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Biden-Harris Administration Announces California's Launch of First Phase of Federal Home Energy Rebate Programs to Help Lower Families' Utility Bills

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STATE & COMMUNITY ENERGY PROGRAMS

Home Energy Rebates Update

Oct. 8, 2024

**Biden-Harris Administration Announces California's
Launch of First Phase of Federal Home Energy
Rebate Programs to Help Lower Families' Utility Bills**

Eligible California Homeowners and Multifamily Building Owners Can Use the Federal Home Energy Rebate Programs to Save Energy, Save Money on Energy-Efficient Upgrades, and Lower Housing Costs

Investing in America Agenda Provides Added Support to California's Existing Energy-Efficiency Programs, Giving Residents More Opportunities to Save

WASHINGTON, DC — As part of President Biden's **Investing in America agenda**, the U.S. Department of Energy (DOE) announced today that California is launching its first federal Home Energy Rebates program, supported by the Inflation Reduction Act. California is launching the Home Electrification and Appliance Rebates (HEAR) portion of the rebate program—enabling savings on energy efficiency improvements.

California's launch is part of the Biden-Harris Administration's nationwide initiative to provide \$8.8 billion in Federal funding for states, territories, and Tribes to lower energy costs and increase efficiency in American homes by making it cheaper to install cost-saving measures such as heat pumps, electrical panels, and insulation, which helps save money on housing costs. These energy-saving measures will save American households up to \$1 billion annually in energy costs and support an estimated 50,000 U.S. jobs in residential construction, manufacturing, and other sectors. These investments also advance the President's **Justice40 Initiative**, which sets a goal that 40% of the overall benefits of certain federal climate, clean energy, affordable and sustainable housing, and other investments flow to disadvantaged communities that are marginalized by underinvestment and overburdened by pollution.

"California has long been at the vanguard of combating climate change and advancing energy efficiency," said **U.S. Deputy Secretary of Energy David M. Turk**. "DOE is thrilled to provide nearly \$300 million to California through the HEAR program. This investment will build upon California's strong foundation, helping thousands of additional residents enjoy lower energy bills and cleaner air while strengthening our collective fight against climate change."

"Home energy rebates for clean and energy-efficient appliances and upgrades are good for the planet because they help cut pollution, but more importantly, they are good for Californians because they will save money by lowering energy bills," said **John Podesta, Senior Advisor to the President for International Climate Policy**. "Congratulations to California for making these game-changing Inflation Reduction Act incentives available to their residents."

"California has led the way on saving people money while taking climate action," said **California Governor Gavin Newsom**. "With the help of the Biden-Harris Administration and the historic Inflation Reduction Act, Californians can now get up to thousands of dollars to make the switch to energy efficient appliances. Saving money and fighting the climate crisis has never been easier."

"Electrifying and upgrading appliances is not just good for consumers' wallets, but also for our planet," said **U.S. Senator Alex Padilla**. "Thanks to the historic Inflation Reduction Act, the Home Electrification and Appliance Rebates program will help working families switch to sustainable, energy-efficient appliances — from home HVAC systems to water heaters — lowering their electric costs, improving indoor air quality, and reducing harmful emissions."

"This program from DOE and CEC will make sure that California families can afford energy efficient appliances that will save them money on energy bills, reduce

greenhouse gas emissions, and improve the air quality in their homes,” said **U.S.**

Senator Laphonza Butler. “I applaud the Biden-Harris Administration’s investment in making sure that families are equipped to adapt to our changing climate.”

“Existing buildings is one of the toughest segments of the housing market to decarbonize, to reduce the impacts of climate change. That’s why we are so energized to bring the federal Home Energy Rebates to Californians wanting to switch to cleaner, more efficient electric appliances and equipment,” said **Commissioner Andrew McAllister**, lead for energy efficiency at the California Energy Commission. “Starting this week, California is opening up applications for federally funded rebates, thanks to a close partnership with the DOE to make low-carbon technologies like heat pumps accessible to more Americans.”

Many Americans spend a large portion of their monthly income to heat, cool and power their homes. To advance the objectives of the rebate programs, DOE is requiring states and territories to allocate at least half of the rebates to low-income households, defined as those earning 80% or less of their area median income, which is expected to benefit many households in disadvantaged communities. States and territories must also submit Community Benefits Plans to ensure good jobs and other economic opportunities are available. To help keep consumers informed and equipped with resources, DOE recently released a **Consumer Bill of Rights framework** and is encouraging state, territorial and Tribal rebates programs to adopt it.

California's Home Energy Rebate Programs

California's HEAR program—one of two Federal Home Energy Rebate programs—will be overseen by the [California Energy Commission](#), and the first phase will be implemented by [TECH Clean California](#). TECH Clean California is an existing state program that offers single-family and multifamily rebates on heat pumps for space heating and cooling (i.e., heat pump HVACs), heat pump water heaters, and more. The federal rebates will expand state programs to provide additional support to low- and moderate-income households. TECH Clean California is launching its HEAR program in phases, with the affordable multifamily program launching first.

Available now:

Eligible owners of multifamily buildings can save up to **\$14,000** per dwelling unit, including up to:

- **\$8,000** for an ENERGY STAR-certified heat pump HVAC.
- **\$4,000** for an electrical panel.
- **\$2,500** for electrical wiring.
- **\$1,750** for an ENERGY STAR-certified heat pump water heater.
- **\$840** for an ENERGY STAR-certified electric stove, cooktop, range, or oven.
- **\$840** for an ENERGY STAR-certified electric heat pump clothes dryer.

To apply for the HEAR multifamily program, Californian building owners should visit <https://techcleanca.com/heehearrebates/>.

Available soon:

Eligible owners of single-family homes will be able to save up to the following amounts on ENERGY STAR-certified heat pump HVAC units:

- **\$8,000** for low-income households (i.e., those earning less than 80% of their area's median income).
- **\$4,000** for middle-income households (i.e., those earning between 80-150% of their area's median income).

California is continuing to evaluate the most effective approach to expand the HEAR program in the near future.

There also is a second Home Energy Rebates program that California will launch in 2025. Under the **Home Efficiency Rebates** program, eligible Californians can save money on retrofits that reduce whole-home energy consumption.

For more information on California's first phase of the HEAR program, visit the [TECH Clean California website](#).

More States Get Ready for Rebate Launch

Home Energy Rebates are coming online in more states to help American families save energy and save money with energy-efficient home upgrades. You can check the status of your state's program at energy.gov/save/rebates.

For more information on what you can do to save energy and save money, visit www.energy.gov/save.

About Home Energy Rebates

On Aug. 16, 2022, President Joseph R. Biden signed the Inflation Reduction Act. The law includes nearly \$400 billion to support clean energy and address climate change, including \$8.8 billion in [Home Energy Rebates](#), which provide two separate rebate programs to consumers:

The [Home Efficiency Rebates](#) provide \$4.3 billion to discount the price of energy-saving retrofits in single-family and multi-family buildings. These rebates are administered by states and territories.

The [Home Electrification and Appliance Rebates](#) provide \$4.5 billion for high-efficiency upgrades in homes. These rebates are administered by states, territories, and Tribes, which will receive \$225 million of this amount.

For more information, sign up for our [email updates](#) and visit the [Home Energy Rebates](#) website and [State Progress Dashboard](#).

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