



**THE SWITCH IS ON**



# Switch to Electric 2023 Incentives Guide

Updated December 2022

# Inflation Reduction Act Edition

The Inflation Reduction Act (IRA) was signed into law on August 16th, 2022, and will provide over \$10 billion dollars in federal rebates & tax credits to help households switch out their fossil-fueled appliances to electric appliances for everyday activities such as cooking, space heating and cooling, water heating and clothes drying, while also improving the energy efficiency of your home.



## IRA reduces the upfront costs for households to electrify by offering three types of incentives:

### 1 25C Energy Efficiency Home Improvement Residential Tax Credits

For qualified energy efficiency improvements, energy audits, and energy property expenditures such as electric heat pumps for space or water heating; residential electrical infrastructure improvements or replacements; and weatherization (air sealing, ventilation & insulation). The tax credit has increased to up to 30% for 2023 (originally limited to only 10% in 2022). The tax credit reduces to 26% in 2033 and 22% in 2034, expiring after 2034. Individuals with tax liability can take advantage of the tax credits every year, up to the annual maximum of \$2,000.

#### Annual Maximum

- **\$2,000**  
For electric heat pumps, heat pump water heaters, biomass stoves and boilers.
- **\$1,200**  
For weatherization installs and panel upgrades.

Total Annual Maximum = **\$2,000**

Effective date: January 1, 2023

*\*Please work with a tax professional to review your eligibility.*

**2 High Efficiency-Electric Home Rebate (HEEHR) Program**

Applied at point of sale for purchases replacing non-electric appliances with electric appliances (eg: replacing a gas stove with an electric/ induction cooktop). The rebate is income qualified, meaning it may cover 100% of the costs up to cap for households at < 80% of Area Median Income (AMI) and up to 50% of the costs for households at 80% - 150% of AMI.

- Maximum Total**
- **\$14,000**
- Maximum rebate values offered under the HEEHR program are:
- \$8,000 for an electric heat pump HVAC (HP HVAC) system
  - \$4,000 for an electric panel upgrade
  - \$2,500 for electric wiring
  - \$1,750 for an electric heat pump water heater (HPWH)
  - \$1,600 for insulation
  - \$840 for an electric/induction stove
  - \$840 for an electric heat pump clothes dryer

Additional contractor incentives= **\$500**

Effective date: Likely in 2024

**3 HOMES Rebate Program**

Applied based on energy savings i.e., modeled (pre-installation) or measured (post-installation) energy savings and will be paid through contractors, installers, or home performance companies. No income verification required.

- Maximum Total**
- 50% of the project cost for energy savings > 35% for high income households
- 80% of project costs for energy savings > 35% for low-and moderate-income households (AMI <150%).

Additional contractor incentives in Disadvantaged Communities only= **\$200**

Effective date: Likely in 2024

# Important note

HEEHR and HOMES rebates cannot be combined with one another.  
The 25C tax credits may be combined with either the HEEHR or HOMES rebates.

This guide is for residential homes to plan for electrification retrofit upgrades in 2023 based on the availability of Federal IRA, CA State, Regional and local incentives. Incentives are available on a first-come, first-served basis until funds are no longer available.



## Heat Pump

Switch to Heat Pump for space heating and cooling		Your savings \$
Federal IRA 25C Tax Credits Available: Jan. 2023	30% up to \$2,000	
CA TECH Incentives Available: Feb - March 2023	Incentives \$: TBD	
Regional and Local Incentives Available Now!	Visit <a href="https://incentives.switchison.org">incentives.switchison.org</a> to find all incentives	



## Heat Pump Water Heater

Switch to Heat Pump Water Heater for water heating			Your savings \$
Federal IRA 25C Tax Credits Available: Jan. 2023	30% up to \$2,000		
CA SGIP Incentives (Residential Unitary) Available:TBD	Market Residential incentives up to \$3,800	Equity Residential incentives up to \$4,885	
Additional Low Global Warming Potential (GWP) Kicker	\$1,500		
CA TECH Incentives available in: Feb - March 2023 *Only in regions not eligible for SGIP	Incentives \$: TBD		
Regional and Local Incentives Available Now!	Visit <a href="https://incentives.switchison.org">incentives.switchison.org</a> to find all incentives		

The federal IRA incentives may be layered on top of other state, regional and local incentives. For Californians, additional statewide incentives will be available in 2023 through the [TECH Clean California](#) program for HP HVAC & HPWH and the [Self-Generation Incentive Program \(SGIP\)](#) for HPWH. For whole home electrification, incentives are currently available from [California Energy-Smart Homes](#).



## Weatherization & Panel Upgrades

Weatherization & Electrical Panel Upgrades: Upgrade insulation, ventilation and sealing, and Electrical Panel			Your savings \$
Federal IRA 25C Tax Credits Available: Jan 1, 2023	30% up to \$1,200		
CA SGIP Incentives (Residential Unitary) *only with HPWH installations Available: TBD	Market Residential incentives \$2,000	Equity Residential incentives \$4,000	
Regional and local Incentives	Visit <a href="https://incentives.switchison.org">incentives.switchison.org</a> to find all incentives		
* Panel upgrades may be eligible for IRA tax credits if installed with other qualifying energy property upgrade projects such as HP HVAC, HPWH or weatherization.			



## Induction & Clothes Dryer

Switch to Induction Cooking for cooking		Your savings \$
Regional and Local Incentives available now!	Visit <a href="https://incentives.switchison.org">incentives.switchison.org</a> to find all incentives	
Switch to Electric Clothes Dryer for laundry		Your savings
Regional and Local Incentives available now!	Visit <a href="https://incentives.switchison.org">incentives.switchison.org</a> to find all incentives	





## All Electric Home

Switch to All Electric Home (for Single Family, Duplex, and Townhomes)		Your savings \$
CA Energy Smart Homes *Whole Building Electrification Available Now!	\$5,500	
HP Dryer Bonus	\$400	
Weatherization, wiring or Panel Upgrade Bonus	\$1,000	
* Each property must install heat pump space heating, heat pump water heating, electric or induction cooking, and an electric dryer. May be layered with other local, state programs and IRA funding.		

Visit [incentives.switchison.org](https://incentives.switchison.org) to find the latest incentives in your region.

We will notify you as new incentives are available.

**Sign up** to stay up to date on the latest incentives in your area.



## THE SWITCH IS ON

### How do I start electrifying my home?

1

Identify your gas-powered appliances

2

Use our Incentive Search Tool to find incentives available in your area.

3

Request quotes through our "Find a Contractor" tool

4

**Make the switch!**

[www.switchison.org](http://www.switchison.org)  
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Scan for incentives