



American Recovery and Reinvestment Act of 2009 (ARRA) State Energy Efficient Appliance Rebate Programs

Frequently Asked Questions

- 1. What was the origin of the State Energy Efficient Appliance Rebate Program?**

Congress authorized the State Energy Efficient Appliance Rebate Program as part of Section 124 of the Energy Policy Act of 2005 (EPACT 2005), but did not appropriate the necessary funds for implementation. ARRA 2009 included the authorizing provision from the original law and appropriated \$300 million for the program.
- 2. What is the purpose of the State Appliance Rebate Program?**

The goal of the Program is to save energy and stimulate the economy by encouraging consumers to replace old appliances with new ENERGY STAR qualified models. The federally funded rebates will reduce the first-cost of higher-efficiency appliances and help foster greater public awareness of the benefits of using ENERGY STAR products. By increasing overall demand for more efficient products, the rebate program will also help retain the associated manufacturing, retailing, and recycling jobs.
- 3. Who is eligible to receive the Appliance Rebate Program funds?**

Only U.S. States, Territories, and the District of Columbia can apply for the funds. The States and Territories will then use these funds to provide rebates to consumers.
- 4. What is each State's or Territory's allocation of funding and how is it determined?**

The funds will be divided among the States and Territories using a statutory formula based on population. The specific allocations for each State/Territory can be found at: www.energy.gov/news2009/documents2009/EE_EnergyStar_State_Allocations.pdf. The minimum any State or Territory will receive is \$100,000.
- 5. How do States apply for the funds?**

Each State and Territory interested in receiving funds must submit an initial application to DOE by August 15, 2009. Detailed program plans are due to DOE by October 15, 2009. All applications must be filed electronically. If a State or Territory opts not to participate, its share of the funds will be reallocated proportionately to the remaining States and Territories.
- 6. When will the funds be made available to States?**

DOE will award 10% of a State's allocated funds upon receipt of the initial application. The remaining 90% will be awarded after DOE approves the complete application and program plan.

7. Must States share any of the program costs?

Yes. States and Territories will be responsible for covering 50% of the administrative costs. Their federal allocation must fund the full cost of all product rebates and the remaining 50% of the administrative costs. Federal funds, such as SEP grant money may not be used for the State's portion of the costs. However, States can partner with other organizations (e.g., retailers, manufacturers, or utilities) that agree to cover the required cost share on the State's behalf.

8. Can States and Territories use the new ARRA funds to pay for current programs?

No. States and Territories shall assess existing State and Territory and utility incentives available for each product, and develop proposed rebate levels that complement these baseline efforts. While it is acceptable to *supplement* existing State programs, the Recovery Act rebate funds may not be used to supplant existing program funding.

9. What appliances can qualify for the rebates?

States and Territories have the flexibility to select which residential ENERGY STAR qualified appliances to include in their programs, and what rebate amount to provide for each. DOE recommends that States and Territories focus their program efforts on heating and cooling equipment, appliances, and water heaters as these products offer the greatest energy savings potential. More specifically, DOE recommends States select from among the following residential ENERGY STAR qualified appliance categories:

- Boilers
- Central air conditioners
- Clothes washers
- Dishwashers
- Freezers
- Furnaces (oil and gas)
- Heat pumps (air source and geothermal)
- Refrigerators
- Room air conditioners
- Water heaters.

All State and Territory programs should be designed to complement existing State or utility programs operating within their state.

10. Will this program include recycling of used appliances?

DOE encourages States and Territories to include proper recycling of used appliances, particularly refrigerators and room air conditioners, as part of their rebate programs. This will help remove old inefficient products from the electric grid, and ensure the refrigerants in these products are properly captured.

11. Can States use ARRA funds to pay for product recycling?

Direct recycling costs cannot be included, but the costs to *administer* the recycling component of a State program are allowed. States may wish to partner with other organizations to cover the actual recycling costs.

12. Can States work with local utilities or third-party administrators to deliver their rebate programs?

Yes. States and Territories may contract with third-party administrators or utilities to run their rebate programs. Even if a State or Territory will run the program itself, cooperating with local utilities and retailers is encouraged. In all cases, the State or Territory is still responsible for tracking and reporting to DOE.

13. When must the States launch their programs?

Once funds are received States and Territories can begin to roll out their programs. There is no specific deadline for program launch, but DOE encourages States and Territories to develop programs that can be deployed quickly.

14. How long do States have to spend their money?

States have up to February 2012 (36 months from enactment of the ARRA legislation) to expend all of the funds.