas energy efficiency program in Delaware.
- We are heading towards the finish line that will bring the Chesapeake Utilities backed natural gas Energy Efficiency Program to market.
- Initially, Chesapeake Utilities will partner with the Delaware Sustainable Energy Utility (Energize Delaware) on three residential programs: Home Energy Counseling and Checkup, Home Performance with Energy Star, and Assisted Home Performance with Energy Star.
- Chesapeake Utilities has established a working group to discuss the future development of a program focusing on commercial and industrial customers. This could include, but not be limited to, a Standard Offer Program that would provide flexibility to parties seeking funding for cost-effective energy efficient projects that may not be financially-viable absent such funding.
- Any thoughts or recommendations are welcomed.

Chesapeake Utilities – Gas Heat Pumps



Gas Engine-Driven VRF Heat Pumps – Yanmar 8 to 14 Tons
Compatible with Daikin air handlers
2- and 3-pipe models
Heat recovery

Chesapeake Utilities – Gas Heat Pumps



80,000 BTU/hr. heating capacity
140% AFUE, lowers gas use up to 50%
Thermally-driven ammonia-water gas absorption cycle –
NO compressor, fewer parts. 120V, 15A circuits
Comfortable space heating down to -40F without backup.
All combustion and refrigerant is outside the home.



**Air Handler
Compatible
with cooling
coil**

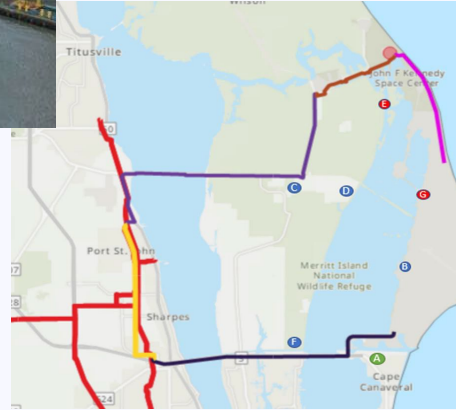


**80- gallon
Indirect
Storage Tank**

—
WHAT DO THESE VEHICLES HAVE IN COMMON?



And how about these?



—
And how about this?





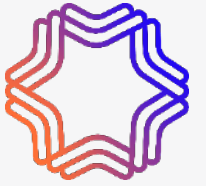


New Programs: EV Charger Incentive EEIF for Non-Profits

October 16, 2024



AEG Team



Kelly D'Andrade
Program Manager
EVSE



Huei Wong
Senior Consultant
EEIF For Non
Profits

Contact Information for EVSE and EEIF for Non-Profits:

Email: EnergizeDE@appliedenergygroup.com

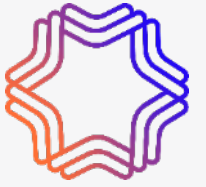
Phone Number: 888-735-1510

EVSE

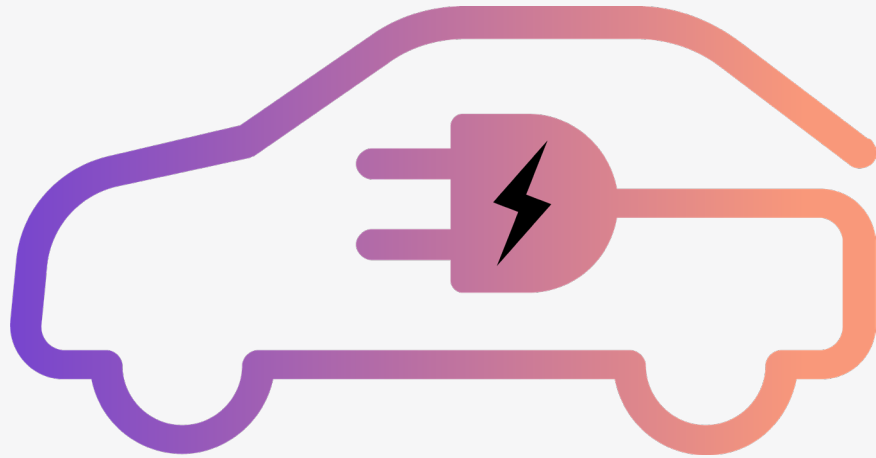
Electric Vehicle Supply Equipment



Energize Delaware – EVSE Pilot Program



April 2024 through September 2024



Electric Vehicle Supply Equipment (EVSE) Pilot program

- Incentives for residential EV Charger installations
- Eligible for Market Rate Customers
- Eligible for Low Income Customers

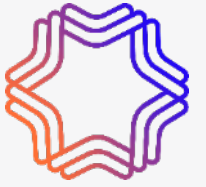
SUCCESS!

- Processed applications
- Received phone and email inquiries
- Built interest in the program



New EVSE Program

October 1, 2024, through June 30, 2025



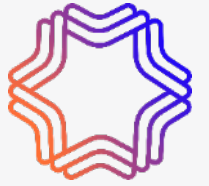
The incentive program will continue to provide financial assistance for the purchase and installation of an EVSE.

What is an EVSE?



EVSE

Program Information

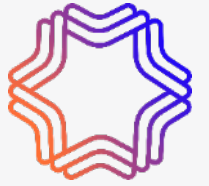


- Must be a Delaware resident
- EV charger must be installed at residence
- One rebate per household



- Must have energy audit completed (Not required for Income Eligible applicants)
- Must be installed by a licensed DE electrician

EVSE



Estimated Costs – approximate based on past invoices

Charger = \$300 - \$500

Installation = \$500 - \$1500

Depending on any electrical upgrades

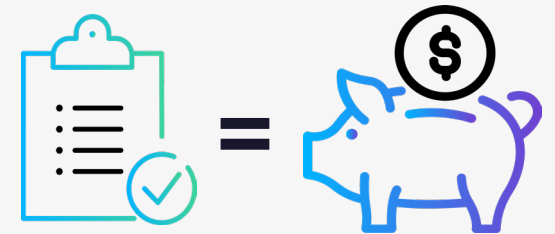
Energy Audit = \$50 (\$25 for income eligible)



Incentives:

Up to 50% of the cost of purchase and installation

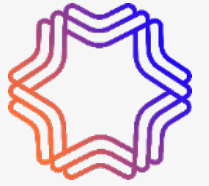
Up to 90% of cost of purchase and installation (Income Eligible applicants)



Energize Delaware: EEIF for Non-Profits



EEIF for Non-Profits

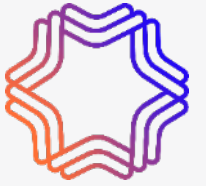


For schools, government, and non-profits that do not pay public utility tax (PUT)

Energy Efficiency Investment Fund (EEIF) for Non-Profits

- Closely aligned with State of Delaware's EEIF program
- Non-residential customers that **DO NOT PAY** public utility tax on gas or electric bills are eligible
- Maximum of \$250,000 per customer per year
- Two pathways:
 - **Prescriptive**
 - Set rebates for qualifying equipment or services
 - HVAC, water heating, refrigeration, foodservice, agriculture, and lighting
 - **Custom**
 - Larger equipment or more comprehensive energy improvement projects (BAS, heat recovery, large boiler, etc.)
 - Rebate is \$/kWh and \$/MMBTU for first year savings
 - Multiple custom measures in one project = higher \$\$ per kWh and MMBTU

EEIF for Non-Profits



Example prescriptive rebates:

\$5,000 for **Air Source Heat Pump**

- **\$1,000/ton** x 5 tons = \$5,000 for ASHP that meet 14.25 SEER2 & 11.7 EER2 & 6.6 HSPF2

\$2,000 for **Air Conditioner** and **Furnace** combination

- **\$250/ton** x 5 tons = \$1,250 for AC that meet 14.25 SEER2 & 11.5 EER2
- **\$750** for gas furnace that is at least 95% AFUE with ECM

\$1,500 for **Ductless Mini-Split Heat Pumps**

- **\$500/ton** x 3 tons = \$1,500 for that Mini-Split HP meet 12 EER & 15 IEER/SEER & 8.5 HSPF

Incentives for smart thermostats, water heaters, condensing boilers, lighting, and more...

EEIF for Non-Profits

For more information:

Energize Delaware: EEIF for Non-Profits program website

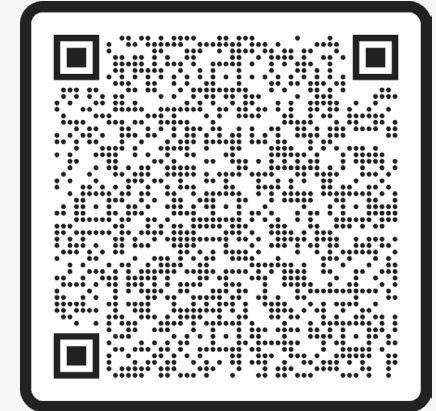
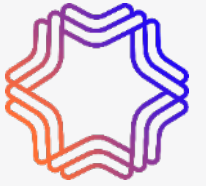
<https://www.energizedelaware.org/nonresidential/public-nonprofit/energy-efficiency-investment-fund-for-nonprofits/>

- PUT vs. Non-PUT
- Incentive list and application materials
- Link to state program

Call or email us,

1-888-735-1510

EnergizeDE@appliedenergygroup.com



Thank You.

Phone: 631-434-1414

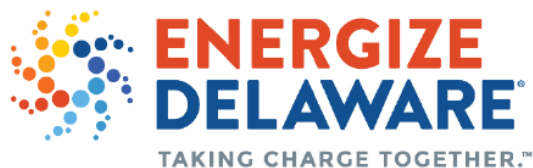


Introduction to:



October 16, 2024

A Program of:



Administered by:



Presenter



Joe Freehill

- Director of the Business Technical Assistance Program for **Sustainable Real Estate Solutions (SRS)**
- Since 2010, Sustainable Real Estate Solutions (SRS) has built a national reputation administrating energy efficiency programs for state governments
- To support SMB owners and contractors estimate the energy savings, GHG emissions reduction, and financial impacts of alternative energy improvements, SRS developed its Energy Performance Improvement Calculator (EPIC™)
- EPIC enables cost-benefit analysis for SMB projects that has historically been limited to large \$ million+ projects

About Business Technical Assistance

- Through multiple initiatives, Energize Delaware helps businesses and residents save money via energy efficiency solutions – frequently at little or no cost
- Small and mid-size commercial building (SMB) owners typically do not receive the business case for above-code energy efficiency equipment
- To fill this gap, Energize Delaware is now offering, at no cost, the **Business Technical Assistance Program (BTA)** to help maximize energy efficiency and access 100% long-term financing for HVAC replacements, LED lighting, and other efficiency measures
- To provide technical assistance to SMB owners and contractors, Energize Delaware has retained SRS as program administrator for the **BTA**

About Business Technical Assistance

At no cost, SMB owners and contractors can now engage SRS's technical assistance team to evaluate alternative energy improvement scenarios:

- **Like-for-Like:** upgrade to high efficiency HVAC
- **Electrification:** convert to electric heating via heat pumps / VRF technology
- **Comprehensive projects:** evaluate other potential improvements like LED lighting, building controls and envelope upgrades
- **Financing options:** evaluate financing options, including Energize Delaware's low interest, long-term commercial loan program

Business Technical Assistance (cont.)

The result is EPIC-generated reports, integrating contractor's proposed equipment specifications and costs, that provide:

- **Cost-benefit comparison of alternative improvements**
 - Standard v High-efficiency (i.e., 11.0 EER v 12.2+ EER)
- **Projected annual cash flow, including finance options** (where applicable)
 - ED low-cost financing v standard commercial terms
- **Confidence to invest in high-efficiency equipment**
 - Isolate the high-efficiency investment-Premium SIR
- SMB owners are often surprised to learn the combination of high efficiency equipment, rebates, and energy savings make a compelling investment opportunity

EPIC Scenario Comparison: Self-funded

EPIC[™] Scenario Comparison



This summary was prepared by Energize Delaware using the Energy Performance Improvement Calculator (EPIC[™]) app to compare estimated cost and savings differences between two project scenarios for 5311 Limestone Rd, Wilmington, DE.

| | Base Case Standard HVAC | Alternate Case High Efficiency HVAC | Difference Alternate Case Better/(Worse) than Base Case | % Difference Alternate Case Better/(Worse) than Base Case |
|---|----------------------------|---|--|--|
| Project Energy Savings | | | | |
| Total Energy Savings (MMBtu/yr) | 142 | 203 | 61 | 42.8% |
| Electricity Savings (kWh/yr) | 10,280 | 21,144 | 10,864 | 105.7% |
| Natural Gas Savings (therms/yr) | 1,073 | 1,313 | 240 | 22.4% |
| Peak Demand Reduction (kW/yr) | 48.0 | 99.0 | 51.0 | 106.3% |
| Project Cost | | | | |
| Gross Installed Cost | \$182,500 | \$215,000 | (\$32,500) | (17.8%) |
| Incentives/Rebates | NA | \$18,750 | \$18,750 | |
| Net Installed Cost | \$182,500 | \$196,250 | (\$13,750) | (7.5%) |
| First Year Savings (\$) | \$3,695 | \$6,118 | \$2,423 | 65.6% |
| Lifetime Savings (\$) | \$88,221 | \$136,563 | \$48,342 | 54.8% |
| Net Cost | \$94,279 | \$59,687 | \$34,592 | 36.7% |
| Key Financial Metrics | | | | |
| Property Value Increase | \$51,107 | \$84,620 | \$33,513 | 65.6% |
| Present Value of Lifetime Savings | \$53,711 | \$85,082 | \$31,371 | 58.4% |
| Environmental and Societal Benefits | | | | |
| First Year CO ₂ e Reduction (MT) | 11 | 17 | 6 | 56.9% |
| Lifetime CO ₂ e Reduction (MT) | 195 | 297 | 102 | 52.4% |
| Job-Years Created | 1.2 | 1.6 | 0.4 | 34.3% |

ED Low-Cost Loan Terms

Bank Loan Scenario

Displayed below are projected annual and cumulative cash flows over your project's estimated useful life, assuming the following project finance terms.

Finance Terms

\$260,350

Amount Financed (\$)

15

Term (years)

4.00

Interest Rate (%)

Project Finance Summary

\$260,350

Net Installed Cost (\$)

\$86,285

Interest Cost (\$)

\$430,732

Lifetime Savings (\$)

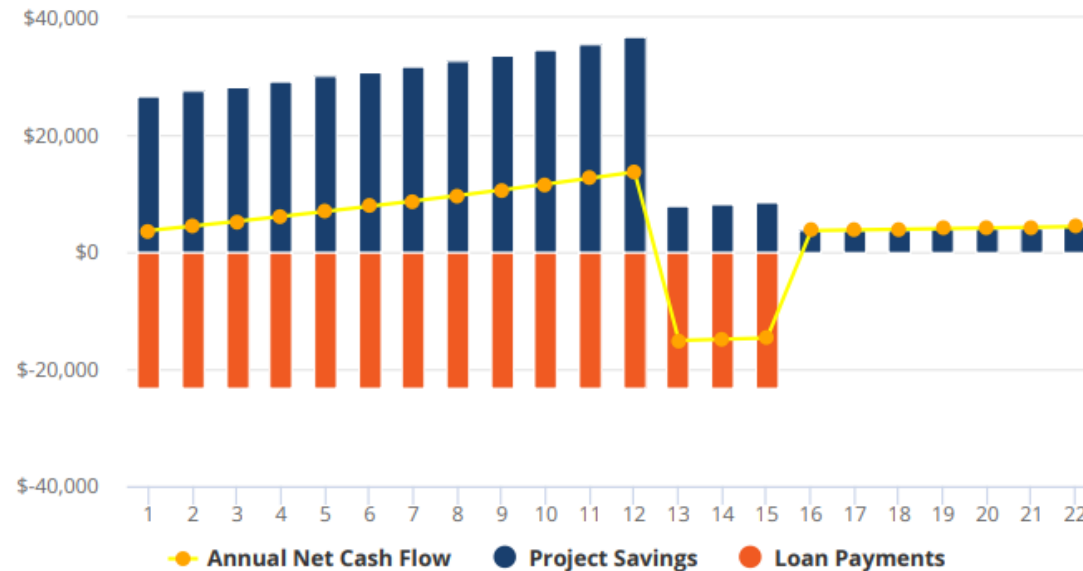
\$84,097

Net Gain (\$)

1.2

Savings to Investment Ratio (SIR),
including Interest Cost

Chart of Cash Flows



ED Loan Projected Cash Flows

Table of Cash Flows

| Year | Project Savings | Loan Payments | Net Cash Flows | |
|--------------------|------------------|------------------|-----------------|------------|
| | | | Annual | Cumulative |
| Owner Contribution | | | \$0 | \$0 |
| 1 | \$26,756 | \$23,109 | \$3,647 | \$3,647 |
| 2 | \$27,540 | \$23,109 | \$4,431 | \$8,078 |
| 3 | \$28,346 | \$23,109 | \$5,237 | \$13,315 |
| 4 | \$29,176 | \$23,109 | \$6,067 | \$19,382 |
| 5 | \$30,030 | \$23,109 | \$6,921 | \$26,303 |
| 6 | \$30,910 | \$23,109 | \$7,801 | \$34,104 |
| 7 | \$31,815 | \$23,109 | \$8,706 | \$42,810 |
| 8 | \$32,747 | \$23,109 | \$9,638 | \$52,448 |
| 9 | \$33,706 | \$23,109 | \$10,597 | \$63,045 |
| 10 | \$34,693 | \$23,109 | \$11,584 | \$74,629 |
| 11 | \$35,710 | \$23,109 | \$12,601 | \$87,230 |
| 12 | \$36,757 | \$23,109 | \$13,648 | \$100,878 |
| 13 | \$7,990 | \$23,109 | -\$15,119 | \$85,759 |
| 14 | \$8,203 | \$23,109 | -\$14,906 | \$70,853 |
| 15 | \$8,423 | \$23,109 | -\$14,686 | \$56,167 |
| 16 | \$3,653 | \$0 | \$3,653 | \$59,820 |
| 17 | \$3,760 | \$0 | \$3,760 | \$63,580 |
| 18 | \$3,870 | \$0 | \$3,870 | \$67,450 |
| 19 | \$3,983 | \$0 | \$3,983 | \$71,433 |
| 20 | \$4,100 | \$0 | \$4,100 | \$75,533 |
| 21 | \$4,220 | \$0 | \$4,220 | \$79,753 |
| 22 | \$4,344 | \$0 | \$4,344 | \$84,097 |
| Total | \$430,732 | \$346,635 | \$84,097 | |

Premium Savings to Investment Ratio (PSIR)

| HVAC Replacement - Code Compliant vs. High Efficiency Equipment | | | | | | |
|---|----------------|--------------------------------------|---------------------------------|------------------------------|-----------------------------------|--|
| Compare Code Compliant equipment with High Efficiency | Equipment Cost | Rebate for High Efficiency Equipment | Net Installed Cost After Rebate | Lifetime Energy Cost Savings | Savings To Investment Ratio (SIR) | |
| New Equipment is Code Compliant | \$175,900 | \$0 | \$175,900 | \$79,337 | 0.45 | |
| New Equipment is High Efficiency | \$207,000 | \$16,000 | \$191,000 | \$125,840 | 0.66 | |
| Difference - Code Compliant vs. High Efficiency | \$31,100 | \$16,000 | \$15,100 | \$46,503 | 3.08 | |

ENERGIZE DELAWARE
Business Technical Assistance
Advice from an Expert

SRS
accelerating clean energy

How it Works

- Contractor/owner/property manager engage with SRS to collect critical data
 - EPIC Data Intake Form
 - Building characteristics, existing equipment, proposed replacement
 - SRS completes analytics in two business days
 - Returns data reports for inclusion in contractor proposal
 - SRS available to support owner conversation at discretion of contractor
- Decision makers have more complete information to assess their investment
- Cost proposal + rebates + energy savings yield a positive return

Questions & Answers



Next Steps

- SMB owners and contractors can now access Business Technical Assistance to evaluate the cost-benefit of alternative energy improvements - **at no cost**

Contact



- **Joe Freehill**

- Director, Business Technical Assistance Program
- 📞 (203) 804-6681
- JFreehill@SRSworx.com

Update on Inflation Reduction Act Home Rebates Programs

Fall Home Performance Contractor Meeting

October 16, 2024



EMC Insights
Data Driven Solutions



DNREC DIVISION OF
CLIMATE, COASTAL
AND ENERGY

Energy Programs

Home Energy Rebate Programs

- **Home Electrification and Appliance Rebates (HEAR)**
 - Provides rebates to low- and moderate-income single family and multifamily households to support energy-efficient home upgrades, such as electrification of appliances and improved building systems.
- **Home Efficiency Rebates (HER)**
 - Provides rebates to low- and moderate-income households for homeowners and multifamily building owners to make energy efficient upgrades such as improving insulation, sealing leaks, and upgrading HVAC equipment.
 - Upgrades must achieve at least 20% energy savings.

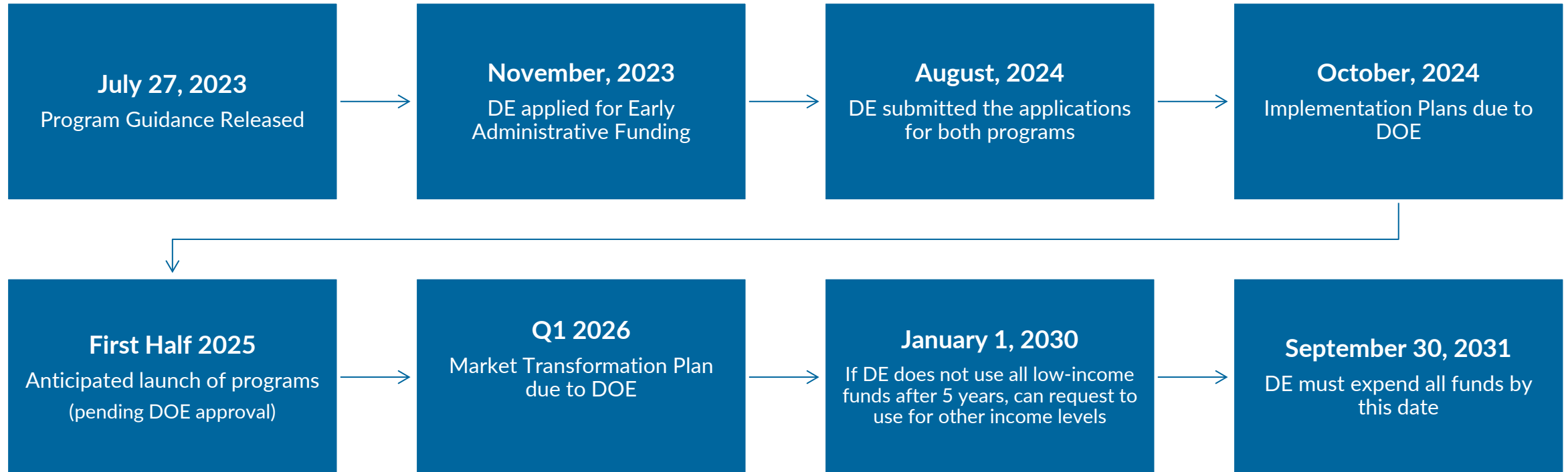


Delaware's Funding Allocation

| DOE Required Allocations | Efficiency | Electrification ² |
|---|--------------|------------------------------|
| Total | \$32,964,663 | \$32,837,400 |
| Estimated Incentives to customers/installer incentives | \$23,000,000 | \$23,000,000 |
| Delaware Target for Low-Income (LI) (<80% AMI) ¹ | 50% | 50% |
| Delaware Target Low-Income Multifamily (LI MF) | 10% | 10% |

¹ Area Median Income (AMI) values are calculated by household size of the median income of the area in which the individual or family resides, as reported by the Department of Housing and Urban Development.

Key Dates



Income Eligibility

- ❖ Eligibility for the Home Energy Rebate Programs is based on Area Median Income (AMI).
- ❖ AMI requires that income must be verified at the county-level in Delaware.
- ❖ Customers must fall into one of two income categories to qualify for these programs:
 - ❖ Low Income (LI) – Less than 80% AMI
 - ❖ Moderate Income - Between 80% and 150% AMI

| Income Level | Household Size | Kent County | New Castle County | Sussex County |
|-------------------------------------|----------------|-------------|-------------------|---------------|
| Less than 80% AMI (Low-Income) | 1 | \$50,300 | \$64,250 | \$54,750 |
| | 2 | \$57,500 | \$73,400 | \$62,550 |
| | 3 | \$64,700 | \$82,600 | \$70,350 |
| | 4 | \$71,850 | \$91,750 | \$78,150 |
| | 5 | \$77,600 | \$99,100 | \$84,450 |
| | 6 | \$83,350 | \$106,450 | \$90,700 |
| | 7 | \$89,100 | \$113,800 | \$96,950 |
| | 8 | \$94,850 | \$121,150 | \$103,200 |
| 80% - 150% AMI (Moderate Income) | 1 | \$97,800 | \$120,450 | \$102,600 |
| | 2 | \$107,800 | \$137,650 | \$117,250 |
| | 3 | \$121,250 | \$154,850 | \$131,900 |
| | 4 | \$134,700 | \$172,050 | \$146,550 |
| | 5 | \$145,500 | \$185,850 | \$158,300 |
| | 6 | \$156,300 | \$199,600 | \$170,000 |
| | 7 | \$167,050 | \$213,350 | \$181,750 |
| | 8 | \$177,850 | \$227,150 | \$193,450 |

2024 AMI levels – subject to change annually



Categorical Eligibility

- ❖ Households participating in these programs are eligible because the programs require an income level that is equivalent or less than the income requirements for both Home Rebates Programs.
- ❖ Must have been approved for the program in the last 12-months.

| Delaware Programs – for Categorical (automatic) Eligibility | |
|---|--|
| Low Income Home Energy Assistance Program (LIHEAP) | National School Lunch Program – Free (NSLP) |
| Medicaid | Housing Improvement Program (HIP) |
| Supplemental Nutrition Assistance Program (SNAP) | Housing Opportunities for Persons with AIDS |
| Head Start | Supplemental Security Income (SSI) |
| Lifeline Support for Affordable Communications (Lifeline) | WIC – will require income verification for households with 8 or more occupants. |
| Food Distribution Program on Indian Reservations (FDPIR) | WAP – will require income verification for households with 6 or more occupants. |



Home Electrification and Appliance Rebate Program (HEAR)

High-Level Program Summary



HEAR: Rebate Amounts

| Upgrade Type | Qualified Electrification (QEP) | Maximum Amount |
|------------------------|---|----------------|
| Appliance Upgrades | Electric Heat Pump for Space Heating and Cooling* | \$8,000 |
| | Electric Heat Pump Water Heater | \$1,750 |
| | Electric Heat Pump Clothes Dryer | \$840** |
| | Electric Stove, Cooktop, Range, or Oven | |
| Non-appliance Upgrades | Electric Lead Service Center Upgrade | \$4,000 |
| | Electric Wiring | \$2,500 |

Rebates paid **must not exceed a collective total of \$14,000** for a home/dwelling unit.

*Contractors are required to conduct a limited home assessment prior to the installation of an electric heat pump for space heating and cooling.

**Households may receive a rebate for a qualifying kitchen appliance (electric stove, cooktop, range, or oven) and one electric heat pump clothes dryer. However, the rebate for both appliances may not exceed \$840 in total.

All appliance upgrades must be ENERGY STAR® certified (One exemption – discussed on slide 11).

HEAR: Income Eligibility and Project Costs

| Sector | Income Level | Rebate Amount Not to Exceed |
|---------------|--|--------------------------------|
| Single family | Less than 80% AMI | 100% of qualified project cost |
| Single family | 80% - 150% AMI | 50% of qualified project cost |
| Multifamily | At least 50% of residents with income less than 80% AMI | 100% of qualified project cost |
| Multifamily | At least 50% of residents with income between 80% and 150% AMI | 50% of qualified project cost |

Low-income multifamily dwellings can combine individual rebates to provide a central rebate (e.g., 10 households could combine heat pump rebates of \$8,000 each to provide \$80,000 for a central heat pump system).



HEAR: Eligibility

| Upgrade Type | Qualified Electrification (QEP) | Maximum Amount |
|------------------------|--|----------------|
| Appliance Upgrades | Electric Heat Pump for Space Heating and Cooling | \$8,000 |
| | Electric Heat Pump Water Heater | \$1,750 |
| | Electric Heat Pump Clothes Dryer | \$840 |
| | Electric Stove, Cooktop, Range, or Oven | |
| Non-appliance Upgrades | Electric Lead Service Center Upgrade | \$4,000 |
| | Electric Wiring | \$2,500 |

Rebates paid **must not exceed a collective total of \$14,000** for a home/dwelling unit.

- **Eligibility for appliance upgrades above:**
 - To replace a non-electric appliance; or
 - When the purchase is a first-time purchase of the equipment listed above in an existing residence.

Additional information around each QEP can be found in the Appendix to this presentation.

Additional Information

- ❖ All appliances must be ENERGY STAR certified, *except for multifamily buildings where there is no ENERGY STAR certification for central heating and cooling systems. Specifications for multifamily equipment will be forthcoming.*
- ❖ Customers are eligible for rebates, **at program launch**, there is no retroactivity available for these dates.



HEAR: Installer Incentives

| Qualifying Activity | Maximum Incentive |
|---|-------------------|
| Substantial installation located within a disadvantaged community (excludes installations of electric stoves and electric heat pump dryers) per dwelling unit | \$200 |
| Installation of one or more electric heat pump water heaters | \$150 |
| Installation of one or more electric heat pumps for space heating and cooling per dwelling unit - ducted | \$300 |
| Installation of one more electric heat pumps for space heating and cooling per dwelling unit - unducted | \$200 |
| Installation of one electric stove, cooktop, range, or oven | \$0 |
| Installation of one electric heat pump clothes dryer | \$0 |
| Installation of one or more electric load service center | \$150 |
| Installation of insulation per dwelling unit | \$250 |
| Installation of air sealing and materials to improve ventilation per dwelling unit | \$250 |
| Installation of electric wiring per dwelling unit | \$250 |

Installers will receive incentives for the qualifying activities listed in the table to the left.

Incentive must not exceed a **collective total of \$500 per home/dwelling unit***.

*Multifamily may have a cap at program launch.



Home Efficiency Rebate Program (HER)

High-Level Program Summary



HER: Overview

- ❖ Each household interested in the Home Efficiency Rebate program, must begin with a home energy audit conducted by a Participating Contractor in the program.
 - Single family home audits must use DOE-approved BPI-2400 software.
 - DOE approved software as of October 2024: OptiMiser and Snugg Pro.
 - Software to be used in Delaware is under consideration.
 - For multifamily dwellings , there are various data points that must be collected that are a representation of a Level II energy audit based on ASHRAE Standard 211
- ❖ To be eligible for a rebate, each home / dwelling unit must install measures totaling 20% energy savings.
- ❖ No comprehensive list of eligible measures. Instead, eligible measures include the recommendations provided during the home audit.
- ❖ One of the measures must include air sealing or insulation.



HER: Single-Family Income Eligibility and Project Costs

| Sector | Income Level | Rebate Amount Not to Exceed |
|---------------|-------------------|--|
| Single family | Less than 80% AMI | Homes achieving a minimum of 20% energy savings receive: 100% of qualified project cost, up to \$8,250 |
| Single family | 80% - 150% AMI | Homes achieving 20% - 34% energy savings receive: Lesser of \$2,000 or 50% of project cost Homes achieving 35% or higher energy savings receive: Lesser of \$4,000 or 50% of project cost |



HER: Multifamily Income Eligibility and Project Costs

| Sector | Income Level | Rebate Amount Not to Exceed |
|-------------|---|---|
| Multifamily | A building with at least 50% of households with incomes less than 80% AMI. | Homes achieving a minimum of 20% energy savings receive: 100% of qualified project cost, up to \$8,250 per dwelling unit |
| Multifamily | A building with at least 50% of households with incomes between 80% AMI and 150% AMI. | Homes achieving 20% - 34% energy savings receive: \$2,000 per dwelling unit, up to \$200,000 per building Homes achieving 35% or greater energy savings receive: \$4,000 per dwelling unit, up to \$400,000 per building |



HER: Retroactivity for Audits




- ❖ If a customer began energy upgrades or retrofits on or after August 16, 2022, customer may be eligible for a rebate. To be considered, the project must meet all requirements listed below:
 - Customer received a final invoice for home energy upgrade project on or after August 16, 2022.
 - A home assessment (BPI-2400 audit) was conducted on customer home prior to the installation of equipment and/or materials.
 - The home assessment included a summary of equipment and/or materials.
 - The home assessment estimated the project's energy savings to be at least 20% of the total home energy usage.
 - Customer received an estimate of the impact to their energy bill if equipment and/or materials were installed.
 - Contractor collected written acknowledgement from the customer of the estimated impact to customer energy bill.
 - Contractor provided customer with an invoice of the completed upgrade that includes the total cost of the project and all equipment and materials.
 - Project included the installation of a heat pump, heat pump water heater, or insulation.
 - Project did not include electric generation technology (e.g., solar panel installation).
 - Collected all data required by DOE for the HOMES Efficiency Program, as listed in the [IRA Home Energy Rebates: Data & Tools Requirements Guide](#).



Stacking & Braiding of Rebates



Guidelines for Combining Funding Sources

| Guidelines for Leveraging Other Funding Sources with Home Energy Rebates | | | |
|---|--|--|--|
| Sources of Funding | Allowance | Requirements to Leverage Funding within Same Household | Examples |
| Other Federal Grants (e.g., funding from the Weatherization Assistance Program (WAP), Low Income Home Energy Assistance Program (LIHEAP)) | Can Braid  | Must "braid" and use other federal grants to fund <u>distinct and separable measures</u> from the "single upgrades" or "qualified electrification projects" (QEPs) funded by a Home Energy Rebate. | Energy efficiency (EE) measures from WAP (insulation and air sealing), appliance measures from rebate (heat pump, heat pump water heater, and associated wiring) |
| Federal Loans or Loan Guarantees (e.g., loan from DOE Revolving Loan Fund (RLF)) | Can Co-Fund  | Can co-fund any remaining costs for the <u>same "single upgrade" or "QEP"</u> above the value of the Home Energy Rebate. | Loan from a state's DOE RLF covers remaining upgrade costs after rebate has been applied |
| Non-Federal Funding (e.g., EE utility \$, state/local \$) | Can Co-Fund  | Can co-fund any remaining costs for the <u>same "single upgrade" or "QEP"</u> above the value of the Home Energy Rebate. | Utility incentive provides additional funding toward remaining upgrade costs after rebate has been applied |
| Tax Credits (e.g., federal/state/local tax credits, may vary based on state/local law)* | See IRS or Tax Authority guidance | Refer to IRS guidance on the energy efficiency home improvement tax credit, available at https://www.irs.gov/credits-deductions/home-energy-tax-credits | |

U. S. DEPARTMENT OF ENERGY | OFFICE OF STATE AND COMMUNITY ENERGY PROGRAMS

**DOE does not provide tax advice; please refer to IRS guidance or relevant state guidance for relevant tax laws and requirements for tax credits.*

Source: [Guidelines for Combining Other Funding Sources with Home Energy Rebates](#)



DNREC DIVISION OF
**CLIMATE, COASTAL
 AND ENERGY**

Energy Programs

Contractor Requirements

Participating Contractor Agreement

- ❖ The Implementation Team will reach out to all contractors participating in the Weatherization Assistance Program and Home Performance with ENERGY STAR to determine interest in becoming a Participating Contractor of the Efficiency and/or Electrification Programs.
- ❖ Contractors interested in participating in the Programs, must sign a Participating Contractor Agreement.
 - Participating contractor agreement will include: required credentials, required insurance levels, etc.
- ❖ Per DOE guidelines, Participating Contractors must deduct the rebated amount from the customer invoice.
 - See next slide for additional details.

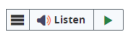
Rebate Process

- ❖ Contractor will complete work according to program guidelines.
- ❖ Contractor will deduct rebate amount, in the form of an instant discount, from customer invoice.
- ❖ Contractor will send all completed paperwork to the program.
- ❖ Contractor will be reimbursed within 4 weeks from receipt of completed paperwork.



Thank you!

Home Energy Rebate Programs



Climate, Coastal and Energy

- Home
- Contact Us
- I Am a ...
- Climate Action Plan
- State Energy Office
- Renewable Energy
- Energy Efficiency
- Transportation
- Communities
- Coastal Programs
- Coastal Zone Act

The Home Efficiency Rebate Program and Home Electrification and Appliance Rebate Program, which are expected to launch once funding is received later this year, are designed to help Delawareans reduce home energy costs.

Once approved by the U.S. Department of Energy, these programs could potentially provide up to \$66 million to Delawareans in the form of rebates across a wide range of energy efficiency and electrification measures, such as heat pumps, electric stoves, electric load service upgrades, insulation, air sealing, ventilation and more.

The funds would come from the federal [Inflation Reduction Act](#).

In June, 2024, DNREC held a series of **public information sessions** to present an [overview](#) of the Inflation Reduction Act Home Rebates Programs. Sessions were held on [June 17](#), [June 18](#) and [June 20](#).

Home Efficiency Rebates

The Home Efficiency Rebates will offer “whole house rebates” for energy efficiency improvements.

Rebate amounts will vary based on income and type of home and may range from \$2,000 to \$8,000 per home or unit.

Home Electrification and Appliance Rebates

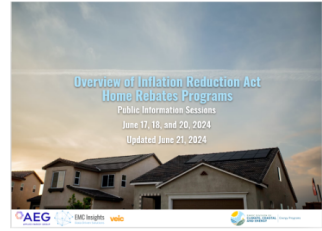
The Home Electrification and Appliance Rebates will offer rebates for electric appliances and other efficiency measures.

Rebates are specifically targeted to low-income households and may range from \$500 to \$8,000 depending on the type of appliance or efficiency measure.

Types of measures that will be supported include:

Contact Us

[DNREC Customer Support](#)
1-888-920-1871



Contact us for more information:

- *Visit:* de.gov/homes
- *Call:* 1-888-920-1871
- *E-mail:* DNREC.EnergyPrograms@appliedenergygroup.com

Appendix

Home Electrification and Appliance Rebates - Eligibility for Qualified Electrician Projects



Electric Heat Pump Water Heater

- ❖ Purchase and installation of an electric heat pump water heater is only eligible for rebate:
 - As replacement for a non-electric water heater
 - When the purchase is a first-time purchase of a heat pump water heater (e.g., upgrading an electric-resistance storage water heater)
- ❖ Electric heat pump water heaters include integrated heat pump water heaters that operate on 120V or 240V, split system heat pump water heaters, and central heat pump water heating systems. Central heat pump water heating systems include all ancillary equipment such as fans, blowers, pumps, storage tanks, piping, and controls, as applicable) and eligibility is restricted to multifamily dwelling units, whose owner is applying for a rebate for multiple dwelling units. In all cases, the rebated model or system must be ENERGY STAR certified if available and legal for distribution in the United States at the time of purchase. DOE understands that central heat pump water heating systems currently do not have an ENERGY STAR specification that addresses their system-based efficiency, which would encompass the heat pump, storage tanks, booster heaters, pumps, ancillary controls. In such a situation, states may propose to use available systems suitable for multifamily buildings subject to an alternative equipment efficiency standard for DOE review and approval.



Electric Heat Pump for space heating & cooling

- ❖ Purchase and installation of an electric heat pump water heater is only eligible for rebate:
 - As a replacement for a non-electric heating unit (e.g., gas, propane, or oil direct heating equipment; gas, propane, or oil forced-air furnace; gas, propane, or oil hot water or steam boiler).
 - When the purchase is a first-time purchase of a heat pump for space conditioning and is installed to provide the primary heating and cooling for the household. That is, for a home with existing air conditioning and an existing electric furnace, boiler, or electric baseboard heating to be eligible for a rebate for a heat pump, the heat pump must replace the majority of the usage for both the air conditioner and the electric furnace, boiler, or electric baseboard heating to provide the majority heating and cooling source for the home . A home may continue to use its pre-existing heating and cooling systems as backup and/or to provide secondary heating or cooling services to the home. A heat pump used to supplement an existing electric appliance for space conditioning is not eligible for a rebate.



Electric Heat Pump for space heating & cooling - continued

- ❖ Electric heat pumps for space heating and cooling include ducted and non-ducted air-source heat pumps, ground source heat pumps, and variable refrigerant flow heat pumps.
- ❖ The rebated model must be ENERGY STAR certified for the heating and cooling functions if available and legal for distribution in the United States at the time of purchase. The installed heat pump must be properly sized.
- ❖ Where there is no ENERGY STAR certification for central heating and cooling systems suitable for multifamily buildings, states may propose to use available systems subject to an alternative equipment efficiency standard for DOE review and approval.
- ❖ Costs eligible for rebate include all materials for installation, including smart thermostats and other grid-enabling technologies, pads for outdoor units, necessary ductwork, or other DOE approved materials.



Electric Heat Pump Clothes Dryer

- ❖ Purchase and installation of an electric heat pump water heater is only eligible for rebate:
 - As replacement for a non-electric clothes dryer; or
 - When the purchase is a first-time purchase of a heat pump clothes dryer for the dwelling unit, including upgrading an electric clothes dryer to a heat pump dryer.
- ❖ Must be ENERGY STAR certified



Electric Stove, Cooktop, Range, or Oven

- ❖ Purchase and installation of an electric heat pump water heater is only eligible for rebate:
 - As replacement for a gas or dual-fuel gas-electric stove, cooktop, range, or oven; or
 - When the purchase is a first-time purchase of an all-electric stove, cooktop, range, or oven for the dwelling unit
- ❖ Must be ENERGY STAR certified
- ❖ Dual-fuel models are not eligible.



Additional Program Information



Renter Procedures

- ❖ For low-income dwelling units occupied by renters:
 - ❖ The owners cannot raise rent based on improvements made as result of this program between the receipt of the rebate and program ending date of September 30, 2031. If the landlord participated in the last two years of the program, rent must be held constant for at least two years.
 - ❖ Owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
 - ❖ Owners agrees not to increase the rent of any tenant of the building as a result of the energy improvements, with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
 - ❖ In the event the owner does not comply, there will be penalties, including repayment of the rebate amount.
 - ❖ The owners agrees that if the property is sold between receipt of rebate and September 30, 2031, the above conditions apply to the new owner and must be part of the purchase agreement.



Equitable Benefits – For Low Income Identification

❖ Justice40 Initiative (J40)

- Provides the goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution.

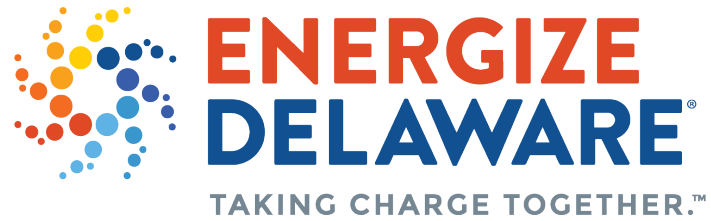
❖ Tools to identify Justice40 areas

- [Whitehouse's Climate and Economic Justice Screening Tool](#)
- [EPA's Environmental Justice Screening and Mapping Tool](#)
- [DNREC's Environmental Justice Area Viewer](#)

❖ Disadvantaged Community (DAC)

- Census tract communities marginalized and overburdened by pollution and underinvestment.
- 34% of Delaware's population is in a DAC.





Ask Drew

Trade Ally Feedback
Session

Century Club Awardees

- Comfort & Energy Solutions, LLC
- Energy Efficient Earth
- Energy Services Group
- Energy Solutions LLC
- Equinox LLC
- Home Performance Consulting LLC
- Independence Power Solutions
- Lawson Home Services, LLC
- Lumeco Energy, LLC
- Woodcock Home Energy LLC



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Thank You For Attending!

If you would like more information or have additional feedback, please contact:

Your HPwES Program Team



HPwES Program Team

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