

PENNSYLVANIA HOUSING FINANCE AGENCY

Deeper Dive into DEP HOMES with PHFA

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Home Efficiency Rebates (nee HOMES)

- Program created by IRA of 2022
- Runs for ten years (through 2032)
- PA to receive ~\$130M during time period
- $\$130\text{M} / 10 \text{ years} = \17.33M per year (huh?)
- Or even more?
- 80/20 rule
- SF/MF
- HER is not HEAR . . . more later

Multi-Family Considerations

- Why is the multi-family space significant?
- Eligibility conferred at the building level
- 50/80 requirement; or >50% and <80%
- PHFA has a role or relationship with ~2000 MF affordable locations
- Categorically eligible
- “manual” eligibility is permissible, but challenging
- Building-wide rebate availability (optional)
- Is MF a monolith?

Tenant Considerations and Protections

- Are interests always aligned?
- For two years following award of rebates
 - Owner must maintain LMI tenancy for all affected units
 - Owner may not evict original tenant and raise rent for new tenants
 - Owner may not increase rent for original tenant based on energy improvements (but raises attributable to property tax or operating increases are allowable)
 - In PHFA-linked projects, established agency protections also endure

Program Thumbnail

- HER awards substantial rebates for energy efficiency measures or retrofits in residential units
- HEAR is not a sibling of HER; more like a second cousin once removed
- HEAR is largely a single appliance/electrification program; HER promotes careful development and installation of suites of synergistic/complementary ECMs or practices
- Participation award vs. dynamometer graph
- Baseline energy usage information is key = HER not for new construction
- Methodology calculation calculus

Detour to Dark Side

- All applications for HER rebates must be predicated on assessments or audits per one or more BPI standards
- Owners must provide prior 12 months energy usage records
- Modeling to forecast energy savings must comply with BPI 2400
- BPI 2400 defines a standardized process and set of requirements for calculating expected energy savings for whole house retrofits through calibration to energy usage history
- Program must utilize QA/QC practices to track energy savings, and must implement corrective measures if savings do not achieve 70% of modeled projections
- Projects necessarily involve multiple stages; probably serial contractors

Show Me the Rebates

- Current expectation is to strongly encourage the modeled savings methodology, at least for the initial stages of the program
- Rebate amounts are commensurate with scale of energy reductions:
 - Attaining savings of 20% - 35% qualifies a project for rebates equal to 80% of costs up to a maximum of \$4000 per residential unit
 - Attaining savings of greater than 35% qualifies a project for rebates equal to 80% of costs up to \$8000 per residential unit
 - Contrast with measured methodology approach: 15% savings triggers rebates
- Financing gap considerations

Development and Rollout

- DEP/EPO and PHFA have been working together since last spring to develop basic program parameters
- Utilized consultant to analyze the IRA, frequent DOE guidance docs
- Conducted a series of informal meetings with relevant parties
- Agencies have developed a partnership vision with assigned roles and responsibilities that maximize respective strengths and expertise
- Currently preparing an RFP to select consultant to assist in building out all necessary business practices and materials
- Already developing community engagement plan; expect to trigger elements of outreach strategy even as RFP being prepared