

# ATTACHMENT 1

## STATE OF WISCONSIN IRA HOME EFFICIENCY REBATES (HOMES) PROGRAM, SECTION 50121 APPLICATION NARRATIVE

Resubmitted to DOE on July 24, 2024

# Contents

- Use of Funds and Rebate Eligibility ..... 3
  - Section 3.1.1 Use of Funds ..... 3
  - Section 3.1.2: Rebate Conditions and Levels ..... 11
  - Section 3.1.3: Low-Income Homes ..... 17
  - Section 3.1.4: Community Benefits Plan ..... 30
  - Section 3.1.5: Processing and Delivering Rebate Funds to Eligible Rebate Recipients ..... 31
  - Section 3.1.6: Data Collection and Evaluation ..... 34
- Consumer Experience ..... 39
  - Section 3.2.1: Outreach and Education Strategy ..... 39
  - Section 3.2.2: Home Assessments ..... 40
  - Section 3.2.3: Access to Residential Utility Data ..... 42
  - Section 3.2.4: Project-Specific Energy Savings Calculations ..... 42
    - Section 3.2.4.1: Calculating Modeled Energy Savings ..... 42
    - Section 3.2.4.2: Calculating Measured Energy Savings ..... 48
  - Section 3.2.5: Consumer Protection through Quality Assurance ..... 49
  - Section 3.2.6: Post-Installation Certificate ..... 49
- Maximizing Rebate Impact ..... 51
  - Section 3.3.1: Supporting the Clean Energy Economy Through Market Transformation ..... 51
  - Section 3.3.2: Integrating with Other Programs ..... 51
  - Section 3.3.3: Quick Starts ..... 55
- Appendix ..... 56
  - Home Efficiency Rebates ..... 56
    - Measured and Modeled Rebate Levels ..... 56

# USE OF FUNDS AND REBATE ELIGIBILITY

## Section 3.1.1 Use of Funds

1. Provide which types of allowable costs the state proposes within each category of **administrative funds** and **rebate funds** and within those categories:

*Note: These responses should correspond with the Standard Form 424, Standard Form 424A, and [Budget Justification Workbook](#).*

Please note that “rebate funds” indicate the remaining amount of grant funds after subtracting “administrative funds”.

- Program planning and design
  - The state will contract with a third-party administrator, Aptim Government Solutions LLC (Aptim), an independent evaluator, The Cadmus Group LLC (Cadmus); a fiscal agent and system administrator, Wipfli LLP (Wipfli); a compliance agent, Baker Tilly US LLP (Baker Tilly); and an income verification services firm, Energy Services, Inc. (ESI).
  - Aptim, as third-party administrator will subcontract to implementation firm(s) to perform specific functions of the program work.
  - All of these entities, with the exception of ESI are currently involved in the delivery of the Focus on Energy Program. All of these entities have expertise in designing and delivering efficiency programs, with proven success in market uptake, sound installations, income verification, and delivering benefits to low-income households.
- State Energy Office Program staff
  - The state plans to hire 2 full time staff members, with the intent that their time will be split amongst the Home Efficiency (Sec. 50121) and Home Electrification and Appliance (Sec. 50122) awards. Our accounting systems have the ability to separately track these different funding sources and internal policies are in place to ensure the time is accurately tracked.
  - The state also has 4 team members supporting the Focus on Energy program at the PSC, these staff will also provide ongoing support for the programs in a part-time capacity.
- Development of tools and systems, including websites, applications, rebate processing, and reporting
  - The third-party administrator’s sub-contracted implementer(s) will develop user interfaces and systems for households, contractors, and others to use to apply for rebates, submit required documentation, etc., including income verification.

- The systems administrator and fiscal agent will collaborate with the third-party administrator's sub-contracted implementers to ensure that the data can flow smoothly into the system of record and to the fiscal agent system for payment.
- This work may include the development of an application programming interface (API) which would allow the efficient delivery of data related to categorical program eligibility and utility data, thereby expediting income verification and improving the customer experience.
- Program evaluation and consumer satisfaction surveys
  - Dependent on the design of a to be developed evaluation plan, Cadmus, the program evaluator may conduct focus groups, interviews, and/or consumer surveys to assess the effectiveness of program outreach and delivery, and satisfaction with rebates and products.
- Program monitoring and audits
  - In addition to state staff monitoring program delivery and overseeing the third-party administrator and their implementation contractor(s), the state will also contract with the compliance agent to perform this compliance work and provide assistance on responding to state or federal inquiries.
  - The third-party administrator, their sub-contracted implementation contractor(s) and other providers will also be required to fulfill data reporting and analysis per their contract.
- Consumer protection functions including resolution procedures, data review, contractor management, installation standards, and continuous improvement.
  - In response to findings from periodic assessments of program performance (as well as any identified problems that arise throughout implementation), the state or the third-party administrator will institute changes to address deficiencies in program delivery (or design).
  - The state will develop consumer protection guides or one-pagers that will be provided to all rebate applicants as one part of the consumer protection strategy.
  - The third-party administrator and their sub-contractors will utilize Focus on Energy's existing phone system and dedicate program staff to respond to consumer questions and/or complaints. The third-party administrator may create a dedicated phone line to serve this Program which would be managed through the existing phone system.
  - State staff will regularly review the third-party administrator and sub-contracted implementers data submissions.
- Marketing, education, and outreach.
  - The state has held five in-person and two virtual (i.e., online) community engagement sessions to better understand community interests and inform the program design.
  - The state has held eight contractor engagement sessions to better understand the interests of the state's network of trade allies and to inform program design.
  - The state will conduct separate outreach to retailers, product manufacturers and distributors.

- The state, potentially with assistance from its implementation contractors or outside experts and partners, will develop marketing and education information for homeowners, tenants, retailers, contractors, and others as needed.
- Implementation contract cost not including rebates and costs for activities directly related to delivery of rebates.
  - The implementation contractor(s) will use administrative funds for data review and reporting, and to fulfill other programmatic management requirements.
  - The third-party administrator will provide oversight of implementation contractor(s) and other service provider costs/contract management; data review and reporting.
- Contractor training
  - Contractor training and/or review of a contractor’s certification(s) will be required before a contractor is placed on the qualified contractor list.
  - Training specifically to assist contractors in participating in the rebate program will be made available.
  - Additional training funding will exist with the TREC 50123 program which will be put out for a competitive grant program in Q3 2024 by the State Energy Office.
- Activities to improve access to rebates, facilitating leverage of private funds and financing mechanisms (e.g., loan loss reserves, interest rate reductions) where beneficial to efficiency and/or electrification projects.
  - Depending on availability of resources, the state will engage financing organizations (e.g., green banks) to assist in making low- cost financing (or other incentives including the potential to establish and apply loan loss reserves) available to rebate applicants and providers (e.g., contractors).
- Technical assistance
  - Depending on availability of resources, the state and/or its implementation contractor(s) may provide technical assistance either directly or through specialized organizations to assist entities focused on serving disadvantaged communities and/or other priorities.

a. Provide the total amount of estimated administrative funds to be expended annually:

The state is expecting these funds to last approximately 5 years. Therefore, the annual administrative expenditure is calculated on that assumption.

<b>Program</b>	<b>Total Allocation</b>	<b>Administrative Budget (20%)</b>	<b>Annual Expenditure (Estimate)</b>
HOMES	\$74,904,830	\$14,980,966	\$2,996,193

- b. Provide the total amount of estimated project-related costs as a portion of the rebate funds to be expended annually:

The state is expecting these funds to last approximately 5 years. Therefore, the annual estimated project-related costs are calculated on that assumption.

Program	Total Allocation	Estimated project-related costs	Annual Expenditure (Estimate)
HOMES	\$74,904,830	\$3,075,000	\$615,000

2. If requesting additional rebate funds for project-related activities, describe and justify each activity and associated budget in the budget justification worksheet.

The state plans to use **rebate funds** to cover the following types of activities:

Rebates for the Home Efficiency Rebates program (HOMES)

The state would also like to request using **rebate funds** to cover the following types of project-related activities:

- a. The State of Wisconsin requests using rebate funds to cover the cost of home energy assessments and the associated energy savings modeling for households verified as low-income (i.e., earning less than 80% AMI) and/or households located in disadvantaged communities (DACs) only when no other alternative source of funding is available to assist in offsetting the cost for a home energy assessment.

#### Anticipated Spending Level

Cost Type	Purpose and Basis of Cost	Budget for HOMES
Rebate Funds: Rebate Delivery	Equipment, tools, models, and procedures used to access a home and estimate energy savings. Budget estimate is based on 4,900 Low-Income Home Energy Assessments at \$500 each.	\$2,450,000

## **Description of the Proposed Work**

The state proposes to reimburse the cost of a home energy assessment and the associated energy savings modeling for verified low-income households and households in DACs. Reimbursement of these costs will only be allowed when the following conditions can be verified by the program:

- No other alternative source of funding is available to assist in offsetting these costs.
- The home energy assessment and associated energy savings modeling is performed by a contractor on the program's qualified contractor list.
- The modeling software used to perform the assessment is consistent with the BPI-2400 standard.

## **Justification**

Home energy assessments are a required step in the process for any household interested in participating in the HOMES program. Discussions with program implementers and contractors in the state suggest that the average cost of a home energy assessment in Wisconsin may be approximately \$500, though estimates as high as \$800 have also been discussed. The state anticipates that the up-front cost of a home energy assessment is likely to be a financial barrier to entry for low-income households and, as a result, may discourage them from taking the necessary first steps toward participating in HOMES.

Administrative funds will be used to support the many functional requirements of program operation including; outreach and education, income-verification, data systems and tools, rebate processing, tracking and reporting, customer satisfaction surveys, consumer protection functions, compliance monitoring and audits, and evaluation. The state anticipates these administrative funds may not be sufficient to also assist low-income households and households in DACs with the financial assistance necessary to start these customers along the HOMES participation path by completing a home energy assessment. The state is proposing to use rebate funds to pay for home energy assessments to bolster program participation among the households of the state that stand to benefit most from program rebates: frontline communities that have the highest energy burdens and have experienced disproportionate health, environmental, and economic impacts of emissions and pollution.

The State of Wisconsin is aware that certain entities in the state already offer, or plan to offer, programs to cover all or a portion of the cost of home energy assessments that may enable households to participate in HOMES. The

Wisconsin HOMES program will coordinate with these entities to ensure their funds are the first option for low-income households interested in participating in HOMES but require financial assistance to cover the cost of a home energy assessment. Prior to approving payment for a home energy assessment using rebate funds, the State of Wisconsin will verify the household qualifies as low-income and is not eligible to receive financial assistance for a home energy assessment from an alternative source and that the modeling software used to perform the assessment is consistent with the BPI-2400 standard.

- b. Costs for technical and customer service support performed by Community Based Organizations (CBOs) serving low-income populations and disadvantaged communities (DACs).

**Anticipated Spending Level**

<b>Cost Type</b>	<b>Purpose and Basis of Cost</b>	<b>Budget for HOMES</b>
Rebate Funds: Rebate Delivery	Disadvantaged community delivery, including targeted marketing and outreach. Budget estimate is half of total cost based on 5 CBO's, contracted at \$50k per year for a term of 5 years. (actual # of CBO's, value of contract and the term may vary)	\$625,000

**Description of the Proposed Work**

The state anticipates releasing a **Request for Qualifications** to identify CBOs interested in serving as program partners. The following list describes what services the state anticipates CBOs providing to low-income households and households living in DACs to improve the efficiency and effectiveness of program delivery.

- Providing information to households about the program to guide them through the participation process and direct them toward appropriate resources. This may often be one-on-one outreach with households.
- Assisting households in selecting contractors and guiding them through the types of questions to ask contractors.
- Reviewing energy assessment reports to discuss results and options for rebates and other sources of funding assistance.



- Advise and assist a homeowner who may be navigating projects performed by multiple contractors (e.g., providing contractor lists, helping set up appointments, and understanding contractor bids).
- Assisting households through the income-verification process.
- Assisting households submitting documentation required to receive a rebate.

### **Justification**

The State of Wisconsin proposes using rebate funds to compensate CBOs that commit to partnering with the program to support the participation of low-income households and households living in DACs. Administrative funds will be used to support the many functional requirements of program operation including: outreach and education, income-verification, data systems and tools, rebate processing, tracking and reporting, customer satisfaction surveys, consumer protection functions, compliance monitoring and audits, and evaluation. The state anticipates these administrative funds may not be sufficient to also support efficient and effective delivery of the program to those households of the state that stand to benefit most from the emerging clean energy economy: frontline communities that have the highest energy burdens and have experienced disproportionate health, environmental, and economic impacts of emissions and pollution.

The following lists offers additional information the state has considered in justifying its use of rebate funds to cover project-related costs for technical and customer services performed by CBOs serving low-income populations and DACs.

- The state recognizes the value of CBOs as trusted resources working on behalf of low-income households and households living in DACs.
- The state understands that CBOs will be essential to building relationships in low-income neighborhoods and DACs and in supporting efficient and effective delivery of the HOMES program to those communities that stand to benefit the most. The relationships CBOs have built up within the communities they serve can help in overcoming barriers to participation (e.g., informational barriers, decision-making barriers, transactional barriers).
- Throughout the program planning stage, stakeholders stressed the need to establish meaningful partnerships with CBOs throughout the state to help the program reach those households that stand to benefit most from its investments.

- Compensating CBOs for their time and expertise is a recognized industry best practice. A CBOs lived experience in DACs will improve the state's understanding of the barriers to participation and how the program can adapt its design and delivery appropriately throughout the program's life.
  - The U.S. DOE's guidance states that it strongly encourages states to establish partnerships with and provide funding to CBOs that represent or work with underserved households to reach and engage with these communities effectively over the life of the program. The state will strive to meet the U.S. DOE's expectations and outcomes for the HOMES program. Using rebate funds to compensate CBOs for their technical and customer support services is an important component to the state's overall strategy to ensure traditionally underserved households are able to take full advantage of the program.
3. Describe how the state will manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.

#### **Administrative Efficiencies**

The state will take a number of steps to reduce the costs of administration and project-related activities. The state plans to use the DOE Rebate Tracking System to minimize the costs of data tracking and reporting. By making use of the Tracking System's API (available to states, vendors, modeling tools, etc.), the state will dramatically reduce the need for repeated data entry and associated errors, and simultaneously ensure much greater data consistency through the use of the DOE/Pacific Northwest National Laboratory (PNNL) data specifications.

In terms of ensuring that administrative limits are maintained, the state will closely track and report spending both within this category as well as funds that are provided as rebates and as incentives to contractors. The state will also follow Generally Accepted Accounting Principles (GAAP) and conduct audits as necessary through the contractor Baker Tilly.

#### **Rebate Funds Management**

The state will use the DOE Rebate Tracking System and its accompanying coupon feature to ensure that rebate amounts comply with program requirements. Rebate applicants will only be approved for the rebate amounts (and percentages) associated with their income level (e.g., below 80% AMI) and

the modeled associated with allowable improvements. The DOE Rebate Tracking System will include a database with records of all previously issued rebates to individual residential dwellings. In order for a coupon to be generated, the system will query the database to ensure that a Home Efficiency Rebate has not already been redeemed for that address or that a non-expired coupon is still in place for that address.

The state will also use the DOE Rebate Tracking System to track the amount of rebate funds committed to date, and only approve new requests for rebates if sufficient funds remain. When the system issues a coupon, it will simultaneously put into place a “reservation” of funds (equivalent to predicted value of that coupon) that will remain in place until either the coupon is redeemed or the coupon expires, whichever is first. The state also plans to establish reserves within the DOE Rebate Tracking System to ensure that sufficient funds are in place (and maintained) for specific uses (e.g., minimum of 50% of rebate funds for low-income, with at least 10% for low-income multifamily).

### Section 3.1.2: Rebate Conditions and Levels

4. Provide the maximum rebate amounts that will be offered within the allowances of the Home Efficiency Rebates requirements. (See Tables A-1 and A-2 in the Appendix)  
\*States may increase the maximum amount available for low-income households upon approval from DOE.

For households with incomes greater than 80% AMI but less than 150% AMI, our state will use the maximum levels noted in Appendix Table A-1. For households with incomes greater than 150% AMI, our state will offer rebates that are less than the maximum amounts offered for households with incomes greater than 80% AMI but less than 150% AMI. The maximum rebate levels for households with incomes greater than 150% AMI are noted in Appendix Table A-1. See our response to Question #12 for information on rebate maximums available to households with incomes less than 80% AMI.

5. Identify the allowable project costs for determining rebate levels when based on project cost.

Allowable project costs include all energy efficiency improvements (equipment, materials, and installation/labor) associated with the anticipated energy savings including. For households with incomes less than 80% AMI, allowable project costs may also include related project costs (e.g., home assessments, energy

audits, and project quality assurance) given that low-income households will not be able to pay for these additional requirements and do not have access to other programmatic resources to cover these costs.

6. List the documentation requirements related to project costs from residents, building owners, contractors, and/or aggregators.

For each project, each contractor or eligible entity representative (EER) must provide an invoice with the following information:

- Customer name.
- Installation address.
- Contractor name.
- Contractor address.
- Contractor phone number.
- Dates on which the work was performed.
- Date of project completion.
- Model numbers for heating, cooling, and hot water systems
  - geo-coded photos of installations that include model numbers are acceptable.
- Line-item costs of:
  - Equipment.
  - Materials.
  - Labor costs.
  - Assessment, inspections, testing, modeling, permitting (if applicable).
- The total project cost prior to the rebate.
- The total rebates the customer is eligible for including HOMES and any other rebate programs, such as Focus on Energy, utility, municipal, or other 3<sup>rd</sup> party programs.
- The estimated tax credit the customer may be eligible for (optional).
  - This is for informational purposes only and should not have an impact on the final project cost.

The invoice must be signed and dated by the homeowner or building owner and must include rebates applied to the bill.

7. Describe how homeowners and multifamily building owners will be informed of additional program funding available from non-federal funds and grants.

Defer response to State Implementation Blueprint.

The [IRA Home Energy Rebates | Focus on Energy](#) webpage will be the landing place for the most up to date information on program status, process and detail on rebate stacking with Focus on Energy and other funding sources.

8. Provide the date after which upgrade projects must be completed for the purposes of being eligible for a rebate under the state program.

For projects initiated after the state's program launch, the contractor or aggregator must submit all required documentation and information, as noted in the [Data & Tools Requirements Guide](#), not less than 60 DAYS after project completion.

Households that apply to receive a rebate for a completed home upgrade project that began on or after August 16, 2022, but initiated before the state's program launch, are still subject to all final program requirements. They will be required to provide all information noted in the Data & Tools Requirements Guide as well as documentation certifying and demonstrating that the upgrade project meets all program requirements, including the use of a contractor on the state's Registered Contractor list, assessment requirements, etc.

The Public Service Commission of Wisconsin has determined that customers seeking HOMES program retroactive rebates shall meet all requirements outlined in the DOE's "[Retroactivity Fact Sheets and Eligibility Checklists](#)" and has also accepted proposing two additional requirements/guidelines for retroactive rebates for the DOE's approval:

- 1) A customer may provide documentation of eligibility in a recognized program within the preceding 24 months of the project being completed.
- 2) All applications seeking a retroactive HOMES program rebate are submitted to the program no later than December 31, 2025.

9. Identify whether, for low-income multifamily buildings, the state will calculate the "per dwelling unit" rebate amount at the less than 80% AMI amount for all units or based on the ratio of low-income to non-low-income units.

- At the less than 80% AMI amount for all units
- Based on the ratio of low-income to non-low-income units

10. Describe how the state plans to value energy savings based on time, location, or greenhouse gas emissions. The application must demonstrate a strategy for either prioritizing, or requiring in program rules:

- a. Retrofits that will have a disproportionate benefit based on the time or location of energy savings; or
- b. A targeted approach to prioritize reduction in greenhouse gas emissions.

The state will estimate the greenhouse gas reductions associated with the HOMES program's energy savings during program evaluation and reporting. The Focus on Energy third-party evaluator has extensive experience valuing the emissions reduction benefits associated with Focus on Energy's verified energy savings and will use the same tools and approaches for the evaluation of the HOMES program. The Focus on Energy evaluator has experience using a combination of the U.S. EPA's Avoided Emissions and generation Tool (AVERT) to estimate the program's emissions reduction impacts and the U.S. EPA's benefits per kilowatt-hour (BPK) tool to estimate the associated health benefits from reduced emissions. The Focus on Energy evaluator will convert HOMES program energy savings into a public health benefits value of emissions reductions using the aforementioned U.S. EPA tools as part of its comprehensive evaluation of the HOMES program.

The Focus on Energy evaluator will also convert energy savings into estimated annual bill reductions based on average utility rates as a part of its comprehensive evaluation of the HOMES program. Participation in time-of-use based rates is very limited in Wisconsin. Therefore, the state does not anticipate there will be an opportunity to convert energy savings into bill savings based on time-varying rates.

11. Describe how the state plans to ensure and verify ENERGY STAR certification at the time of installation for heating, cooling, and water heating products.

The state will require installers to include model numbers and geo-coded photos for all heating, cooling, and water heating projects. The state will then review this information to ensure that equipment complies with requirements. Upon review, if an installer installs equipment that is not ENERGY STAR certified, they will

receive a warning notice. If they install non-qualifying equipment a second time, the state will remove the installer from the qualified contractor list.

The state will ensure major distributors and retailers understand the rebate requirements and ask them to refer to the EPA's Qualified Products Lists on a regular basis or, preferably, have an automated method of keeping the information up to date through a link to EPA's Qualified Products Lists if available.

12. A state interested in offering higher rebate amounts than those listed in Table A-1 and Table A-2 in the Appendix for low-income households must describe (in the below box) the state approach for balancing higher rebate amounts (serving fewer households) with the required allocation to serve low-income households and must propose the maximum rebate amount that would be available to low-income households both in terms of percentage of project cost and dollar amount for low-income households.

The state is proposing higher allowable rebates for low-income households subject to DOE approval. For projects in low-income single and multifamily buildings, with modeled savings of 20% up to 34%, the state plans to allow the lesser of the following per home or unit.

- % of project cost: 100%
- \$ amount: \$5,000

For projects in low-income single and multifamily buildings, with modeled savings of at least 35%, the state plans to allow the lesser of the following per home or unit.

- % of project cost: 100%
- \$ amount: \$10,000

Households with incomes below 80% AMI are unlikely to be able to afford to cover any additional out-of-pocket expenses. The limits provided in guidance are too low in most cases to cover a project that must reach at least 20% energy savings. Our state does not want to place additional burdens on low-income households and therefore requests rebates cover 100% of the costs up \$5,000 for projects modeled to achieve 20-34% energy savings and up to \$10,000 for projects modeled to achieve 35% or greater energy savings.

Contractors will be required to include all other available rebates, including Focus on Energy and other utility programs, before applying HOMES rebates. Due to

these stacking opportunities the HOMES rebates may not need to cover 100% of project costs. The state will establish verification processes and procedures to ensure that the combination of HOMES rebates stacked with other allowable rebates do not exceed total project costs.

The state is particularly interested in HOMES rebates being practical for low-income households given they're more likely to live in homes where whole-home retrofits can save a lot of energy and reduce utility bills. By raising these limits for low-income households, the state is making our rebate program a viable source of funding for households who otherwise would likely be unable to carry out these projects.

13. Provide details on what portion(s) of the total rebate will be provided to the homeowner/building owner compared with the contractor/aggregator.

Contractors must provide an instant discount to low-income households. Contractors may choose to offer an instant discount to households above 80% AMI.

Consistent with the DOE/PNNL workflows, if the contractor provides an instant discount, the contractor will be required to deduct the entire rebate amount associated with the modeled energy savings projected when initiating the rebate reservation. The rebated amount must be included on the invoice that the homeowner must sign before the contractor/aggregator can receive the rebate reimbursement.

- a. Describe what caps the state will place on contractor/aggregators in terms of savings exceeding the amount associated with the rebate provided to the homeowner (e.g., allowable percentage above the rebate provided to homeowner).

N/A.

14. Describe what systems will be put into place to reserve funds for each measured project, given the need to remit payment to the contractor/aggregator after 9-12 months of usage data post-energy upgrade is available.

N/A.



15. For the measured program path, describe how the state will calculate rebate levels based on average home energy usage in the state.

N/A.

16. For the measured program path, within what timeframe will the state provide rebates to eligible rebate recipients?

N/A.

### Section 3.1.3: Low-Income Homes

Note: Low-income households are defined as households with less than 80% Area Median Income (AMI). HUD calculates median family income levels for areas across the U.S. HUD has a website available [here](#) where users can view these calculations. Information about HUD's methods for calculating AMI statistics is available [here](#). HUD typically updates these values in March or April of each year. (see the [Program Requirements & Application Instructions](#) document Section 2.1)

17. What portion of the rebate funds will the state reserve for low-income households and multi-family households?

The state plans to allocate 60% of rebate funds to low-income households. This proportion (60%) includes the minimum 10% allocation of rebate funds to low-income multifamily buildings. This is **greater than** the percentage of low-income households in our state, which is 39.3%.

The state plans to allocate a minimum of 10% of rebate funds to low-income multifamily buildings.

The dollar allocation of rebate funds for low-income is as follows:

Minimum low-income multifamily allocation - \$5,992,386 (10% of rebate funds)

Minimum low-income allocation, either single family or multifamily - \$29,961,932 (50% of rebate funds).

Total low-income allocation, multifamily and single family combined - \$35,954,318 (60% of rebate funds)

18. Describe how the state will define household income for verification purposes (e.g., using prior year income).

For households that provide income information, the state will request a sum of the income of all adult occupants over the past 12 months. Information from prior tax year earnings will also be acceptable. As long as the income requirements of identified federal programs fall below 80% AMI and/or 150% AMI, applicants enrolled in a program that qualifies them as categorically eligible do not need to provide this income information.

For households applying for funds retroactively, customers will need to demonstrate they qualified via categorical method or by household income within the preceding 24 months of the project being completed. Proof of qualification before August 16, 2022 will not be considered.

The state will follow the same household eligibility definitions that Focus on Energy used in 2023, as follows:

#### Eligible Household Members

All individuals living in the household at the time of application submittal (related, unrelated, or living together in the dwelling) are household members. Persons living in a housing arrangement with their own room who share common spaces are considered part of the household. Applicants must include all eligible household members on the Income Eligibility Application.

- Children
  - Children living with parents 50% of the time (50% custody) are counted.
  - If the parent claims the child on taxes, they can claim them as household members.
  - Some situations have one parent claim children on taxes one year, and the other parent claim them the next (still typically 50/50 custody)
  - Children living in household only every other weekend are not counted.
- Medical Attendants:
  - Live-in attendants are considered eligible Household Members if:
  - Live in the household full time (24/7).
  - Do not have another residence.
- Roomers/Boarders/Renters
  - Considered eligible if they have no other address and shared common spaces.

- Anyone living in the household for more than 3 months with no other address.

#### Ineligible Household Members

- Roomers/Boarders/Renters
  - A Roomer is a person who rents a sleeping room from the building owner. A roomer does not have a separate site address from other occupants of the building. A roomer does not share in providing or being provided the necessities of life for other residents of the structure. A roomer is a person who has proof of a permanent address but occupies a single room within the rooming house. A roomer in a single-family structure must verify he or she is not part of the economic unit of the other tenants of the structure.
  - A Roomer is considered an eligible household member if they are living in a housing arrangement with their own room and sharing common spaces (such as kitchens, living rooms, TV rooms, recreation rooms). Persons sharing common spaces are part of a household with other members and eligibility must be assessed for the whole group with regards to SMI household size.
- Temporary Residents/Household Members
  - Individuals who are not permanent residents of the household and will be living in the household for less than 30 days after application submission. Temporary Residents include individuals who lived in the household during a portion of the preceding three months but are not living in the household at the time of application submittal.
- Foreign Exchange Students
  - Students from another country attending school on an exchange Offering and living in the household.
- College Students
  - Unless they live in the household full-time and do not have another residence (i.e., dorm room or apartment).
  - Are not considered household members even if home for the summer.
- Foster Children
  - Children of the customer who have been placed under foster care, who are orphaned, neglected, or delinquent and are not living in the household. (Foster children that the customer has taken in are counted as part of the household).
- Medical Attendants

- Attendants who do not live in the household, and do not share in providing or being provided the necessities of life.
- Note: If attendants live in the home full-time, see eligible Household Members.
- Military on Active Duty
  - A household member who is currently on active duty and deployed or has been called into active duty and is to be out of the household for at least 60 days. The base income of this individual should not be included on the application, but any household support provided to maintain the household (i.e., housing allowances, allotments sent directly to the household for support) should be listed on the Income Eligibility Application and should be counted as household income.

#### Household Member Income

- Income should not be included for any individuals who are not considered eligible household member.
- Earned income of minors under the age of 18 (or full-time high school students over the age of 18) should not be included. However, non-earned income such as Social Security benefits must be counted. This includes regular Social Security Benefits, Social Security Death (Survivor) Benefits, Social Security Disability Income, and Supplemental Security Income (SSI).

19. For single-family households, describe what combination of methods will be used for claimants to be able to establish their household income for income qualifications. States may select the following options:  
[CHECK ALL THAT APPLY:]

- Documentation of household income (for example, 1040)
- Documentation of enrollment in a pre-qualifying program
- Self-attestation of income level
- Self-attestation of enrollment in a pre-qualifying program

*Households that are enrolled in a pre-qualifying program for the HOMES rebates will be asked to provide documentation of enrollment in that pre-qualifying program **only** if the state is unable to verify enrollment via the program's database.*

The state will recognize any of the following documentation for income to establish that a household is eligible: 1040 from prior year, W2 forms, and wage statements/payroll.

The state also plans to offer categorical eligibility for the following programs listed in Tables A-3 and A-4 in the Appendix provided by DOE:

- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Weatherization Assistance Program (WAP) –  
 80% AMI is greater than 200% FPL for 1-5 person households in each of Wisconsin's 72 counties. In households of 6+ members 80% AMI is less than 200% FPL. Therefore, the state will allow categorical eligibility for WAP only for households with 1-5 members.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) –  
 Per the State of Wisconsin's published WIC Income Eligibility Table, 80% AMI is greater than 185% FPL for all household sizes in every county in Wisconsin except the following counties: Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Crawford, Florence, Forest, Grant, Green Lake,

Iron, Jackson, Juneau Lafayette, Langlade, Marinette, Marquette, Menominee, Oconto, Polk, Price, Richland, Rusk Sawyer, Shawano, Taylor, Vernon, Vilas, Washburn, Wood, Manitowoc, Oneida, Monroe, Pepin, Dodge Lincoln, Rock, Trempealeau, Waupaca, Dunn, Sauk, Door. Households that are not categorically eligible may still apply for higher rebates amounts through the income verification method.

1-8 member households that are under 80% AMI and are categorical eligibility are:

Fond du Lac County, Sheboygan County, Winnebago County, Douglas County, Chippewa County, Eau Claire County, Racine County, Portage County, Marathon County, Walworth County, Jefferson County, La Crosse County, Green County, Kenosha County, Brown County, Kewaunee County, Iowa County, Columbia County, Milwaukee County, Ozaukee County, Washington County, Waukesha County, Calumet County, Outagamie County, Dane County, Pierce County, Saint Croix County

- Verified government or non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or households
- Public Housing (housing owned and operated by Public Housing Authorities)

20. For multifamily buildings, describe what combination of methods will be used to verify that at least 50% of dwelling units consist of households with incomes less than 80% AMI.

To qualify for low-income rebate amounts, multifamily building owners will be required to demonstrate that at least 50% of dwelling units consist of households with incomes less than 80% AMI through either of the following methods:

OPTION 1: Provide documentation (as described in our response to question #19) demonstrating that at least 50% of households either have incomes below 80% AMI or are enrolled in any of the programs listed in question #19.

OR

OPTION 2: Provide documentation that demonstrates that one of the following categories applies to 50% of the units in the multifamily building:

- Public Housing (housing owned and operated by Public Housing Authorities)

- Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)
- Privately-owned multifamily buildings that house residents receiving tenant-based assistance
- Section 42 Low Income Housing Tax Credit (LIHTC)

21. Please confirm the following:

- a. Claimant will be required to note the number of individuals who occupy the dwelling unit.
- b. Claimant will be required to sign an affidavit attesting to the validity of all information provided (e.g., enrollment documents, household income, number of full-time occupants) irrespective of the method of income qualification (e.g., categorical eligibility, self-attestation).
- c. State's intake system for users to provide income information will display the 80% AMI value for that household's ZIP code and household size to assist the household in comparing its income with those levels prior to signing statements regarding their income.

Yes, the state confirms the above statements.

22. Describe how the 80% AMI levels for each location will be kept up-to-date (use DOE-provided API, other) and linked to DOE systems. Confirm that these levels will correspond to (a) the address of the home at which rebates will be applied and (b) the applicable number of household occupants.

Defer response to State Implementation Blueprint.

The state plans to use the DOE provided API to compare an applicant's household income, occupancy number, and address to the appropriate 80% AMI level to determine income eligibility and level of rebate.

23. Confirm that the state will:

- a. Review information provided to support income eligibility for all applicants applying for higher income-based rebate levels.

Yes, the state confirms the above statement.

- b. Take steps to verify income eligibility for at least 50% of those applications that use self-attestation to support income eligibility (e.g., confirm enrollment in at

least one program that the applicant asserted enrollment in; confirm household income via Income Verification Express Service or other methods as applicable).

Yes, the state confirms the above statement.

- c. After 6 months and not longer than 1 year after program launch, report to DOE the percentage and number of applicants that received rebates but were subsequently found to not meet eligibility requirements.

Yes, the state confirms the above statement.

- d. Work with the state's DOE project officer to institute additional safeguards or determine if a lesser level of review for applicants using self-attestation is justified depending on the percentage/number of rebates issued without meeting eligibility requirements.

Yes, the state confirms the above statement.

- e. If applicable, propose the types of information that the state will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).

N/A. The state will not reduce this requirement.

24. Provide additional information as needed to demonstrate that the proposed approaches for income verification will address all types of households; not create undue burden for claimants; and include safeguards to minimize error and abuse in the process of verifying income.

By offering a variety of methods to demonstrate eligibility, including a wide range of programs recognized as providing categorical eligibility, the state believes that those in the lowest income brackets will have a range of options to demonstrate their eligibility.

As a safeguard to discourage applicants from falsifying income information, all applicants, when submitting income verification information, will be required to sign an affidavit as well as confirm that they understand the following:

*If the information provided is invalid and warrants you ineligible for this rebate, the rebate reservation, if not processed, will be canceled. If the*



*rebate has already been applied to a purchase or service, the homeowner or building owner will be responsible for repaying the state for the rebated amount in addition to a fine not to exceed \$10,000. The state reserves the right to engage a bill collection agency should repayment not be made within a stated period.*

To further minimize error in this process, the state will conduct a review of each applicant's income information prior to issuing a rebate coupon and giving the go-ahead to begin work. This delayed approval is workable given the complexity of whole home retrofits. Furthermore, the state will encourage applicants to provide income information as soon as possible so that review can be concurrent with other steps such as the contractor creating a scope of work. Applicants that do not wish to provide income verification documentation will receive the lowest rebate amount available. Applicants will be notified of their status (e.g., whether they qualify as below 80% AMI) within 3 business days of submitting their information.

25. Describe how the state will verify (confirm legitimacy) income information for all claimants (e.g., verification within 2 days through IRS, cross-check with enrollment databases of approved programs, calls to employers). If applicable, propose the types of information that the state will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).

- N/A. The state will not reduce this requirement.
- Defer response to State Implementation Blueprint.

The state will use a combination of implementation contractors to collect income data and verify it through submitted income documentation, enrollment databases of approved programs, calls to employers, and/or other DOE-approved means of income verification. This information will be submitted through an online portal and reviewed by implementation staff. If a customer is unable to access the portal, or otherwise needs assistance, they can call into the Focus on Energy contact center.

The implementation contractor will review all documentation and track any errors.

The state will have the ability to confirm customer eligibility in qualified programs.

26. Describe how the state will resolve instances when rebates are provided to those who have falsified their incomes.

As soon as the information is determined to be incorrect (with review time projected as 3 days), the implementation contractor's system will automatically do the following:

- (1) Cancel the coupon reservation.
- (2) Inform the homeowner or building owner (and contractor/eligible entity representative where applicable) via one of any contact information provided (emails, home address) that the coupon has been canceled and can no longer be applied.
- (3) Inform the homeowner or building owner that (a) their income eligibility information has been found to be insufficient or invalid, and they are no longer eligible for the requested rebate; or (b) in cases where additional information may establish their eligibility, they can reapply for consideration but will only be issued a new rebate coupon after that information is confirmed or (c) should the homeowner or building owner believe that the state's review is incorrect, they can petition a re-review within 30 days via a provided address, email, or call-in number.
- (4) If applicable, inform the homeowner or building owner (and contractor/eligible entity representative where applicable) that the household is eligible for the lesser rebate percentage cap (50%) and a new coupon can be requested.
- (5) Inform the homeowner or building owner that IF the rebate has already been applied at point of sale (by retailer, vendor, contractor/eligible entity representative), the homeowner or building owner must reimburse the state (via a provided address or through a provided call-in number via credit card) within 30 days for any rebate amount incorrectly applied with any additional requirement information. If the homeowner or building owner does NOT provide this reimbursement to the state within the allowable period, the state will file the claim to a collection agency and the homeowner or building owner will be subject to additional penalties per that process.
- (6) Inform the contractor/eligible entity representative that if they have already performed the work and applied the rebate to the invoice, it is the homeowner or building owner's responsibility to pay back the state for the applied rebate.
- (7) In any instances where a rebate is provided to a homeowner or building owner that is found to not meet income eligibility requirements, the state will bill the homeowner or building owner for the rebated amount.

27. If proposing to allow self-attestation as a means for initial income qualification, provide a detailed description of how and when this approach will be used. Include statements, language, and detailed information regarding follow-up steps that will be used for this process. Additional topics to address include:

- a. Describe how those applying for rebates will be warned of potential liability associated with falsifying information.
- b. Explain how signed statements of self-attestation will be securely stored.
- c. Identify what level of falsified attestations will signal that the system needs to shut down either permanently or be restarted only after sufficient improvements are made.

Defer response to State Implementation Blueprint.

N/A. The state has chosen not to allow self-attestation for Home Efficiency Rebates.

28. Describe how the state program will verify applicant information provided to substantiate income eligibility, including systems that will be used to verify, where applicable, that at least one member of a household has been enrolled in a program included within the Federal Programs Approved for Categorical Eligibility document or other state-proposed approved by DOE within the prior 12 months.

The third-party vendor the state selects to oversee the income eligibility process will be required to review all of an applicant's documentation whether to substantiate income or verify enrollment in a qualifying program. They will be required to visually review all submitted information.

In addition to visual review of documentation, the state plans to integrate automation into the process where possible (e.g., use of screening technology to review standard information like 1040 forms, enrollment cards for specific programs) to confirm whether the information provided in the documentation meets requirements. Where needed, the implementer will contact agencies that administer programs approved for categorical eligibility to confirm a household member's enrollment.

The State of Wisconsin proposes allowing documentation of categorical eligibility within the prior 24 months of project completion. This modification has been approved by the Public Service Commission and is proposed in recognition that some low-income programs do not update their enrollment information annually and some households may not have up-to-date enrollment documentation due to relocations or other factors outside their control.

29. If applicable, identify the federal or other programs by which the state plans to allow categorical eligibility.

N/A. The state will not propose additional federal or other programs to be considered for categorical eligibility.

30. If applicable, propose any additional federal or other programs to be considered for categorical eligibility. For any programs not already approved, describe how the program's eligibility aligns with the Home Efficiency Rebates income requirements.

N/A. The state will not propose additional federal or other programs to be considered for categorical eligibility.

Defer response to State Implementation Blueprint.

31. Identify whether the state requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period (e.g., proof of enrollment within the past 12 months).

Yes, the state requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period.

N/A. The state does not request authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period.

If yes, explain the state's proposal and describe the rationale.

Defer response to State Implementation Blueprint.

The state will allow applicants to provide proof of enrollment in a qualifying program within the preceding 24 months of the project being completed for retroactive rebate applications as well as applications received after program launch. Proof of qualification before August 16, 2022 will not be considered. The State recognizes that some low-income programs do not update their enrollment information annually; and some households (given relocations or other factors) may not have up-to-date enrollment documentation. Therefore, the state proposes to accept documentation that demonstrates a household's enrollment within this longer period of time.

32. Identify whether the state requests authorization to allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document Federal Programs Approved for Categorical Eligibility. For each deviation requested, propose, and provide documentation to justify the requested change. Documentation must demonstrate that the state imposes income requirements equivalent to or less than 80% AMI.

Defer response to State Implementation Blueprint.

N/A. The state will not allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document Federal Programs Approved for Categorical Eligibility.

33. Provide a brief description of the procedures and penalties the state will provide to ensure that renters are not subject to unjustified rent increases.

The Public Service Commission has established processes to refer items to different state agencies depending on the issue. For payment default issues, the Commission can refer items to the Wisconsin Department of Justice (DOJ) and in the past has worked with the Wisconsin Department of Revenue (DOR) when an individual or entity has defaulted on a loan and entered into a collection's agreement. For consumer protections issues, such as business misrepresentation or fraud, the Commission can refer these matters to the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP). Consumers can also file a complaint directly with DATCP. The Commission also has an internal complaint process under Wis. Admin. Code chs. PSC 113 and 134 for consumers to file complaints and request a formal review process.

For all tenant-occupied properties that receive higher rebate amounts available only to households with incomes less than 80% AMI, the state will require the building owner to sign a statement. The building owner will be notified of this requirement during the application process, and the building owner must acknowledge the following before being approved for the higher rebate amounts available to households with incomes less than 80% AMI:

- The owner agrees to rent the dwelling unit to a low-income tenant.
- The owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
- The owner agrees not to increase the rent of any tenant of the building as a result of the energy improvements with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.

- The owner agrees that if the property is sold within 2 years of receipt of the rebates, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.
- In the event the owner does not comply, the owner must refund the rebate.
- The owner will provide written notice to tenants explaining their rights and the building owner's obligations (e.g., add an addendum to the lease).
- The owner will be subject to penalties commensurate to their actions with a minimum penalty of \$10,000.
- Building owners will be notified prior to the rebate reservation that they must agree to the renter protection provisions of the program.

The state will provide contact information for tenants to notify the state of breaches to this agreement. The state will also include this information in the consumer education campaign, so tenants are aware of their rights under the applicable state law.

34. Explain how the state will identify eligible contractors or aggregators and what tools will be used to pay the \$200 disadvantaged community incentive.

The state will use the [DOE Rebate Tracking System](#) and will use the Climate and Economic Justice Screening Tool (CEJST) maps to identify disadvantaged communities.

When a rebate coupon is issued via the DOE system, that unique coupon will state whether a contractor may be eligible for a portion of the \$200 incentive based on the location of the home. At the same time that the state issues the rebate coupon to be applied to the energy upgrade project, the state will reserve an additional \$200 to be shared by, and paid to, contractor(s) when they submit the required information about the completed project. The state will also provide educational materials and do outreach to contractors so that they are aware of this potential incentive.

### **Section 3.1.4: Community Benefits Plan**

35. Describe how the state program will define a disadvantaged community.

If not using the default disadvantaged community definition (low-income households located in a disadvantaged community identified by the Climate and Economic Justice Screening Tool (CEJST), a state must explain how the proposed definition will meet the following three criteria as described in DOE J40 implementation guidance<sup>4</sup>:

- a. The communities of concern identified by the state tool or definition must conform to the definition of communities established in U.S. Office of Management and Budget (OMB) guidance:
  - i. a group of individuals living in geographic proximity to one another that experiences common conditions.
  - ii. a geographically dispersed set of individuals (such as migrant workers or Native Americans) that experiences common conditions.
- b. The state tool or definition must consider two or more of the following indicators when identifying communities that should be classified as disadvantaged for the purposes of directing federal investments under Justice40:
  - i. Low income, high and/or persistent poverty
  - ii. High unemployment and underemployment
  - iii. Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
  - iv. Linguistic isolation
  - v. High housing cost burden and substandard housing
  - vi. Distressed neighborhoods
  - vii. High transportation cost burden and/or low transportation access
  - viii. Disproportionate environmental stressor burden and high cumulative impacts
  - ix. Limited water and sanitation access and affordability
  - x. Disproportionate impacts from climate change
  - xi. High energy cost burden and low energy access
  - xii. Jobs lost through the energy transition
  - xiii. Access to healthcare
- c. The communities of concern identified by the state tool or definition must be currently mapped in software or must be easily overlaid in GIS so that communities can be easily identified by stakeholders.

The state will use the DOE-provided definition of disadvantaged communities and use the federally-issued CEJST to identify disadvantaged communities (available here: <https://screeningtool.geoplatform.gov/en/%233/33.47/-97.5>)

### **Section 3.1.5: Processing and Delivering Rebate Funds to Eligible Rebate Recipients**

36. Describe what types of systems will be put into place to allow effective processing of rebates.

The implementation contractor will be charged with establishing an electronic rebate processing system. The state's rebate processing system will have

protocols in place to ensure that rebates are issued within 4 weeks (28 days), as required, of receipt of an eligible rebate application to the implementation contractor.

The implementation contractor will be required to use the [DOE Rebate Tracking System](#) to ensure effective issuance of rebates, eliminate or dramatically reduce the possibility of duplicating rebates, and allow effective flow of information to the users as well as to our state, our implementer and DOE. The state will expedite rebate initiation and processing through the use of electronic systems and standard data specifications including but not limited to HPXML.

In addition to the rebate processing functionality, the program will include a user-centered interface that can easily be used by all types of entities participating in the rebate programs (e.g., household, landlord, contractor) to carry out the different steps of the rebate process (e.g., rebate application, data input, reimbursement request).

As a complement to the IT system, the state will provide a hotline to assist all customers, particularly those with limited access to internet-based systems. The state will have outreach (web-based as well as other forms) to ensure that building owners, contractors, vendors, distributors, manufacturers, and others have up-to-date information.

Along with the issuance of a rebate coupon (regardless of who initiates the process), the state will provide information to all affected parties (i.e., contractor, homeowner at a minimum, and others where relevant) that communicates limitations of the rebates, how they can be correctly applied, and how rebate processing works to reimburse contractors/aggregators for rebates applied at time of sale.

37. Describe how the state will ensure processing of rebates within required timeframes (e.g., through a processing company, through program implementers, or other entities or methods). Include information on corrective actions that the state will implement in the event of lengthier processing times.

The state will use an implementation contractor to carry out rebate processing. The state will require rebate processing to occur no more than 4 weeks from receipt of required and acceptable information.



Our implementation contractor will be required to submit a rebate processing process flow that demonstrates how they will ensure the rebate requirements are completed within the required timelines. The implementation contractor will be required to demonstrate staff training on the protocols and offer a helpline for technical support.

Our program guidelines and onboarding process will include information on the process and requirements associated with submitting and accessing rebates on behalf of consumers. The state will establish clear benchmarks and performance metrics and monitor performance.

The state will require our implementation contractor to report processing times monthly. Should the processing times exceed those stipulated above, the state will require the implementation contractor to provide an explanation as well as propose and implement new methods or systems to speed up processing within 30 days of notification. Our contract with the implementation contractor will include the option for the state to impose financial penalties on the processor if processing times are not remedied in an acceptable period. Should the state find that processing (for specific reasons) cannot be completed within 60 days, the state will contact our DOE project officer to determine an appropriate process moving forward.

38. Describe how the proposed processing system will be integrated with a system for processing rebates under Section 50122. Note if the state plans to use separate systems.

The state will apply modified workflows based on the DOE/PNNL provided workflows and use the [DOE Rebate Tracking System](#) to provide a seamless and integrated approach to both types of rebates. The state will use separate systems for customer project management and rebate payments.

39. If the state does NOT intend to use a federally provided web-based tool to determine whether a home is in a disadvantaged community, confirm that the state will provide the ZIP codes with all disadvantaged communities as defined by the state to the DOE system.

- Yes, the state confirms the above statement.
- N/A. The state will use a DOE-provided web-based tool to determine whether a home is in a disadvantaged community.

40. Confirm that the state system will link to DOE-provided systems via Application Programming Interface (API).

- Yes, the state confirms the above statement.

### Section 3.1.6: Data Collection and Evaluation

41. Confirm that the state will submit a Privacy and Security Risk Assessment in the State Implementation Blueprint.

- Yes, the state confirms the above statement and will include it with this narrative document.
- Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

The completed Privacy and Security Risk Assessment will be submitted at least two weeks prior to program launch.

42. Explain how data will be protected, specifically addressing security measures and privacy measures.

- Defer response to State Implementation Blueprint.

The State of Wisconsin will set minimum standards to ensure the safety and privacy of the consumer data and documents collected to administer and implement the HOMES program. The State will also establish cyber security provisions to be included in contracts for all partnering entities that will have access to and/or provide the HOMES data systems. Data collected by the State of Wisconsin in administering the programs may not be sold. Data collected by Wisconsin in administering the programs may be shared with Program Implementers and/or Evaluators with whom the State has a contractual relationship, and prohibitions against data selling and data sharing will be included in the contracts with those entities. For all other entities, collected data may not be shared with others except with the explicit written permission of DOE.

All Privacy and Security Risk assessments for the HOMES program will be developed using the State of Wisconsin's minimum baseline controls for Privacy and Security Risk Assessments. The State of Wisconsin will adhere to all policies and standards set by the Wisconsin Division of Enterprise Technology for

information systems and environments used in the delivery of the HOMES program.

Each program partner will implement and maintain an Information Security Program, designating one or more employees to maintain it. The Information Security Program shall include, but not be limited to encryption, redaction, secure user authentication protocols, up to date firewall protection, physical safeguards, training, prohibition on saving Confidential Information on thumb drives, and any other necessary controls.

43. Provide documentation of the processes to monitor, identify, and address security and privacy threats.

Defer response to State Implementation Blueprint.

The State of Wisconsin will conduct a review of the HOMES program's processes to monitor, identify, and address security and privacy threats prior to launching the program and every three (3) years thereafter, or more frequently if warranted.

All individuals accessing the system(s) and program data will complete required trainings and have access to documentation that describe their responsibilities and expected behavior for information and system usage, security and privacy. A signed acknowledgement must be received prior to authorizing access to confidential information and the system(s).

The State of Wisconsin is expecting to use SPECTRUM, a CRM-based data management system, as the reporting and rebate payment system for HOMES. SPECTRUM is a custom-built Microsoft Dynamics 365 platform for Focus on Energy, Wisconsin's statewide energy efficiency and renewable energy program. In addition to the inherited security features of Microsoft, such as data encryption in transit and at rest, the State of Wisconsin has implemented additional security controls to protect against unauthorized access to the systems and program data. Risky sign-in alerts are received and reviewed by the IT Systems Manager overseeing the HEAR program. Alerts with a high-risk level require the user to reset their password and verify their identity through MFA and email. Notifications with low and medium risk require users to verify their identity through MFA.

Security control examples for users with access to SPECTRUM include:

- Unique logins.
- Multi-factor authentication.
- Defined and limited data access by role and specific use-case.

Program partners will report any suspected cyber security or privacy incident to the IT Systems Manager at the State overseeing the HOMES program within 24 hours of becoming aware of the occurrence. The State of Wisconsin will investigate the reasons for, and circumstances surrounding the Incident and take necessary actions to prevent, contain, and mitigate the impact of the Incident. Evidence concerning the Incident will be collected and preserved, including documentation regarding incident response and remedial actions taken. The State of Wisconsin will be responsible for reporting and communicating any confirmed data breaches to the public.

44. Confirm that the state will require billing data release and describe how the state will gain access to billing data for program requirements and program evaluation.

- Yes, the state confirms the above statement.
- Defer response to State Implementation Blueprint.

The state will partner and work with utilities in the state to ensure DOE will have access to billing/usage data when requested. The Public Service Commission of Wisconsin has established an Order requiring utilities to share individual customer data with the program with the customer's consent and aggregated data sets, whether or not customer consent has been granted, provided that aggregated data sets do not individually identify customers. The Public Service Commission of Wisconsin has also established an Order requiring Commission staff and other parties authorized to receive customer data to establish data sharing agreements with utilities prior to obtaining their customer data for IRA HER programs. These agreements will address details regarding data access coordination. These agreements will be shared with DOE upon request.

For all projects that apply for a 50121 Home Efficiency rebate, the state will require the homeowner to provide 12 months of prior billing data. This can be done directly by the homeowner submitting that data to the online portal or, to their assessor who will then provide the data to the state through the online portal, or another manual and automated processes to be enabled by program implementers. The homeowner must sign a statement that consenting to provide access to 12 months of all energy utility billing data prior to the upgrade as well as 12 months of all energy utility billing data after the upgrade for evaluation purposes. The homeowner must provide written consent of releasing their billing data when enrolling for the program in the online portal.

Please refer to the Utility Data Access Plan Implementation Blueprint for details regarding how the state will coordinate with utilities to gain access to billing data for program requirements and program evaluation.

45. Confirm that the state will collect the required data and cooperate in program evaluation processes as listed in Section 3.1.6.3 of the Program Requirements & Application Instructions document.

Yes, the state confirms the above statement.

46. Confirm if the state is planning to conduct its own evaluation, and if so, what type(s) of evaluations.

Yes, the state confirms the above statement. (Describe types of evaluations)

The state plans to conduct the following third-party led evaluations:

- Process evaluation to evaluate the program experience for program participants, consumers, contractors, distributors, vendors.
- Process evaluations to understand success and recommendations for improvements towards program priority areas (e.g., disadvantaged communities, multifamily, regionally focused programs)
- Impact evaluation to measure program impacts (e.g., consumer bills, fuel types, energy savings)

If yes, confirm that the state will:

a. Cooperate with DOE to meet all the requirements listed in Section 3.1.6.3 of the Program Requirements & Application Instructions document.

Yes, the state confirms the above statement.

b. Submit an evaluation plan for DOE review within three months of program launch.

Yes, the state confirms the above statement.

c. Provide results to DOE.

Yes, the state confirms the above statement.

47. If the state plans to conduct evaluations on its programs, describe the evaluation objectives, high level work plan, and timing of the evaluations and whether the state would request to be excluded from DOE-led evaluations.

Defer response to State Implementation Blueprint.

N/A. The state does not plan to conduct its own evaluation.

- The state will establish our evaluation objectives as part of developing our evaluation plan. Potential objectives include but are not limited to (a) understanding program experience of different stakeholders to improve process (b) quantifying impacts on bill savings, GHG, and/or non-energy benefits and developing recommendations for increasing beneficial outcomes; (c) measuring lasting changes in behavior and decision-making of consumers and suppliers.
- As a first step, the state will identify what types of impacts/outcomes the state wants to measure.
- Evaluations will be designed to help us assess progress toward meeting our program's goals and to help us make process and other improvements over the course of the rebate program.
- Evaluations will be designed to complement national reviews as well as other components of our program design and implementation (e.g., quality assurance).
- The state will identify what data needs to be collected as part of our implementation processes (e.g., data on improvements, costs) and what data will be collected as part of evaluations (e.g., focus group responses). The state will ensure that relevant data collection is integrated into our implementation processes.
- The state's third-party evaluation contractor will begin its initial evaluability assessment within the first three months of program operation. The early evaluation phase of the program will begin approximately six months after program launch and will focus primarily on process evaluation tasks. An early evaluation impact analysis is anticipated to occur within the first 12 to 18 months of program launch. Finally, the state anticipates a comprehensive evaluation to begin approximately two to three years after program launch.
- Though the state plans to conduct its own evaluations, it does not anticipate requesting to be excluded from DOE-led evaluations that will provide findings and recommendations at a national level.

The state will develop a work plan that describes anticipated research strategies, evaluation methods, as well as the size and timing of our evaluations. This work plan will be delivered to the DOE for approval within three months of program launch.

## CONSUMER EXPERIENCE

### Section 3.2.1: Outreach and Education Strategy

48. Confirm that the state will develop and submit an outreach and education strategy consistent with Section 3.2.1.

- Yes, the state confirms the above statement and will include it with this narrative document.
- Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

The foundation for a positive consumer experience lies in effective outreach and education regarding the benefits of the IRA Home Energy Rebate programs. Focus on Energy (Focus) was chosen to administer the Wisconsin program because of the structure already in place to reach most of Wisconsin's residential customers. Focus on Energy has a successful communication platform already in place, i.e. website, newsletters, support channels, etc. Focus is also able to start with an engaged group of contractors, partners, and potential participants and will be able to share information on rebates that can be stacked on top of the Home Energy Rebates for participants. This may include additional rebates or services through the Department of Administration's Division of Energy, Housing and Community Resources (DEHCR) Home Energy Plus program, Focus on Energy, tax credits and other utility incentive programs.

Focus on Energy will utilize outreach efforts to cross promote both the Home Efficiency Rebates (HOMES) and Home Electrification and Appliance Rebates (HEAR) programs as much as possible and where appropriate, depending on the communication tactic and message.

## Section 3.2.2: Home Assessments

49. Describe the processes and procedures for conducting home assessments that meet program requirements.

### Overall Requirements

As part of our program guidelines and written into our contractor participation agreements, the state will require every home to receive an assessment that meets DOE requirements. These assessments, when done on single-family homes, must also be in accordance with BPI 1100/1200 home assessment standards. Additional information will be posted prior to launch of this program, including requirements for what information must be provided to the state and/or homeowner or building owner (e.g., a scope of work, cost and expected energy and cost savings).

To ensure effective assessments meeting the state's requirements, the state and/or its implementer(s) will provide onboarding and training to participating contractors. Participating contractors will receive home assessment checklists that list the minimum data collection requirements.

All required documentation will be retained by the program, consistent with Section 3.2.2.

Specific home assessment requirements for each building type and each project approach are described below.

### Modeled Approach: Single-family

The home assessment protocol for single family modeled energy-savings projects will adhere to requirements of BPI 1100/1200 home assessment standards. All assessments data will be entered into a BPI-2400 compliant modeling software, once approved by DOE. This data, in an HPXML v3 file format, will be imported into the online portal for review by the program, and for delivery to DOE.

### Modeled Approach: Multifamily

Contractors will be required to complete a model and report using DOE's Building Energy Asset Score (or other recommended modeling software the state opts to allow, pending the release of DOE's forthcoming list of recommended multifamily modeling approaches). This data will be reported in BuildingSync schema format. Energy modeling will be used to analyze the



proposed retrofits and estimate the cumulative energy savings of the recommended measures.

50. Describe how home assessment data and results will be verified for accuracy.

Assessment accuracy starts with training which will be required of all participating contractors, as referenced in the previous question.

Our program's Quality Assurance (QA) and Quality Control (QC) protocols will include the following elements to assess accuracy:

- Approved assessment and data collection tools will be required to include data validation checks and constraints to minimize data entry mistakes. These basic checks will be on both the input and the output side.
- Every project will include a desk review by our implementer.
- The state will conduct third party on-site QC on the first assessment completed by each newly onboarded assessor.
- On an annual basis, the state will randomly sample the lesser of (a) a statistically significant sample or (b) 5% of all completed jobs for on-site follow-up and verification of installed equipment and the assessment data, as feasible.
- Through automated data analytics (if resources allow) or more manual review, the state will compare data submitted across contractors and aggregators to detect outliers and potential problems with assessments. At a minimum, this will be conducted no later than one year after program launch.
- Should some contractors/aggregators appear to consistently report extremely poor baselines inconsistent with the targeted housing stock, the state or its implementer will follow-up with calls to the households served by these contractors to better understand the households' perspectives of the work performed and outcomes.
- Contractors who are flagged due to data collection anomalies or concerns (where found in no more than 25% of their projects) will be required to take additional training on conducting assessments and/or shadow other contractors to learn best practices.

51. Describe what processes will be put in place for home assessments for multifamily buildings, including for energy used by common areas.

All multifamily-applicable information provided in response to question #49 applies to this question. Additional information is provided here:

The state will require standard use assumptions for common areas unless the modeler provides rationale for applying other assumptions. Pre- and post-diagnostics will be required as needed depending on the improvement measures that will be implemented.

### Section 3.2.3: Access to Residential Utility Data

52. Confirm that the state will develop and submit a Utility Data Access Plan consistent with the program requirements in Section 3.2.3 in the Program Requirements & Application Instructions document.

- Yes, the state confirms the above statement and will include the plan with this narrative document.
- Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

### Section 3.2.4: Project-Specific Energy Savings Calculations

53. Confirm if the state will implement the modeled path, measured path, or both.

- The state will implement the Modeled program path.
- The state will implement the Measured program path.
- The state will implement both the Modeled and Measured program paths.

The state will investigate and evaluate opportunities to implement a Measured program path at a future date. The Public Service Commission of Wisconsin Commission has Ordered that it review the merits of implementing the Measured program path based on this investigation before Wisconsin can submit a request to the DOE to modify Wisconsin's HOMES program to include implementation of a Measured program path.

#### Section 3.2.4.1: Calculating Modeled Energy Savings

54. Identify what factors the state will use to calculate kWh equivalent, consistent with Section 3.2.4.1.

Modeled savings will be based on site energy. For homes that use non-electric energy sources the state will apply standard conversion factors to calculate kWh equivalents as noted in the following chart:

Fuel	Measured Energy Rate	Convert to kWh
Natural Gas	therm	kWh = therm * 29.3
Propane	gallon	kWh = gallons * 26.8
Fuel Oil	gallon	kWh = gallons * 40.6

55. Describe the energy savings objectives and overall approach for estimating energy savings for the modeled program path (if applicable).

Objectives:

- The program will target rebates to low- and moderate-income households where up-front costs have been barriers to participating in Focus on Energy or other utility programs.
- The program will target customers with high energy burden and service territories that depend on delivered fuels.
- Electrification projects should result in reduced household energy bills.

Building owners need appropriate advice regarding the types of improvements that make sense for their buildings, including the effect different measures may have on utility bills, comfort, indoor air quality, and moisture. To provide this information the state will require contractors to perform energy assessments in accordance with BPI 1100/1200 standards and to model energy savings using BPI-2400 compliant software. The specific modeling tools allowed will be determined after DOE provides a list of BPI-2400 compliant software.

In line with our response to question #56 below, the state will require envelope improvements be modeled for homes with existing conditions that are less efficient than state-established envelope efficiency minimums (e.g., insulation R values).

The state wants modeled energy estimates to be in line with actual energy savings realized after improvements are made. Given that the energy model predicts energy savings (which can then be translated into cost savings predictions based on local fuel rates), the state will require contractors to include their underlying assumptions regarding occupancy and occupant behavior (e.g., set points). The state may also require them to run their models using standardized assumptions that the state will provide.

The state will require contractors to confirm that their estimated energy savings and utility bill impacts for their proposed scope of work are in line with the estimates provided in the energy model. This information must be provided to residents or building owners prior to beginning the work, and customers must acknowledge in writing that they were provided this information and agree with the final scope of work as outlined in the energy model and accompanying report.

The state may consider random sampling of project data to ensure the integrity of the program.

56. Identify which upgrades may be included in the modeled savings estimate, including at least one major upgrade as defined in Section 2.1 of the Program Requirements & Application Instructions document, including a brief description of if the state will or will not require the installation of envelope prior to other upgrades (if applicable).

Our state will allow only inclusion of upgrades consistent with BPI-2400 for the purposes of modeling energy savings. The state may further restrict eligible upgrades pending consultation with experts and implementation contractor(s).

The state will require all contractors to propose envelope improvements (air sealing, duct sealing, window attachments, insulation) to residents or building owners when a home's baseline envelope conditions are insufficient. Prior to launching the program, the state will work with its implementation contractor, and other experts as needed, to establish these pre-condition thresholds (e.g., attic insulation must have at least a certain R value). The state recognizes that some residents or building owners may not wish to expend resources on certain improvements; however, the state will require contractors to run at least one comparative model that includes envelope improvements to demonstrate how different options are likely to affect energy use and utility bills. The state will also require contractors to provide standard information regarding how a home's conditions interrelate and how envelope can affect comfort, moisture, etc.

57. Identify which modeling tools the state proposes to authorize for its program. Identify whether any proposed tools have not yet received DOE approval.

Defer response to State Implementation Blueprint.

The state has not yet confirmed what modeling tool(s) will be allowed and is waiting on DOE to provide a list of approved software. The state will provide a list

no later than 60 days prior to program launch, consistent with the deadline for State Implementation Blueprint to allow for DOE review and obtain approval.

58. Describe how the state will monitor the energy savings reliability of models and tools for the modeled program path.

As noted in response to question #49, the State will require contractors to use DOE-approved modeling tools.

#### State Review

Modeled vs. Actual Usage Analyses: Upon completion of the first year of the program, and at least annually thereafter, the state or its implementer will randomly select homes (single-family and multifamily) that have received improvements and assess how their actual (measured) savings compare with the predicted savings (whether through modeled or measured). The state is instituting agreements with our state's utilities to ensure that the state can collect this data in a seamless manner for the purposes of evaluation. As part of our evaluation plan, the state will propose the scope of this analysis and intends to perform both an early impact evaluation within the 12 to 18 months of program launch and a comprehensive evaluation approximately 2 years after the start of early evaluation. Assessing the accuracy and reliability of models and tools used for the modeled program path will be among the primary objectives of these evaluations. As During early impact evaluation, state expects to randomly select a representative sample of projects. The state may select a larger percentage initially and then reduce the percentage over time depending on the results of this analysis.

If resources allow, the state will do one or more of the following:

- The state will conduct standard analytics on pre and post data to look for trends in reliability by type of software, contractors, housing type, fuel type, etc. The state will establish a feedback loop to our implementer to use findings to inform corrections, modifications, and improvements as appropriate.
- If the measured path is approved for implementation at a future date, the state will work with our implementers to run modeled-path savings estimates (that is, conduct full assessments and calibrate the homes to their historical energy usage consistent with BPI 2400) for a set of homes going through the measured path. The state will, by definition, already be collecting post-retrofit energy consumption in these homes and can

evaluate how reliable the modeled savings were in these measured path homes.

The state will develop reports summarizing the findings from evaluation activities examining the accuracy and reliability of the models and tools used for the modeled program path. These reports will be provided to the DOE for review upon completion. If analysis results indicate actual savings are less than 70% of estimated savings, the state will inform the DOE of these findings and develop a plan for taking corrective action. The state will work with its program implementer and evaluator to identify options for corrective action and determine the appropriate path forward. The state will develop and begin implementing steps to improve the accuracy and reliability of the models and tools used for the modeled program path within 60 days of receiving results necessitating corrective action.

59. If the state plans to allow modeling for homes for which BPI-2400 is not applicable or that are not eligible for BPI-2400, request alternative modeled path(s) by:
- a. Detailing for which exceptions the state plans to apply the alternative approach (e.g., multifamily, lack of delivered fuel bills, etc.).
  - b. Providing a detailed description of the method(s) that the state will use to estimate energy savings for each exception and how the state will ensure consistency between the alternative method and the results of BPI-2400 such as a realization rate adjustment to be used in reported savings estimates.
  - c. Commit to carrying out evaluations upon thresholds listed in Section 3.2.3.1 of the Program Requirements & Application Instructions document.
  - d. Describe how the state will use any evaluation results or new information to update and adjust its alternate savings modeling method.
- Defer response to State Implementation Blueprint.
- N/A. The state will not allow modeling for homes for which BPI-2400 is not applicable or that are not eligible for BPI-2400.

Consistent with the DOE program requirements and BPI-2400, the state will require contractors to calibrate their models to historical energy consumption data.

There is one instance in which our program will not require calibration:

- Multifamily buildings

There are two instances in which our program will require simplified calibration per the pending Annex E update:

- Homes with delivered fuels
- Where occupants have lived in the home less than one year

Scopes of work generated in the above cases (with non-calibrated or simplified) models will receive more thorough desk review to ensure reasonable estimated savings.

Given that BPI-2400 does not cover multifamily buildings, the state will not require calibration but instead encourage contractors to do so as part of the Building Energy Asset Score (or other recommended modeling software the state opts to allow, pending the release of DOE's forthcoming list of recommended multifamily modeling approaches) audit performed when using the modeled approach and a DOE-approved modeling software. As part of quality assurance described in other application responses, if the measured path is enacted the state will compare results from measured savings projects with those from modeled savings projects based on pre- and post-usage data where available for modeled savings projects.

For single-family and multifamily projects that use a non-calibrated or simple calibration modeling approach, the state commits to conducting evaluations based upon the thresholds listed in Section 3.2.4.1 for these exceptions. The state will conduct its first evaluation of a representative sample of sites upon (whichever comes first):

- At least 200 projects have been completed; OR
- 10% annually, or 20% cumulative, of the program-to-date modeled funds have been provided for projects using an exception.

Depending on the results, the state may require additional program evaluations not more than once every two (2) years thereafter.

Following the first evaluation, our implementers will adjust program guidelines based upon the evaluator's findings to ensure the any non-calibrated energy savings estimates are at least as reliable as those including calibration.

If our state, based on discussions with our implementer and evaluator, concludes that it cannot expect reliable results without energy bill calibrated models, then the state will work with subject matter experts (e.g., national laboratories) to provide another approach to address these circumstances.

60. For multifamily, describe the methods used for modeling energy savings for multifamily buildings, including energy used in common areas.

- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the modeled program path.

All contractors will be required to use a DOE-approved energy modeling tool, either the Building Energy Asset Score (or other recommended modeling software the state opts to allow, pending the release of DOE's forthcoming list of recommended multifamily modeling approaches).

The state will require a minimum set of inputs to the baseline and proposed retrofit models. The state will require standard use assumptions for common areas unless the modeler provides rationale for applying other assumptions. Pre- and post-diagnostics will be required as needed depending on the improvement measures that will be implemented.

#### **Section 3.2.4.2: Calculating Measured Energy Savings**

61. Describe the energy savings objectives and overall approach for estimating and measuring energy savings at the home and if applicable, portfolio of homes.

- N/A. The state is not implementing the measured program path.

62. Identify what factors the state will use to calculate kWh equivalent, consistent with Section 3.2.4.1.

- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the measured program path.

63. List the open-source advanced M&V software(s) the state requests to use and confirm that each meets program requirements.

- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the measured program path.

64. Describe how the state will monitor and ensure that aggregator portfolios meet the program requirements and minimum savings thresholds for the measured program path.



- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the measured program path.

65. If measuring energy savings within a period of less than 12 months, describe how the state will define and enforce the inclusion of peak seasons.

- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the measured program path.

66. Describe the state's processes for measuring savings for multifamily buildings, including for energy used by common areas.

- Defer response to State Implementation Blueprint.
- N/A. The state is not implementing the measured program path.

### **Section 3.2.5: Consumer Protection through Quality Assurance**

67. Certify that the state will prepare and implement a Consumer Protection Plan in accordance with the requirements (Section 3.2.5) and that the state rebate program will not launch until receiving DOE approval.

- Yes, the state confirms the above statement.

### **Section 3.2.6: Post-Installation Certificate**

68. Describe how each of the certification requirements (Section 3.2.6 of the Program Requirements and Application Instructions document) will be met for single-family homes.

The state will design a certification template which will include, at a minimum:

- A list of all work performed including details of installed equipment and materials
- Projected energy savings to support the accurate valuation of the upgrade

The certification report will explain the benefits of the home features in language that the homeowner and potential buyers can understand, and that optimize use of the certification by real estate professionals and appraisers during the home sale process.

The certificate or a cover page accompanying it will include the DOE logo (per DOE usage guidelines) and recognition that the work performed was funded in

part (or in full) through Home Energy Rebates provided under the Inflation Reduction Act of 2022. The state will provide a mock-up of these materials to DOE for review prior to launch. [THE FULL PROCESS FOR USING AND REQUESTING PERMISSION TO USE THE DOE LOGO, SEAL OR WORK MARK BY A NON-DOE ENTITY CAN BE FOUND HERE: [DOE LOGO, SEAL AND WORD MARK | DEPARTMENT OF ENERGY](#)]

Because our program implementer is not the contractor and is not compensated based on savings results, the state will rely on the implementer to serve as the qualified third-party certifier. Depending on our program delivery design, the state and its implementer may elect to use other qualified entities or individuals (e.g., Community Action Agencies), unrelated to the contractor performing the work, to certify the project and issue the certificate to the household. The state's program guidelines will include clear instructions to certifiers on what they must confirm and verify with respect to each project and how to provide the certification to the household. It will also describe the minimum qualifications of certifiers.

69. Describe how each of the certification requirements (Section 3.2.5 of the Program Requirements and Application Instructions document) will be met for multifamily buildings.

As with single family projects, our implementer will design a template for the certification which will include, at a minimum:

- A list of all work performed including details of installed equipment and materials
- Projected energy savings to support the accurate valuation of the upgrade
- An ENERGY STAR Portfolio Manager score (when post-retrofit usage data is available).

The certificate or a cover page accompanying it will include the DOE logo (per DOE usage guidelines) and recognition that the work performed was funded in part (or in full) through Home Energy Rebates provided under the Inflation Reduction Act of 2022. The state will provide a mock-up of these materials to DOE for its review prior to launch.

Because our implementer is not the contractor and is not compensated based on savings results, our implementer will serve as the qualified third-party certifier.

Our program guidelines will include clear instructions to certifiers on what they must confirm and verify with respect to each multifamily project. To inform

households within a multifamily building, the owner will be required to post (for no less than 6 months) the certificate in a public place within the multifamily building (e.g., entry, regularly used common space). They will also describe the minimum qualifications certifiers must have.

70. Identify which third-party certificate(s) the state program will offer to homeowners that receive a rebated home energy upgrade.

Consistent with our earlier response, the program's third-party administrator, Aptim, will create a PDF certificate of the customer's project information, including the required content and any accompanying materials. This certificate will be offered to the customer upon completion and will be branded with the Focus on Energy logo. The state believes that this standardized information will hold significant credibility and be more easily translated and valued at point of sale, thereby giving the homeowner even greater benefit.

## MAXIMIZING REBATE IMPACT

### Section 3.3.1: Supporting the Clean Energy Economy Through Market Transformation

71. Certify that the state will prepare and implement a Market Transformation Plan within the first year after receiving the financial assistance award.

- Yes, the state confirms the above statement and will provide the plan within the first year after receiving the financial assistance award.

### Section 3.3.2: Integrating with Other Programs

72. Identify whether the state plans to take proactive steps to encourage integration with other programs. If so, identify with which programs the state will actively seek to integrate. The state may include letters of support or other indicators of commitment from existing program partners. Applications should identify whether programs will be integrated in any or the following areas:

- a. Integration into existing program administration, website, materials.
- b. Adoption of existing program standards, QA, workforce standards, or other practices.
- c. Braiding or co-funding of upgrades within individual households.
- d. Other integration elements, as applicable.

- N/A. The state does not plan to integrate the rebates into any existing programs.

The state plans to integrate the Home Efficiency Rebates with the following program(s):

- Utility Programs: Focus on Energy, Commitment-to-Community, other voluntary utility programs – As one method for delivering these rebates, the state plans to leverage our utility programs. These non-federally funded programs already have qualified contractors delivering whole home retrofits and are therefore well suited to deliver the efficiency rebates as well.
- Weatherization Assistance Program (WAP) – To the extent feasible given restrictions in combining federal grants and rebates, as one portion of our rebates, the state plans to leverage our state- funded weatherization programs to deliver expanded whole-home energy efficiency services to low-income households in our state.
- Other state, municipal and non-profit efforts – to the extent possible, the state will attempt to work with other agencies, local governments, and community-based organization with additional funding or grants available to further stack funding.

By deeply integrating the Home Efficiency Rebates with Focus on Energy, the state will build on existing consumer education materials, quality assurance activities, and workforce qualifications. For example, Focus on Energy has well established quality assurance efforts which can be carried out in concert with the QA needed for ensuring effective use of the Home Efficiency Rebates. As another example, Focus on Energy has well established workforce standards that the state may adopt as either a minimum standard or one acceptable method for becoming a qualified contractor for the rebate program.

Regardless of whether the state can fully integrate home energy rebates into our existing programs, the state will be sure that any program co-funding or braiding comply with all DOE requirements including the Program Requirements & Application Instructions document.

73. Describe how the state program will support households, contractors, aggregators, and other stakeholders in understanding how the state program may leverage other program resources.

- Defer response to State Implementation Blueprint.

Focus on Energy has a successful communication platform already in place, i.e. website, newsletters, support channels, etc. Focus is also able to start with an engaged group of contractors, partners, and potential participants and will be able to share information on rebates that can be stacked on top of the Home Energy Rebates for participants. This may include additional rebates or services through the Department of Administration's Division of Energy, Housing and Community Resources (DEHCR) Home Energy Plus program, Focus on Energy, tax credits and other utility incentive programs.

Focus on Energy will utilize outreach efforts to cross promote both the Home Efficiency Rebates (HOMES) and Home Electrification and Appliance Rebates (HEAR) programs as much as possible and where appropriate, depending on the communication tactic and message.

74. Describe the method(s) the state will use to ensure the total combination of all immediate upfront funding sources (federal grants, federal loans, and non-federal funding) provided to a project does not exceed the total project cost.

- Defer response to State Implementation Blueprint.

The state will educate contractors (and consumers) regarding the restriction of applying incentives that exceed total project cost. All contractors on the qualified contractor list will be given a pre-launch set of materials including information regarding the restrictions on braiding and the restriction that total upfront incentives cannot exceed the total project cost. Contractors will also be required to take full advantage of any other funding opportunities (besides tax credits) before applying HOMES rebates.

When a homeowner or building owner initiates the process by requesting a rebate, they will be required to confirm that they understand the following:

*A homeowner or building owner is not eligible for rebate funds that, in combination with other rebates or financial incentives, exceed the total project cost. A homeowner must inform their contractor of other incentives that they are receiving toward the cost of the project. The contractor will ensure these rebates are accounted for before any remaining costs are covered by this HOMES Rebate. The contractor must show that all*

*rebates have been accounted for on their invoice, and a copy of the invoice must be signed by the homeowner.*

The contractor will also require the homeowner or building owner to sign an affidavit stating that they did not receive funds in excess of the total project costs.

Finally, the state will require contractors to list all applied incentives on the invoice that must be sent to the state/implementer in order to receive reimbursement for the Home Efficiency Rebate applied at point of installation/service.

75. Describe how the state program will support contractors and retailers in preparing acceptable invoices that may be kept as program records.

Defer response to State Implementation Blueprint.

The state will provide a sample invoice showing all prescribed components of the invoice. The sample invoice will be provided to contractors prior to program launch and will also be made available on the Program's website. Contractors will be assigned an Energy Advisor who will provide training on invoicing and application submittal. Energy Advisors will be available to provide additional training for contractors, as needed.

Implementers will be required to review all submitted information from delivered projects prior to reimbursing contractors. The state intends to use the DOE workflows which include quality assurance and review steps as well as opportunities for contractors to submit any missing information should their documentation be initially rejected by the implementer.

In the event of an audit, the implementer or the state will be able to promptly provide all invoice documentation since it will be submitted electronically through the [DOE Rebate Tracking System](#) and submitted through a separate user interface for contractors that will upload the information manually. All of these records will be retained by the Program in its database of record, and the majority of this information will already be provided to DOE.

76. Describe how the state implementer(s) will produce invoice documentation in a timely manner upon request in the event of an audit by DOE, the DOE's Inspector General, a state's inspector general, or another entity.

- Defer response to State Implementation Blueprint.

The user interface developed for applying and processing rebates will allow contractors and aggregators to submit invoices as PDFs as well as through data entry of required information. The implementer will collect and retain all invoice data electronically. This information will also go directly to DOE via the API associated with the [DOE Rebate Tracking System](#) and can be used by DOE should audits arise. The state will also be able to readily export the invoice documentation to others that may initiate audits.

77. Describe how the state will ensure rebate recipients be made aware of the portion of the funding received from the DOE Home Efficiency Rebates.

- Defer response to State Implementation Blueprint.

The state will use the [DOE Rebate Tracking System](#) and workflows which include multiple notifications to all participants including homeowners and building owners regarding the level of DOE Home Efficiency Rebates available and applied.

Contractors will be required to provide a line item showing the level of rebate applied on invoices that must be signed by the homeowner or building owner. Without this documentation, contractors will not be reimbursed.

### Section 3.3.3: Quick Starts

78. Identify whether the application is for a Quick Start program. For Quick Start programs, identify the timeline for program launch.

- Yes, this is for a Quick Start Program.
- No, this is not for a Quick Start Program.

# APPENDIX

## Home Efficiency Rebates

### Measured and Modeled Rebate Levels

Table A-1. Modeled Savings Rebate Levels

Single-Family		
Modeled Energy Savings	Income Level	Rebate Amount
20%-34%	Less than 80% AMI*	Lesser of \$5,000 or 100% of project cost
	Between 80% AMI and 150% AMI	Lesser of \$2,000 or 50% of project cost
	150% AMI and greater	Lesser of \$1,500 or 50% of project cost
35% or greater	Less than 80% AMI*	Lesser of \$10,000 or 100% of project cost
	Between 80% AMI and 150% AMI	Lesser of \$4,000 or 50% of project cost
	150% AMI and greater	Lesser of \$3,000 or 50% of project cost
Multifamily		
Modeled Energy Savings	Income Level	Rebate Amount
20%-34%	A building with at least 50% of households with incomes less than 80% AMI*	Lesser of \$5,000 per dwelling unit or 100% of project cost
	A building with at least 50% of households with incomes between 80% AMI and 150% AMI	\$2,000 per dwelling unit up to \$200,000 per building
	A building with at least 50% of households with incomes greater than 150% AMI	\$1,500 per dwelling unit up to \$200,000 per building
	A building with at least 50% of households with incomes less than 80% AMI *	Lesser of \$10,000 per dwelling unit or 100% of project cost



35% or greater	A building with at least 50% of households with incomes between 80% AMI and 150% AMI	\$4,000 per dwelling unit up to \$400,000 per building
	A building with at least 50% of households with incomes greater than 150% AMI	\$3,000 per dwelling unit up to \$400,000 per building

\*States may increase the maximum amount available for low-income households upon approval from DOE.<sup>1</sup> See Section 3.1.3 for details.

## Federal Programs Approved for Categorical Eligibility

Table A-3. Recognized Programs for Categorical Eligibility of Home Efficiency Rebates

Recognized Program	Eligible for Higher Level of Home Efficiency Rebates
Low Income Home Energy Assistance Program (LIHEAP)	X
Medicaid	X
Supplemental Nutrition Assistance Program (SNAP)	X
Head Start	X
Lifeline Support for Affordable Communications (Lifeline)	X
Food Distribution Program on Indian Reservations (FDPIR)	X
National School Lunch Program – Free (NSLP)	X
Housing Improvement Program (HIP)	X
Housing Opportunities for Persons with AIDS	X
Supplemental Security Income (SSI)	X
Weatherization Assistance Program (WAP)	Automatically eligible ONLY if household is located in an area where 80% AMI (Area Median Income) is greater than 200% Federal Poverty Level (FPL)

<sup>1</sup> 42 U.S.C. 18795(c)(3).

WIC	Automatically eligible ONLY if household is located in an area where 80% AMI is greater than 185% FPL.
Other (programs approved by DOE through state application process)	States may propose other income-verified programs for categorical eligibility in their applications. DOE will approve if those income criteria meet the Home Energy Rebates income criteria set forth in the Inflation Reduction Act.

Table A-4. Recognized Housing Programs for Categorical Eligibility of Home Efficiency Rebates

Recognized Program	Level of Categorical Eligibility for Rebates for Renters Receiving Housing Assistance	Whole Building Eligibility for Rebates
Public Housing (housing owned and operated by Public Housing Authorities)	Below 80% AMI	Single- and multi-family buildings owned and operated by Public Housing Authorities are fully eligible.
Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)	Below 80% AMI	If at least 50% of housing units are subsidized through these programs, then the multifamily building is fully eligible.
Privately-owned multifamily buildings that house residents receiving tenant-based assistance	Below 80% AMI	If at least 50% of building occupants receive tenant-based assistance, then the multifamily building is fully eligible.
Low Income Housing Tax Credit (LIHTC)	Below 80% AMI	If at least 50% of housing units are income-restricted, then the multifamily building is fully eligible.