



Home Energy Rebates

City of Ann Arbor

Tuesday, February 11, 2025

Today's Agenda

- Introductions
- Program Overview
- Fund Availability & Application Processes
- Program Impact
- Lessons Learned
- Question & Answer
- Close



What is the Home Energy Rebate Program?

The City of Ann Arbor's Office of Sustainability and Innovation has partnered with Elevate and Michigan Energy Options to offer over 1,000 sustainability-related rebate to residents across the city.

Participation Requirements

- You must own or rent within the Ann Arbor city limits
- All equipment must be installed at the eligible property and meet program requirements
- Installed equipment must meet program guidelines
- Must be 18+ years of age



Home Energy Rebate Tiers

The HER Program offers two tiers of rebates to Ann Arbor residents: Market Rate and Income Eligible.

Market Rate (MR) Rebates:

- Open to everyone
- Standard market rebate

Income Eligible (IE) Rebates:

- 120% Area Median Income (AMI)
- Based on household size
- Offers an increased rebate amount

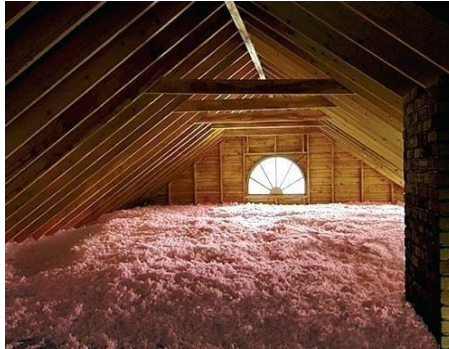
120% Area Median Income Ann Arbor, MI	
Persons in Household	Income Limit
1	\$ 104,200.00
2	\$ 119,200.00
3	\$ 134,000.00
4	\$ 148,800.00
5	\$ 160,800.00
6	\$ 172,800.00
7	\$ 184,600.00
8	\$ 196,600.00

This table used to determine 120% AMI for the HER program.

Program Measures: Efficiency

Energy Efficiency

- Attic & Roof Insulation
- Wall Insulation
- Rim/Band Joist Insulation
- Crawl Space Insulation
- Basement Wall Insulation
- Air Sealing
- **NEW! Ductwork Rebate**



Market Rate rebates:
\$500
Income Eligible:
\$1,000

NEW! Insulation & Air Sealing Bonus

If you complete two or more insulation measures and air sealing, you qualify for the bonus.



Market Rate Bonus:
\$1,500
Income Eligible Bonus:
\$2,000

Program Measures: Electrifications

Electrification:

- Cold Climate Central Air-Source Heat Pump (duct & min/multi split)
- Heat Pump Water Heater
- Electric Panel Upgrade
- **NEW! Appliances**



Market Rate rebates
range: \$1,000 - \$4,000
Income Eligible range:
\$2,000 - \$5,500

Battery Storage:

50 Rebates are reserved to support residential PV Storage efforts across the city.



Market Rate Rebates:
\$2,000
Income Eligible:
\$3,500

New! Cooking and Appliances

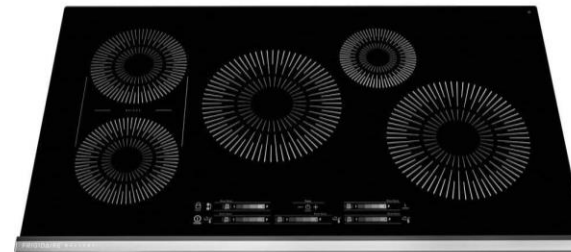
To expand the impact of the Home Energy Rebate program and continue to push the market towards energy efficiency, appliances have been added to the list of qualified measures.

Heat Pump Washer/Dryer:

- ENERGY STAR certification required
- Must replace existing dryer
- MR= \$300, IE= \$500

Induction Cooktops

- Must be at least 30 in with 4 burners
- MR = \$500, IE = \$750
- Portable units not eligible



Program Measures: E-Bikes

The HER program offers an e-bike rebate to all households in the city. The goal of this rebate is to help the community cut our carbon footprint by driving less.

Standard & Cargo E-Bikes

- One E-Bike per household
- Must be UL 2849 Certified
- Retrofit kits not allowed

MR Rebate: 50% of the cost, up to \$500

IE Rebate: 50% of the cost, up to \$1,000

Note: E-bikes applications are closed until July 2025





HER Fund Availability & Application

How to apply for the program?

The Application Process:

1. Determine Eligibility
 - If applicable, fill out the Income Eligibility Application
2. Submit the Application
 - There is an online and printable application available via the program website
3. Reserve Rebate Funds
4. Complete the Project
5. Submit Rebate Application
6. Get Your Rebate



Note: Contractors can also claim the rebate on behalf of residents. They can apply the rebate amount as a deduction from the total cost of the eligible measures, making the process even easier for residents.

Are funds still available? Yes!

There is still a large bucket of funding available in the HER Program budget.

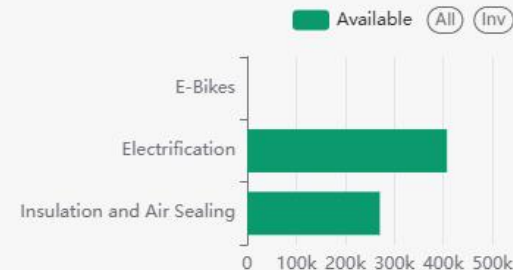
The Ann Arbor HER website has a live funding dashboard that informs applicants of funding availability per category.

OSI is currently administering a stronger marketing strategy to re-engage resident about the program.

Energy Commission input and ideas around increasing engagement in the program are welcome.

Home Energy Rebates - MARKET RATE

The funds that have been expended and those that remain available to households of any income.



Home Energy Rebates - INCOME QUALIFIED

The funds that have been expended and those that remain available to reimburse income-qualified households.





Program Impact

Inside look into the program

- Since July, the HER program has provided 222 rebates to 173 households across Ann Arbor
- Income qualified households account for 44% of households served and 37% of measures claimed
- 58% of all rebates were completed via the programs reservation process
- The program is expanding 2025 by increasing rebates, introducing new measures and include all residential property types.
- Current reservation: 40 reserved applications with a potential value of \$84,379 (not included in table)

Rebate Type	Measures	Rebates approved and Paid	Impact MTCO2e Yr 1	Impact MTCO2e Lifecycle
Income Qualified	82	\$ 127,219.65	-42.43	-579.93
Market Rate	140	\$ 196,739.52	-121.02	-1,929.15
Total	222	\$ 323,959.17	-163.45	-2,509.08

What are we doing to move more rebates?

Following the first 6 month of the Ann Arbor Home Rebate Program, the administrative team has adapted the program to improve accessibility, make a larger financial impact for residents, and offer a more diversity of rebates to further incentivize energy efficiency.

Move to a
fully
reservation
system

Increase
Rebate
Amount

Simplified
the HER
application

Expanded
the reach
of the
program

Lessons Learned - Program Design Update

1: Multi-Family

Description:

Program launched with only 1-4 residential units being eligible. Many residents in buildings with five or more units have applied, unaware that they are ineligible, leading to frustration

Lesson(s) Learned:

- Program adjusted in January to include eligibility for all residential units
- Added additional measures applicable to multi-family

2: Reservation Process

Description:

Program Launched with Reserved and Unreserved funds. Reserved funds was most heavily utilized. Residents expressed hesitation due to concerns around funding availability.

Lesson(s) Learned:

- All funds have been made fully reservable to reduce uncertainty and improve participation

3: Timeframe Concerns

Description:

The 60-day deadline for project completion and reservations can be too short, especially with contractor delays.

Lesson(s) Learned:

- Project reservations have been extended to 90 days to provide additional flexibility and increase project success rates

4: Complex Rebate Structure

Description:

The program offered multiple rebate options for similar measures (e.g., heat pumps with different efficiency levels), which has led to confusion among residents. Many applicants are unsure which rebate to apply for, resulting in delays, multiple reservation.

Lesson(s) Learned:

- Simplify rebates into single measure tiers
- Increase clarity in project requirements



Questions?

Thank You!



- For any questions about the program, please contact A2ZEROREbates@michiganenergyoptions.org.
- Residents interested in learning more about the rebate program and potentially applying, should register for the City's Sustainability Newsletter as soon as possible at the link: url.a2gov.org/newsletter.
- Program Manager contacts:
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