

Congress of the United States

Washington, DC 20515

September 18, 2023

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Secretary Granholm,

As we celebrate the one-year anniversary of the passage of the Inflation Reduction Act (IRA), we write to urge the Department of Energy (DOE) to expedite the deployment of the IRA's historic rebate programs for investing in affordable, energy-efficient home upgrades. Because of delays in finalizing program guidance and distributing administrative funds, we are informed that states may be unable to offer rebates until the Fall of 2024 or later, which would be more than two years after IRA enactment.

We urge DOE to prioritize getting this critical program on a faster, more effective track by working with states, territories, and tribes to ensure there are no further delays or obstacles going forward. Towards that end, DOE should immediately disburse early administrative funds so that program administrators can hire staff, develop plans, and stand up their rebate programs. It is also critically important for DOE to finalize clear, appropriate guidance so that states, territories and tribes can inform residents about the timing and amount of rebates for which they will be eligible.

The Home Energy Rebate Program is one of the most important consumer-facing benefits of the IRA and, unlike tax credits, it prioritizes low- and middle-income households that may not be able to utilize nonrefundable tax credits. The rebates will increase home energy efficiency, reduce our dependence on fossil fuels, and lower home energy costs. The transformative potential of this program is why so many of us – including members of Congress, administration officials, NGO's and others – have been urging Americans to consider making major energy efficiency and electrification upgrades to their homes, including buying appliances such as heat pumps. States are eager to build their programs, contractors and manufacturers want to make plans, and residents are anxious to start home improvements – indeed, some of our enthusiastic constituents have already done so based on assurances that IRA rebates would be available.

However, more than a year after the enactment of the IRA, no rebates have been issued and our constituents are still wondering if and when such investments will qualify for rebates. We must resolve that uncertainty and swiftly deliver the transformative energy savings and decarbonization benefits of these programs.

Until July 27, 2023, DOE had still not published guidance for states and territories to stand up their programs. The guidance that DOE finally released includes errors and inconsistencies that will require DOE to issue updated guidance. Additionally, DOE's failure to disburse early administrative funds has prevented states and territories from developing their programs.

These delays are all the more concerning considering that rebates are targeted at low and middle-income families who are less likely to benefit from nonrefundable tax credits. If equity is to remain a priority in implementing the IRA, we must recognize that it is unfair to require low- and moderate-income households to wait as much as two years to access rebates while higher-income households can benefit from tax credits for upgrades initiated since January 1st of this year.

The only way to correct this inequity and mitigate the potential loss of two years of rebates is to allow program administrators to make rebates available retroactive to the date of IRA enactment, as long as the upgrades meet program requirements. The IRA clearly authorizes retroactive rebates, stating that Home Efficiency Rebates “shall” be provided for “retrofits begun on or after the date of enactment” and saying nothing to the contrary regarding the Home Electrification and Appliance Rebate (41 U.S.C. 18795).

Therefore, we urge DOE to correct its program guidance to clarify that program administrators have the option to offer retroactive home efficiency and electrification rebates provided the upgrades were initiated on or after the date of enactment and meet the qualifications. Finalizing guidance with this correction and disbursing early administrative funds will enable states, territories, and tribes to start offering consumers the details they need to make important home improvements decisions. It will also provide assurance to residents who are ready to move ahead with costly upgrades and do not want to wait another year or more to do so.

Thank you for your prompt attention to this important matter.

Sincerely,



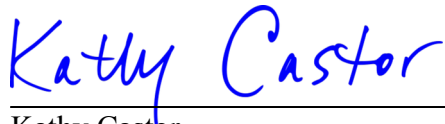
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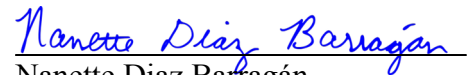
Doris Matsui
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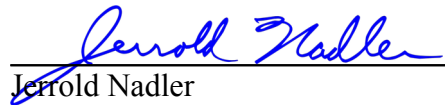
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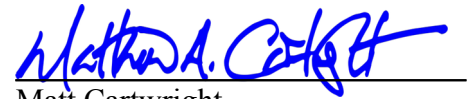
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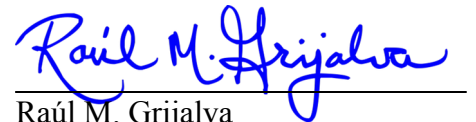
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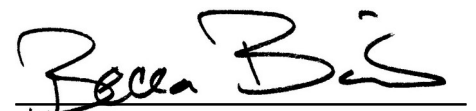
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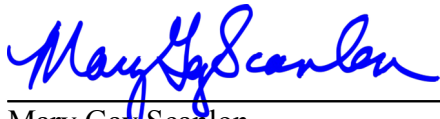
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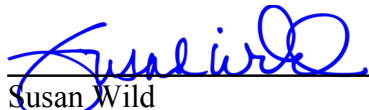
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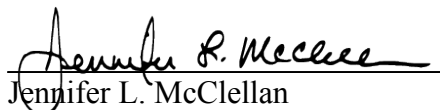
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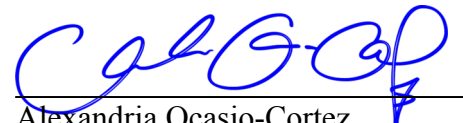
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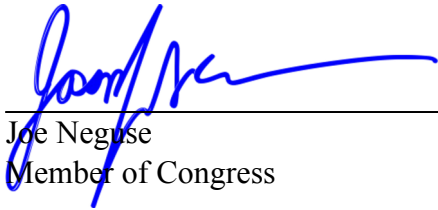
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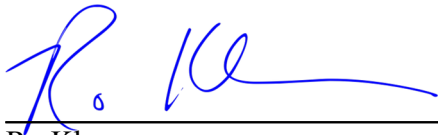
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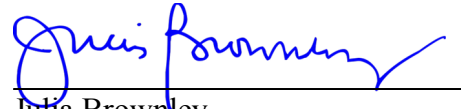
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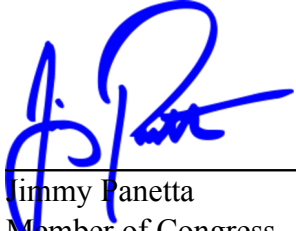
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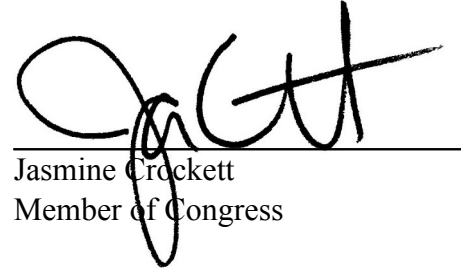
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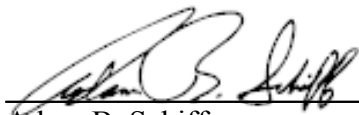
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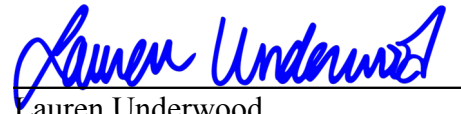
Eric Swalwell
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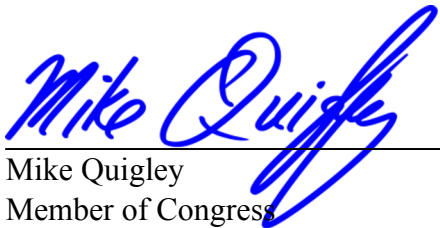
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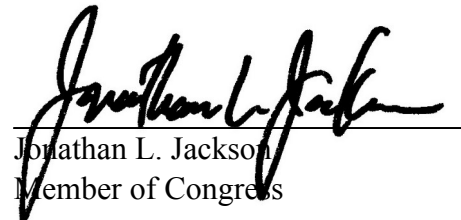
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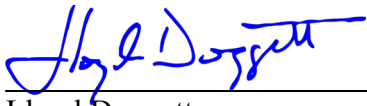
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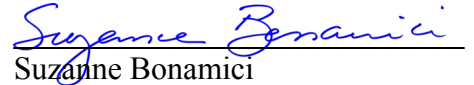
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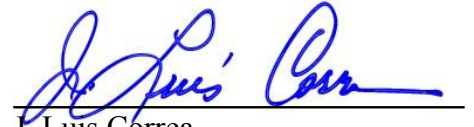
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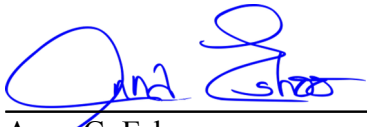
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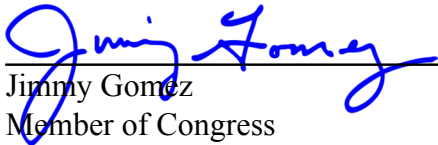
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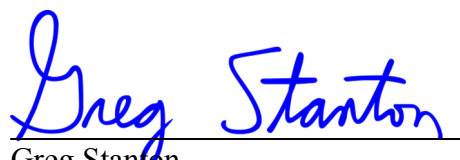
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