



HOW OUR HOMES BENEFIT FROM THE INFLATION REDUCTION ACT

The largest ever federal clean energy investment means utilities can help consumers maximize the potential efficacy of home energy rebates. Let's create a more robust, more resilient grid together.

Honeywell

THE INFLATION REDUCTION ACT

Utilities are working diligently to create a clean energy future with stronger energy reliability and resiliency. Investment focus at a residential level can help. Legislation like the Inflation Reduction Act (IRA) of 2022 gives utilities exactly what they need to do more for their customers.

- The IRA includes **\$370 billion in investments** to help lower energy costs, accelerate utilities' investments in clean energy solutions, modernize grid infrastructure in response to increased energy demand, improve utilities' demand flexibility and strengthen supply channels for energy efficient equipment.
- Of this funding, **substantial energy-related tax credits, deductions, incentives and bonuses** (totaling \$43 billion) are made available to homes that change consumption habits, invest in new energy equipment, implement renewable sources and more.¹
- Utility companies must take advantage of IRA opportunities, acquire funding and use it effectively, allowing residential customers to make sustainable, efficient changes that create a stronger grid and more secure energy future.



1. Badlam, Justin et al. "[The Inflation Reduction Act: Here's what's in it.](#)" McKinsey & Company. 2022.

THE IRA HAS ALREADY MADE SIGNIFICANT STRIDES²

While it's not yet possible to measure the long-term success of the IRA since its enactment just over two years ago, we can explore its impact so far and what it intends to accomplish related to energy and beyond:



JOB CREATION: Investments in a clean energy economy — electric vehicles, battery storage, clean energy manufacturing and power generation — have already created over 270,000 jobs and are projected to support 1.5 million more over the next decade.



INVESTMENT IN UNDERSERVED COMMUNITIES: Specific tax credits are available in low-income and underserved communities to spur economic advancement and energy equity. Solar and wind facilities can now be installed as part of affordable housing developments, and additional incentives are available for qualified energy investments.



INCREASED ENERGY AFFORDABILITY: Shifts to cleaner and more resilient energy sources makes homes, businesses and industrial operations more energy independent. With incentives that support power generation, it's now less expensive to produce energy, which helps costs drop over time.



CLIMATE GOAL ACHIEVEMENT: Adding renewable energy sources and energy efficient solutions helps reduce greenhouse gas emissions associated with energy generation, transmission, distribution and consumption. Continued use of sustainable sources of energy alongside better management and consumption practices will reduce the grid's impact on the climate over time.

Using financial incentives like rebates and tax exemptions, as well as providing the resources necessary for change in underserved areas, the IRA encourages utility companies and customers to reduce energy waste, improve energy resiliency and enhance the energy efficiency of their homes today and in the future.

Let's take a closer look at IRA developments happening now, and what these opportunities mean for utilities and their residential customers.

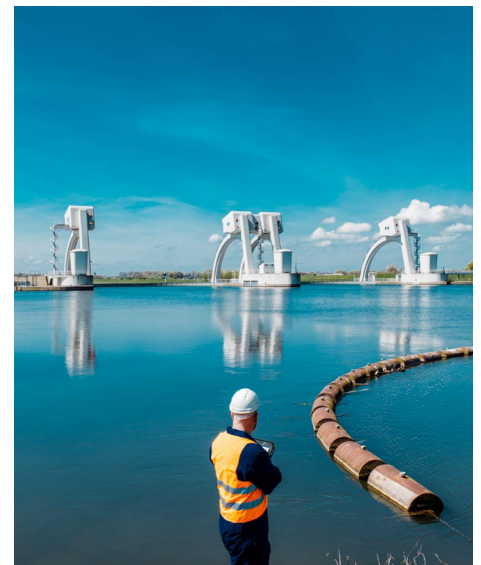
WHAT'S HAPPENING RIGHT NOW? HOME ENERGY REBATES

The IRA includes two provisions authorizing \$8.8 billion in home energy rebates: the Home Efficiency Rebates and the Home Electrification and Appliance Rebates.³

Energy rebates help households afford energy-saving improvement projects and solutions. States and territories are now able — and encouraged — to apply for portions of this funding that will ultimately help homes invest in energy efficient appliances, tackle retrofit projects and integrate renewable energy sources.

NEW YORK STATE HOME ENERGY REBATES

In May 2024, New York became the first state to offer home energy rebates through the Inflation Reduction Act, making almost \$40 million available to low-income households for insulation and air sealing, heat pumps for space and water heating and the electrical upgrades necessary



\$8.8 billion in home energy rebates

2. U.S. Department of the Treasury. "[Impact and Stories](#)." Accessed 16 August 2024.
3. Office of State and Community Energy Programs. "[Home Energy Rebates Frequently Asked Questions](#)." Accessed 16 August 2024.

to enable retrofits.⁴ This is just the start of funding to be funneled to the Empire State and of changes to be made in homes across New York.

This first wave of rebates is an additional catalyst for *energy equity* improvements. By focusing on low-income housing first (over 1.3 million homes in New York), the state begins to satisfy a long-overdue need for lower energy bills, improved air quality, enhanced comfort and job creation in affected areas.⁵

To be distributed over the next several years, New York is eligible to receive \$159 million through the IRA's Home Efficiency Rebates program and \$158 million through the IRA's Home Electrification and Appliance Rebates program.⁴

WISCONSIN HOME ENERGY REBATES

Wisconsin launched its Home Energy Rebate program in August, thanks to support from the Inflation Reduction Act. Like New York's, this program intends to help all residential consumers save on energy efficiency upgrade costs, reduce carbon emissions and lower monthly energy bills.

With almost \$150 million available, Wisconsin works to deliver home energy rebates to various households according to the following funding breakdown:

Single Family Homes

- \$10,000 for those making less than 80% of their area median income
- \$4,000 for those making between 80% to 150% of their area median income
- \$3,000 for those making at or above 150% of their area median income

Rental Units With Low-Income Tenants

- May receive up to \$10,000 in rebates depending on estimated energy reductions.

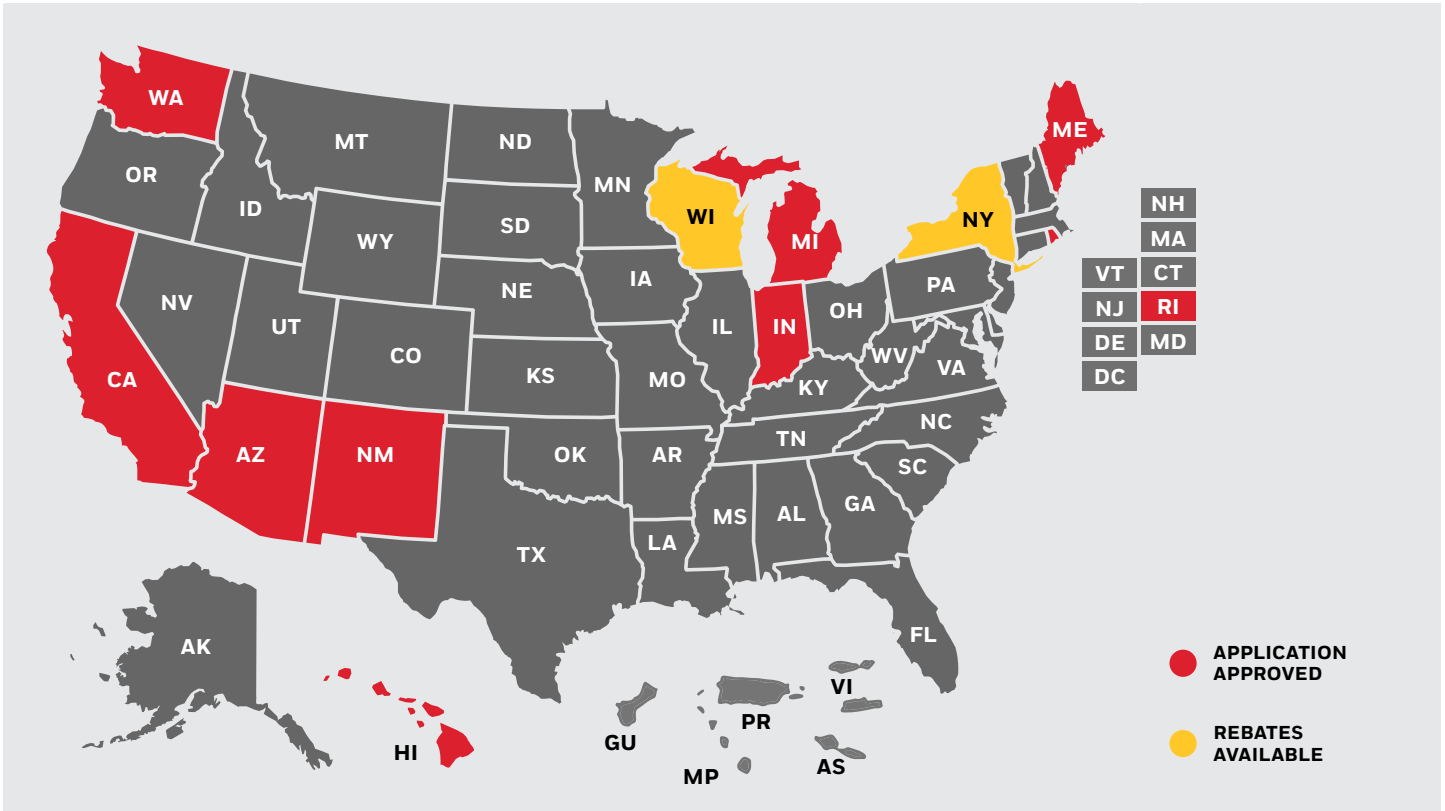
Multifamily Properties are also eligible.⁶

To receive home energy rebates, Wisconsin residents must first complete a home energy assessment to determine their specific upgrade needs and forecast potential energy savings. A licensed energy auditor should conduct these assessments.⁶



4. Walton, Robert. "[New York is 1st state to launch IRA-funded home energy rebate program.](#)" Utility Dive. 31 May 2024
5. Mironova, Oksana, and Samuel Stein. "[Our Fast Analysis of the 2021 New York City Housing and Vacancy Survey.](#)" Community Service Society. 12 October 2023.
6. U.S. Department of Energy. "[Biden-Harris Administration Announces Wisconsin Launch of Federal Home Energy Rebates Program Helping Lower Families' Utility Bills.](#)" 2 August 2024.

HOME ENERGY REBATES: READY AND ALMOST READY⁷



The U.S. Department of Energy expects state-level IRA rebate programs to save residential consumers up to \$1 billion annually in energy costs.⁴

WHAT UTILITIES CAN DO

Some states are receiving application approvals and funding fast. At the very least, all states have prepared or submitted their applications. While each state is responsible for their own applications and program development, utilities can help the states administer the right solutions to residential customers and achieve the goals of these home energy rebate programs.

And Honeywell can help utilities with these responsibilities.



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7. U.S. Department of Energy. "Power your home – and save money – with Home Energy Rebates." 15 August 2024.

WHAT UTILITIES CAN DO WITH HONEYWELL

Honeywell — specifically Honeywell Smart Grid Solutions — has the experience, expertise and portfolio of energy efficiency solutions and services to help utilities offer residential consumers what they need.

The residential energy efficiency solutions and services from Honeywell cover:

CONSUMER ACTIONS

Walk-Through Audits

- Direct install and virtual audits are available to residential customers. This offering is especially important to states that require energy audits before rebates are determined and delivered.

Customer Engagement Portal + Behavioral Programs

- Customers can access behavioral tips, educational opportunities, product offers and energy efficiency programs via an online engagement portal that also includes personalized energy recommendations, actionable next steps and program referrals.

DIRECT PURCHASE

- An online marketplace for purchases is available to consumers. Products can be shipped directly to customers' doors with digital shopping convenience.
- Considering midstream and upstream incentives, Honeywell leverages trusted and vetted channel partners to stock, market and sell high-efficiency equipment, including:



LIGHTING



HVAC



WATER HEATERS



FOOD SERVICE APPLIANCES



CONSUMER ELECTRONICS



TRADE ALLY ACTIONS

- Trade development programs are included in the Honeywell Smart Grid solutions and services offerings for workforce development as more jobs are created because of IRA funding and rebates.
 - Honeywell works alongside utility companies to develop tailored smart grid training plans or programs, listening to concerns and challenges before providing the best solution. If one utility needs to emphasize on-site grid maintenance, Honeywell will collaborate with the utility and provide necessary resources for field training. Or, if attention is focused on upfits within a classroom setting, Honeywell can help outline curriculum for the entire process.
- Trade allies can perform HVAC optimizations based on existing appliances and forecasted energy savings.

ENERGY EQUITY

- For income-qualified neighborhoods, Honeywell can help utilities conduct energy audits and neighborhood sweeps, and implement community programs and more.

Inflation Reduction Act funding and rebates work to change how residences use energy for the better. Not only do these credits create immediate opportunities for better energy efficiency, but they also drive long-term energy savings and the development of new utility offerings.

Honeywell also provides programs and services that help utilities transform resource ecosystems by improving energy management operations, automating energy usage and balancing grid loads with help from upgrades and rebate-induced changes. A Honeywell expert can provide more details upon request.

CONCLUSION

Utilities can navigate state funding opportunities and strengthen their offerings related to Home Efficiency Rebates and the Home Electrification and Appliance Rebates with help from Honeywell.

The sooner more states are approved for funding and use rebates to make energy efficient changes, the closer our homes — and our world — will be to a future with a cleaner climate and energy security for all.



For more information

<https://automation.honeywell.com/us/en/solutions/smart-energy/services/sgs>

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Additional trademark information can go here.
Approximately three lines of text should fit in this space.

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FUTURE
IS
WHAT
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MAKE IT

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