



U.S. DEPARTMENT
of **ENERGY**

Office of Critical Minerals
and Energy Innovation

**HOME ENERGY
REBATES**
U.S. DEPARTMENT OF ENERGY



Fraud, Waste, and Abuse Mitigation Plan Sample Responses

IRA Section 50121: Home Owner Managing
Energy Savings

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Introduction

Fraud, Waste, and Abuse (FWA) mitigation, through detecting and deterring grant fraud scams and reducing opportunities for fraud, waste, and abuse, is an essential component of the Home Owner Managing Energy Savings (HOMES) Rebate Program and is key to providing good stewardship of taxpayer dollars while reducing unnecessary regulatory and administrative burden, protecting consumers from fraudsters, and delivering real home energy cost savings. Detecting and deterring grant fraud scams protects households and taxpayer dollars by providing independent quality assurance oversight of the work performed by participating contractors to ensure that the work meets program standards. Reducing opportunities for fraud, waste, and abuse provides for systems designed to ensure rebates are provided only to eligible homeowners, aggregators, or multifamily building owners for whole-house energy saving retrofits, a statutory requirement of these rebate programs.

States must develop and implement a Fraud, Waste, and Abuse (FWA) Mitigation Plan for HOMES programs. The FWA Mitigation Plan must be submitted to DOE for approval at least 60 days prior to the state's planned rebate program launch as part of the state's Implementation Blueprint. A state must implement the plan and be prepared to provide DOE with information regarding the state's monitoring, review, and revision of the plan based on program performance.

About this Document

The U.S. Department of Energy (DOE) is providing this document to support states' development of the required Fraud, Waste, and Abuse (FWA) Mitigation Plan for the HOMES Rebate Program. This template aligns with the changes described in Home Energy Rebates [Program Notice 26-1](#), which includes modifications to Section 3.2.5 of DOE's Home Energy Rebates Program Requirements & Application Instructions (PRAI). [Program Notice 26-1](#) provides new guidance that supersedes existing guidance on the HOMES Rebate Program. These changes describe what states need to provide in a FWA Mitigation Plan for the HOMES Rebate Program (Inflation Reduction Act (IRA) Section 50121).

This document is provided as guidance to each state participating in the HOMES Rebate Program. States are responsible for ensuring their FWA Mitigation Plans accurately reflect their individual program design and requirements.

Requirements, Sample Responses, and Prompts

For each section in the FWA Mitigation Plan template below, the requirements are listed first as a numbered question (e.g., "1. Describe the state's system for collecting and responding to consumer feedback"), and the sample response is included in the response box.

- Applicants are not required to use this document. It is intended to serve as a useful starting point for applicants to frame their responses reflecting the U.S. Department of Energy (DOE) program requirements.
- States **are** encouraged to modify the sample responses (**blue text**) as needed to describe their intended approach. If a state believes the sample response provided by DOE reflects what the state intends to do and submits a verbatim response, DOE will seek confirmation from that state that they fully intend to do what is written. **States that intend to follow the sample approach must include a statement indicating that the state understands and plans to follow the sample approach in addition to including the verbatim sample response.**
- Many questions will have responses that will vary depending on a state's program design, policies, and program objectives. In these cases, DOE provides prompts (**RED SMALL CAPS TEXT**) that provide guidance on what type of information should be included to fulfill the requirement of the question.

Sample Responses

Background and Objectives

1. Describe how the Fraud, Waste, and Abuse (FWA) Mitigation Plan will be made readily accessible to all program participants affected by it, including implementers, participating contractors, third-party inspectors, aggregators, homeowners, and building owners.

The state will make the Fraud, Waste, and Abuse Mitigation Plan publicly accessible on the state energy office website [ENTER WEBSITE LINK] in an ADA compliant format. All program participants will have access to download or request printed copies of the plan. The FWA Mitigation Plan will include a version date to ensure participants can reference the most recent version.

2. Confirm that the state will execute agreements with participating contractors and aggregators in which the party agrees to comply with the FWA Mitigation Plan and procedures.

Select all that apply:

- ☒ The state will execute agreements with participating contractors in which the party agrees to comply with the FWA Mitigation Plan and procedures.
- ☒ The state will execute agreements with participating aggregators in which the party agrees to comply with the FWA Mitigation Plan and procedures. *(Note: Check this box only if your program will engage aggregators.)*

3. Describe how the state will retain records related to their FWA Mitigation Plan processes and permit access to DOE upon request.

All records related to fraud, waste, and abuse mitigation, including but not limited to complaints, concerns, sampling rates, findings, and corrective action, will be maintained by the implementer for a minimum of [ENTER NUMBER: X] years. All records will be stored digitally and upon request the state will provide DOE with access to the digital system.

Consumer Feedback

4. Describe the program's system for collecting and responding to consumer feedback that allows households to file complaints, concerns, and issues directly to the implementer(s) (e.g., a consumer hotline and/or email).

The state will provide household consumers with the ability to file complaints, concerns, and issues via a consumer hotline, email, and webform (online intake tool). Consumers can ask general questions about the state program or issue a complaint or concern regarding program services by sending an email to [ENTER STATE EMAIL] or by calling [ENTER STATE TELEPHONE NUMBER]. When a consumer reports an issue, a staff member will reach out within two (2) business days.

All consumer feedback reporting mechanisms, documents, and other communications will meet ADA accessibility standards and the needs of non-English language speakers, including documents available in Spanish and other languages as appropriate. Consumers can also request hard copies of online documents.

If consumers use a consumer hotline phone number to submit information regarding program issues, the state will record the call to capture the customer's concern. The hotline will meet ADA accessibility standards. The recordings are to be stored for processing to ensure that the information provided by the customer is available to best resolve the issue.

The state will leverage the [DESCRIBE SOFTWARE, TOOL, OR PROCESS: (E.G., CUSTOMER RELATIONSHIP MANAGEMENT (CRM) TOOL)] to record and track consumer feedback. The reporting system will capture relevant information, including the name of the associated party, contact information, and location, as well as any submitted documentation related to the issue including photographs and PDF document uploads.

5. Describe the program's procedures for addressing negative feedback, including how programs will communicate the feedback to affected contractors or aggregators.

Consumer feedback will be regularly reviewed for negative comments and addressed with the affected contractors and/or aggregators during virtual or in-person program meetings within the appropriate timeframe based on the predetermined priority (e.g., P1 = 24 hours, P2 = 48 hours, P3 = 1 week). Feedback to program administrators will be shared through email communications, regularly scheduled meetings (e.g., weekly, bi-weekly check-ins), or phone calls.

Pending the severity and/or volume of the comments, the contractor will be placed on a performance plan or receive additional Quality Assurance (QA)/Quality Control (QC) training until their performance is satisfactory.

6. Describe how households who reside in a multifamily building but are not the direct program participant will have the opportunity to convey feedback. Include the consumer feedback process and corresponding directions for these non-direct participant households.

The state will require that landlords of multifamily buildings receiving rebates for central upgrades or upgrades in common areas distribute the state's Fraud, Waste, and Abuse Mitigation Plan and a link to the program's webpage (that includes information on the consumer hotline, email, and webform) to all tenants via email. Landlords will also be encouraged to post signs in the building lobby and common spaces regarding the upgrades and consumer feedback pathways. [DESCRIBE ADDITIONAL PLANS OR DETAILS FOR HOW THE STATE WILL COLLECT FEEDBACK FROM MULTIFAMILY HOUSEHOLDS.]

Resolution Procedures

7. Describe how the program will implement existing state laws and regulations regarding conflict resolution procedure for how disputes will be resolved between homeowners/building owners and contractors/aggregators.

Note: The procedure may include protocols for a timely response, identification of responsible parties, documentation of corrective actions, results, and a means of identifying and addressing systemic issues. In accordance with [Program Notice 26-1](#), Section 3.4, states are not required to implement dispute resolution procedures beyond existing state laws and regulations.

[EXAMPLE 1:] [ENTER STATE NAME] will rely on our own laws and regulations to resolve disputes between all program participants, such as disputes between homeowners and contractors or aggregators. These laws and regulations are summarized here: [INSERT HYPERLINK TO STATE WEBSITE SUMMARIZING DISPUTE RESOLUTION LAWS AND REGULATIONS].

[EXAMPLE 2:] [ENTER STATE NAME] will name a program ombudsman or similar role with responsibility to create a template to formally report and record conflicts or disputes between homeowners and contractors or aggregators. The form will include, but not be limited to, the identification of responsible parties, a description of the incident including the date and project address, and the resolution tactics inclusive of corrective actions taken.

The incident will be escalated to the appropriate parties via email, regularly scheduled check-ins, or ad hoc meetings/phone calls for a timely response to address any identified systematic issues. For transparency, the defined conflict resolution procedure, and Service Level Agreements (SLAs) must be

acknowledged and agreed upon by all parties prior to commencement of engagement in the scope of work related to the conflict.

8. Describe the program's remediation process to ensure that when deficiencies are detected through the quality assurance/quality control process, these results are communicated to the responsible party, and any remedial or punitive actions taken follow a pre-defined set of protocols.

Note: States may describe the specific remedies and penalties for deficiencies or unfair business practices that it will utilize in its rebates program if fraud or unfair business practice is detected or if quality assurance/quality control procedures find an improper installation of a rebate funded measure. The remedies included for the program should make a consumer whole and provide some measure of deterrence against unacceptable practices. In accordance with [Program Notice 26-1](#), Section 3.4, states are not required to implement dispute resolution procedures beyond existing state laws and regulations.

[EXAMPLE 1:] [ENTER STATE NAME] will rely on our own laws and regulations to resolve disputes between all program participants, including remediation processes to ensure that when deficiencies are detected through the quality assurance/quality control process. These laws and regulations are summarized here: [INSERT STATE WEBSITE SUMMARIZING DISPUTE RESOLUTION LAWS AND REGULATIONS].

[EXAMPLE 2:] [ENTER STATE NAME] will develop and maintain a standard remediation process which can be applied to each third-party agreement. When deficiencies are detected through the quality assurance/quality control process, the results will be recorded, communicated, and shared to the responsible party within [ENTER TIMEFRAME (E.G., 1 WEEK)]. Any remedial or punitive actions taken will follow a pre-defined set of protocols as follows:

- A record of deficiency
- An assessment of the level of severity regarding the issue related to the project inspection/quality assurance evaluation
- Determination of remedial or punitive action in accordance with the severity of deficiency by the appropriate parties. (e.g., program implementer)
- Formal communication to the responsible party
- Fulfillment of remedial or punitive action, including state verification of conformance to requirements

[ENTER STATE NAME] will also establish an investigation process for fraud allegations against any program participant, be it a contractor, customer, aggregator, or any other participant. Part of this process is to also include the

details of punitive consequences that may include fines, removal from future eligibility to participate in the program, as well as possible criminal charges.

Data Review

[STATES ARE ENCOURAGED TO DEVELOP REQUIREMENTS FOR BUSINESS PROCESSES AND PROCEDURES TO BE DOCUMENTED WITHIN FORMAL BUSINESS PROCESS DESIGN DOCUMENTATION. DOCUMENTATION SHOULD INCLUDE A FLOW DIAGRAM AND A TRACKABILITY MATRIX SPECIFYING INFORMATION COLLECTION SYSTEM REQUIREMENTS. THESE DOCUMENTS WILL SPECIFY THE CONTACT INFORMATION FOR THE RESPONSIBLE PARTY AND EXPECTATIONS FOR HOW AND WHEN THE STATE WILL CONDUCT DATA REVIEWS AND ENFORCE COMPLIANCE WITH PROGRAM REQUIREMENTS. STATES ARE ENCOURAGED TO LEVERAGE DIGITAL PLATFORM SOLUTIONS WITH BUILT-IN VALIDATION CHECKS FOR DATA FIELDS AND DOCUMENT UPLOADS.]

9. Describe how the state will verify auditing tools and modeling software have basic data validation controls on inputs to ensure data quality for all projects.

The state will utilize [INSERT NAME OF TOOL OR SYSTEM OR DESCRIBE HOW STATE WILL INVESTIGATE NEW TOOLS AND SOFTWARE, AND DESCRIBE DATA VALIDATION CONTROLS] to ensure that data validation controls such as exception handling and file processing error alerts are in place. The state will develop an exhaustive list of requirements that the tool must meet. Additionally, the state will outline business procedures to address data exceptions and train the appropriate staff for timely resolution and documentation.

The state will investigate systems that can use “smart” technology to automatically read uploaded documents for income verification and/or other purposes. For example, the state would like to use a system (if not cost-prohibitive) that accurately reads the applicant’s information including address on enrollment cards from various categorically eligible programs.

10. Certify that the state will conduct data or file review of all projects that verifies at a minimum:
 - The home assessment gathered the data required in PRAI Section 3.2.2;
 - The contracted scope of work was specified consistent with program requirements;
 - The address of the installation matches the address on the rebate reservation;
 - For low-income rebates, rebated amount aligns with the verified income category; and
 - The household was provided the Post-Installation Certificate as specified in PRAI Section 3.2.6.

☒ Yes, the state confirms the above statement.

11. Describe how the state will verify the home assessment gathered the required data for each specific rebate.¹

The state will randomly select a statistically significant number of home assessments to conduct [ENTER TIMEFRAME (E.G., MONTHLY)] data audits to ensure all required data for the home assessment is captured. Additionally, the state will follow the standardized data specifications and guidelines within the IRA Home Energy Rebates: Data and Tools Requirements Guide for data captured within the assessment to ensure data compatibility. Home energy assessment data for large multifamily buildings will be consistent with Building Sync.

12. Describe how the state will verify that the contracted scope of work specified was consistent with program requirements for all projects.

The state will develop a standardized scope of work template for implementers consistent with program requirements to ensure program requirements are met. The state will require the implementers to use this template to capture necessary information and provide guidance on program requirements. The program implementer will review all invoices for work performed to confirm the contracted scope of work specified was consistent with current program measures and equipment eligibility requirements (e.g., equipment types and model numbers listed on the invoice are eligible for rebates under HOMES programs) prior to paying out rebates.

13. Describe how the state will verify the address of the installation matches the address on the rebate reservation for all projects.

The program implementers will review geo-locational data or contractor documentation for all projects to confirm the address of installation matches the address on the rebate reservation prior to paying out rebates. The state's preferred method of installation address validation is by geo-locational data. Locational data could additionally be captured through various means such as GPS, or within photo/image locational meta data. If unavailable, the state will require additional proof of address through documentation such as utility bill submission. The state will require acknowledgement that installation was performed at the claimed installation address by the contractor via a signed and dated installation confirmation document (e.g., invoice).

¹ The requirements for a home assessment can be found in Section 3.2.2 of the Home Energy Rebates Program Requirements & Application Instructions (PRAI) document.

In addition to the standard data review of addresses for all projects, the state plans to randomly select and conduct quality assurance/quality control on [ENTER NUMBER: X%] of all claims submitted for the first year. Through this quality assurance/quality control process done remotely or in person, the state will verify what equipment was installed and where it was installed. If more than [ENTER NUMBER: X%] of the randomly selected claims prove to be accurate, then the state may choose to decrease the percentage of randomly selected claims over time.

14. Describe how the state will verify the rebate amount aligns with the verified income category for all projects provided to low-income households.

Program implementers will ensure the rebated amount aligns with the verified income category for low-income rebates by requiring a submittal of the proof of income for each rebate issued. The state will verify the documented proof of income by requesting updated income data from source systems/qualifying programs.

15. Describe how the state will verify that the household was provided the required Post-Installation Certificate.²

The program implementer will confirm consumer receipt of the certificate as specified in Section 3.2.6 of the Program Requirements & Application Instructions by obtaining data such as email send confirmation, home/building owner signature, and/or a photographic proof of certificate displayed in the window of the building in which the work was performed.

16. Confirm that the state will require program implementers retain all project data that is required as part of the Data & Tools Requirements Guide.

☒ Yes, the state confirms the above statement.

17. Describe how the state will require program implementers to retain project data on proof of combustion safety testing on fossil fuel equipment in all homes where fossil fuel systems have been impacted by the installation, in accordance with applicable state and/or municipal building code standards on health and safety testing.

Note: Combustion safety testing is strongly recommended when major atmospherically venting combustion appliances (i.e., HVAC systems and water heaters) remain in place after heat pumps, heat pump water heaters, air sealing, and/or insulation that has an air sealing effect has been installed. For states that

² The requirements for the Post-Installation Certificate can be found in Section 3.2.6 of the Home Energy Rebates Program Requirements & Application Instructions (PRAI) document.

offer DIY options, DOE recommends making best practice installation procedures available to homeowners and building owners performing their own upgrades.

The state will require testing sign-off by a qualified contractor that the fossil fuel equipment meets the performance requirements in accordance with applicable state and/or municipal building code standards on health and safety testing. The program's implementers will retain proof of combustion safety testing on fossil fuel equipment in all homes where fossil fuel systems have been impacted by the installation accordance with standard record retention policies, for [ENTER TIMEFRAME (E.G., 7 YEARS)].

18. Describe how the state will maintain records on Quality Assurance (QA)/Quality Control (QC) inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements.

The state will maintain record of quality assurance/quality control inspections including sampling rates, findings, corrective actions taken, and verification of conformance to requirements in accordance with standard record retention policies, for [ENTER TIMEFRAME (E.G., 7 YEARS)]. [BRIEFLY DESCRIBE STANDARD RECORD RETENTION POLICIES.]

19. Describe the training or credentials of the personnel conducting the data/file review.

The state will assign [ENTER ROLE, TITLE, COMMITTEE, OR DEPARTMENT (E.G., THE DEPARTMENT OF PUBLIC SERVICES, OFFICE OF ENERGY SYSTEM PLANNING AND PERFORMANCE)] the responsibility of conducting the data/file review. Qualifications for the person(s) that will be tasked with such responsibilities will be as follows: bachelor's degree or equivalent experience, the Home Energy Professional (HEP) Quality Control Inspector certification, and completion of identified yearly compliance training.

Contractors and Other Partners

20. Describe how the program will initially develop the qualified contractor list.

The state will partner with electric and gas utilities as well as sanctioned state agencies to develop a qualified contractor list. [DESCRIBE THE DIFFERENT TYPES OF CONTRACTORS, FOR EXAMPLE, CONTRACTORS FOR THE PROGRAM MAY INCLUDE BUT NOT BE LIMITED TO: INSTALLERS, ENERGY AUDITORS, CONSULTANTS, ENGINEERS, APPLIANCE VENDORS, AND SERVICE PROVIDERS, AND INSPECTORS.] The state understands that these entities may have developed comprehensive vetting processes to ensure contractors are highly qualified, hold active certifications, and offer consumers

reputable services. The contractors must also meet the state's minimum licensing, insurance, and labor standards to qualify for program enrollment.

[ENTER STATE NAME] will target outreach to contractors that specialize in HVAC, insulation, electrical, and associated building performance work. Through presentations at existing gatherings and advertisements in relevant publications, the state will create awareness and garner interest in participating as a qualified contractor for the state's HOMES rebate program.

21. Describe which qualification(s) contractors will be held to, potentially including but not limited to home performance industry credentials, training requirements, business insurance and licensure, skills standards, and labor standards.

[DESCRIBE THE DIFFERENT TYPES OF CREDENTIALS, WHICH MAY INCLUDE, BUT ARE NOT LIMITED TO: HOME PERFORMANCE INDUSTRY CREDENTIALS, TRAINING REQUIREMENTS, BUSINESS INSURANCE AND LICENSURE, SKILLS STANDARDS, AND LABOR STANDARDS.]

22. Describe the process by which contractors will be added to the qualified contractor list.

Note: The process should include how implementers will review and consider contractors trained under IRA 50123 if applicable.

All prospective contractors will be evaluated by the program implementer to ensure that they meet the program requirements. Once the implementer has confirmed compliance with the program requirements, the contractor will be added to the qualified contractor list and will then be eligible to complete projects that receive home energy rebates.

The state will perform due diligence on contractor and distributor entities that will be on their qualified contractor lists to prevent the listing of fraudulent or illegitimate entities. See details on the state's due diligence processes described in Question 24.

[EXAMPLE 1]: The state will work with the appropriate IRA 50123 program implementation teams to review and include contractors for consideration who are trained under an IRA 50123 funded initiative. Additionally, the state will conduct outreach campaigns to contractors that have completed the training under IRA 50123 to apply for inclusion on the qualified contract list. [THE STATE IS ENCOURAGED TO INCLUDE APPLICABLE INFORMATION REGARDING ANY HOME ENERGY EFFICIENCY CONTRACTOR TRAINING GRANT PROGRAM THE STATE MAY SUPPORT. THIS COULD INCLUDE THEIR IRA 50123 APPLICATION PLAN OR ANY NON-50123 STATE HOME ENERGY EFFICIENCY CONTRACTOR TRAINING GRANT PROGRAM WITH A FOCUS ON A BROAD ENERGY EFFICIENCY AND CONTRACTOR WORKFORCE. THE STATE SHOULD PLAN

TO FOLLOW REQUIREMENTS IN ACCORDANCE WITH ALL SUCH PROGRAMS, WHETHER 50123 OR NOT.

[EXAMPLE 2]: The state will share with DOE how the state will review and consider contractors trained under IRA 50123 if/when the state implements IRA 50123.

23. Please confirm the following:

- Confirm that state will apply to access the U.S. Department of Treasury's (Treasury) "Do Not Pay" (DNP) database.
 - ☒ Yes, the state confirms the above statement.
- Confirm that the state will use the "Do Not Pay" database to vet potential contractors before they are added to its Qualified Contractor List, which will help to reduce fraud, waste, and abuse.
 - ☒ Yes, the state confirms the above statement. The state will use the "Do Not Pay" database to vet potential contractors before they are added to its Qualified Contractor List.

24. Describe how the state will perform due diligence on contractors that will be on their Qualified Contractor List and how they will prevent the listing of fraudulent or illegitimate entities.

Note: In accordance with [Program Notice 26-1](#), Section 3.4, states are required to apply to access and use the "Do Not Pay" database to vet potential contractors to be added to their Qualified Contractor List, in order to reduce fraud, waste and abuse.

The state will perform due diligence on contractor and distributor entities that will be on their qualified contractor lists to prevent the listing of fraudulent or illegitimate entities. The state will use the "Do Not Pay" database to vet potential contractors prior to adding to the qualified contractor list. [INSERT PROCEDURES FOR RESOLVING POSITIVE MATCHES.]

[NOTE: THE "DO NOT PAY" DATABASE IS A COMPLIANCE TOOL THAT IDENTIFIES POTENTIAL NAME MATCHES WITH EXCLUDED INDIVIDUALS AND ORGANIZATIONS BUT DOES NOT TELL STATES HOW TO RESOLVE POSITIVE MATCHES. THE STATE REBATE PROGRAM TEAM MUST STILL DO DUE DILIGENCE AND DECIDE ON AN APPROPRIATE COURSE OF RESOLUTION.]

The state will also investigate consumer complaints and/or match the business credential against state business entity lists or other available public records to ensure that the business addresses are legitimate.

25. Describe the conditions that would lead to a contractor being delisted and the process by which a contractor would be delisted.

Contractors who no longer meet the minimum requirements and standards in accordance with the associated programs will be removed from the qualified contractor list. This includes but is not limited to contractors that have received complaints and/or negative feedback as listed in the Consumer Feedback section of the FWA Mitigation Plan and/or contractors that failed to comply with processes defined in the Resolution Procedures section of the state's FWA Mitigation Plan no more than three (3) times. It may also include instances where the contractor is found to have committed some type of fraud against the program. The contractor will be removed from all associated listings on all digital channels and printed material. The contractor will also no longer be allowed to tout or promote the ability to contract work on behalf of the Home Owner Managing Energy Savings Rebate Program (IRA Section 50121).

The program may reinstate enrolled contractors according to the timeframe established in the written notification of delisting. Contractors will be reinstated to the Qualified Contractor List provided they satisfy the requirements and/or timeline outlined in their delisting notification letter and/or performance improvement plan. The program will notify contractors of the decision to relist in the program in writing.

26. Describe how the state will make the qualified contractor list public and include a description of how consumers applying for rebates will be informed on how to use the list to access a qualified contractor.

Note: States should communicate clearly to their residents that (1) an entity's qualified status only indicates program participation and minimal vetting; and that (2) the qualified status is not an endorsement or approval of the state of the U.S. Department of Energy of performance by those entities.

The qualified contractor list will be publicly available on the state's website [ENTER WEBSITE LINK] and hard copy upon request. The list will include a description of how consumers applying for rebates can use the list to access a qualified contractor and clarify that the qualified status only indicates program participation and minimal vetting, and is not an endorsement or approval of the state or Department of Energy. The state, any utility, or any program implementer is not to recommend any specific contractor to a customer, or via any marketing material. The state will also provide consumers with a hotline to address inquiries related to the qualified contractor list. It will also provide a hard copy of this information upon request.

27. Describe how the state program will ensure energy savings are calculated using allowable methods according to the IRA 50121 statute language, including how approved tools/software will be identified, and how contractors will be alerted to these tools and trained on proper use.

The state program will ensure energy savings are calculated as explained in response to the [ENTER STATE NAME]'s Home Owner Managing Energy Savings Rebate Program Application: "The state will be using [ENTER NAME OF SOFTWARE] authorized for use by DOE that can determine and document weather-normalized energy use of a home or portfolio of homes before and after the implementation of home energy upgrades. The software can estimate energy savings based on the data and information collected in the home assessment and will define, calculate, and report energy savings for the purposes of the rebate threshold as kWh or kWh equivalent."

The state will alert contractors to these tools and train them on proper use by hosting in-person events, webinars, and/or video style training series. The state will conduct formal outreach through email and other marketing materials to ensure contractors are aware of how to access and participate in training.

28. Describe how the state will educate contractors and building owners to invest in envelope improvements before investments are made in mechanical equipment.

The state will educate contractors and building owners to prioritize investment in envelope improvements that have the greatest impact such as air-sealing and insulation to reduce air leaks, thus reducing costs. These materials and communications will reference the [DOE Better Buildings Solution Center's "Building Envelope" page](#) and will be included as content and activities within the program's overarching outreach and education activities. Contractors will receive training with this information when they join the qualified contractors list and will be encouraged to communicate the benefits of envelope improvements prior to mechanical equipment upgrades to building owners.

The state will encourage 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 encourage contractors to provide standard information regarding how a home's conditions interrelate and how envelope can affect comfort, moisture, etc.

Installation

29. Describe the quality installation standards that the state will use for its HOMES program, including links and references to existing industry standards (e.g., ANSI/ACCA 9, BPI, ENERGY STAR, etc.).

All installed measures shall comply with manufacturer specifications, all applicable state and local codes, and [ENTER QUALITY STANDARDS (E.G., ANSI/ACCA 9 QIVP (HVAC QUALITY INSTALLATION VERIFICATION PROTOCOLS))]. The state code is based on International Energy Conservation Code (IECC) [ENTER YEAR].

30. Describe how the state will document that the installation of energy efficiency upgrades is aligned with the required installation quality standards.

[EXAMPLE 1:] The state will require contractors to use the PNNL Quality Install Tool to ensure and document quality installation of all upgrades.

[EXAMPLE 2:] The state will require contractors to use the DOE BASC Home Improvement Expert Checklists to ensure and document quality installation of all upgrades.

[EXAMPLE 3:] The state will require contractors to use the NLR Standard Work Specifications to ensure and document quality installation of all upgrades.

[EXAMPLE 4:] The state will require contractors to use the ACCA Standard 9 HVAC System Installation Level 1 Installation Checklist and/or require contractors to receive an ACCA Quality Installation Certificate. [NOTE: THIS ONLY APPLIES FOR INSTALLING HVAC EQUIPMENT; OTHER STANDARDS ARE NEEDED FOR OTHER UPGRADES.]

[EXAMPLE 5:] The state will require contractors to ensure and document quality HVAC system air balancing, system diagnostics, and combustion analysis using performance-based contracting methods such as those taught through National Comfort Institute (NCI). To prove that they are following these methods, contractors must receive NCI Certified System Performance or a similar certification for each installation. [NOTE: THIS ONLY APPLIES FOR INSTALLING HVAC EQUIPMENT; OTHER STANDARDS ARE NEEDED FOR OTHER UPGRADES.]

[EXAMPLE 6:] The state will require contractors to use the state installation checklist [INSERT LINK] to ensure and document quality installation of all upgrades. The state installation checklist requires contractors to verify [INSERT KEY VERIFICATION STEPS AND DOCUMENTATION REQUIREMENTS FOR EACH TECHNOLOGY UPGRADE].

31. Describe the quality assurance/quality control processes that the state will use to verify that quality installation standards have been met.

[NOTE: DATA REVIEW PROCESSES ARE DIFFERENT FROM QUALITY ASSURANCE/QUALITY CONTROL PROCESSES. DATA REVIEW IS CONDUCTED TO VERIFY PROCESSES AND

PROCEDURES ARE FOLLOWED AND DOCUMENTED. QUALITY ASSURANCE/QUALITY CONTROL IS CONDUCTED TO ENSURE INSTALLATIONS MEET QUALITY INSTALLATION STANDARDS AND ENHANCE QUALITY THROUGH IMPLEMENTING SYSTEMATIC MONITORING, DOCUMENTATION, AND CONTINUOUS IMPROVEMENT RATHER THAN SOLELY DETECTING ERRORS AFTER INSTALLATION.]

[EXAMPLE 1: ON-SITE QA/QC] The state will conduct third party on-site quality assurance on the first five projects completed by each qualified contractor.

The state will regularly randomly sample the lesser of (a) a statistically significant sample or (b) [ENTER NUMBER: X% (E.G., 5%)] of all completed projects for on-site follow-up and verification of installed equipment and assessment data, as feasible.

The state will also conduct on-site quality assurance inspections based on homeowner or building owner concerns.

The on-site quality assurance/quality control will include a minimum of:

- A visual inspection of the site and work conditions;
- Verification that the installed measures match the contracted scope of work and any change orders have been appropriately documented;
- Verification that diagnostic test results are accurate; and
- Verification that installation quality aligns with the standards.

Through automated data analytics (if resources allow) or more manual review, the state will compare documentation and data submitted across contractors and aggregators to detect outliers and potential problems with installations. At a minimum, this will be conducted no later than one year after program launch.

[EXAMPLE 2: VIRTUAL QA/QC] The state will conduct third party on-site quality assurance on the first five projects completed by each qualified contractor.

The state will regularly randomly sample the lesser of (a) a statistically significant sample or (b) [ENTER NUMBER: X% (E.G., 5%)] of all completed projects for virtual follow-up and verification of installed equipment and assessment data, as feasible.

The state will also conduct on-site quality assurance inspections based on homeowner or building owner concerns.

The virtual quality assurance/quality control will include a minimum of:

- A visual inspection of the site and work conditions;
- Verification that the installed measures match the contracted scope of work and any change orders have been appropriately documented;
- Verification that diagnostic test results are accurate; and

- Verification that installation quality aligns with the standards.

Through automated data analytics (if resources allow) or more manual review, the state will compare documentation and data submitted across contractors and aggregators to detect outliers and potential problems with installations. At a minimum, this will be conducted no later than one year after program launch.

32. Confirm that for every home energy upgrade project that is installed:

- The contractor completed all health and safety testing as required by state and/or municipal building codes and standards. If any health and safety issues are identified, the issues will be remedied as required by the state or municipality.
 - If a post-retrofit inspection was conducted, issues that resulted in a failed inspection will be remedied as required by the state or municipality.
 - If the upgrade project impacted fossil fuel systems in the home, the contractor completed combustion safety testing and the state will maintain proof of testing.
 - The state will recapture rebate funds if any of the above requirements are not met, as required, and will update the reported project data to reflect the cancellation of the rebate project.
- ☒ The state confirms it will require all home energy upgrade projects have met the above requirements.

33. Confirm that the state will ensure that sales language and contract language are the same.

- ☒ The state confirms it will ensure that sales language and contract language are the same for projects that receive HOMES rebates.

34. If financing is offered by a qualified contractor and/or aggregator, describe how the state will ensure an ability to repay determination that does not include projected savings from an energy report because expected savings may not materialize due to household and market developments.

- ☐ N/A. Qualified contractors and/or aggregators will not offer financing to support home energy upgrades.

Program implementers will complete a creditworthiness assessment on the borrower which does not include projected savings from an energy report to ensure the ability-to-repay by the agreed upon terms in the event expected

savings does not materialize. Creditworthiness may be determined by proof of income, assets, employment, credit history, and monthly expenses.

35. If financing is offered by a qualified contractor and/or aggregator, describe how the state will ensure a disclosure and cooling off period, including at a minimum:

- Clear, written advance disclosures, with a 7-day waiting period between the disclosure and the contract signing. This waiting period should only be removed in a personal emergency (see Truth in Lending Act rules on this), where the homeowner, preferably in their own handwriting, describes the emergency and the need for the emergency work and their understanding that they are waiving the waiting period.
- In non-emergency circumstances, there should also be a 3-day right to cancel after the contract has been signed (such that the work is not done during that period).

☐ N/A. Qualified contractors and/or aggregators will not offer financing to support home energy upgrades.

[ENTER STATE NAME] will provide clear examples of accepted written disclosure language regarding a 7-day waiting (or cooling off) period. The state will also provide clear explanation to consumers of the 7-day waiting period between the disclosure and the contract signing.

The state will include language that explicitly waives the waiting period only if a personal emergency has occurred for the homeowner [SEE TRUTH IN LENDING ACT RULES ON THIS]. The state will specify to consumers that in the event of a personal emergency, the homeowner will be required to, in their own handwriting or as transcribed and signed by the homeowner in wet ink signature, describe the nature of the emergency and the need for emergency work, as well as their understanding that they are waiving the waiting period. The lender will seek approval of the state concerning the waiver. The requisite 3-day right to cancel will not apply in emergency circumstances wherein the waiting period is waived.

In non-emergency circumstances, the state will require lenders to abide by, and alert consumers of the 3-day right to cancel after the contract has been signed (such that the work is not done during that period). The state should clearly display right to cancel language on the contractual form, near the lender signature location.

Example right to cancel language: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction." [STATES SHOULD SUPPLY BUYERS WITH AN ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.]

Continuous Improvement

36. Identify what proactive steps the state will take to identify fraud, waste, or abuse.

[THE STATE SHOULD EMPHASIZE HOW FRAUD, WASTE, AND ABUSE WILL BE MITIGATED AND HOW THEIR PRACTICES WILL BE STRENGTHENED BY LEVERAGING ONGOING INSIGHTS THROUGHOUT THE DURATION OF THE PROGRAM. THE STATE SHALL DESCRIBE THEIR PROCESSES TO INFORM PROGRAM IMPROVEMENTS TO PROTECT CUSTOMER SATISFACTION THROUGH PROGRAM INTEGRITY.]

The state will implement a system for preventing unfair business practices and avoiding or addressing poor program function that does not optimize a consumer's experience through proactive prevention of and identification of fraud, waste, or abuse. This work will include the following actions:

- The state will follow the guidelines within the IRA Home Energy Rebates: Data & Tools Requirements Guide to collect the appropriate data, such as the utility account number, to ensure compliance with established limitations on the rebate allowance per consumer.
- The implementer 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 ensure third party entities, vendors (e.g., software vendors), and contractors meet the specified qualifications in accordance with the work they will perform. Third parties and contractors will be required to submit a plan for responding to incidents, which will include investigating the cause and scope of the breach, securing data and possible certain notifications of affected persons, government officials, and others. Third parties and contractors will also be required to provide Proof of Substantial Cyber Security Insurance and Liability Insurance. Additional considerations will be given to B-Corp accredited entities.
- The state will provide a hotline and contact form for consumers to anonymously report instances of suspected fraud, waste, or abuse. The hotline and contact form will be made available to meet accessibility standards as well as the needs of non-English language speakers.
- The state investigator will complete the investigation and issue a report of investigation by the 60th day after the complaint is received by the state, unless it is deemed permissible, for good cause, to extend the investigation for no more than 30 days. An analysis will then be prepared and inclusive of recommended actions.

37. Explain how the state will implement automation to identify problem areas with program performance.

Program implementers will utilize a standard agreed upon data model to leverage Application Programming Interfaces (APIs) where available, automated secure data file transfers, and error handling alert mechanisms where applicable to ensure consistency, data accuracy, and minimize errors.

The state will leverage a business intelligence reporting application [INSERT NAME OF APPLICATION OR SYSTEM] to analyze data procured from consumer feedback efforts to identify problem areas with program reporting. This system will also provide insight into the realization of benefits as the program advances.

38. Explain how the state will measure and evaluate the success of its quality assurance/quality control systems.

The state will measure and report against targets such as the number of open tickets, frequency of data errors, and system performance metrics on a [ENTER TIMEFRAME (E.G., MONTHLY)] basis. These indicators will provide the state with insights into program success rates and signal areas of improvement.

The state will continuously monitor and evaluate to ensure continuous improvement and oversight to mitigate fraud, waste, and abuse.

39. Describe how the quality assurance/quality control systems will inform program improvements.

The state will define, manage, and follow program improvement processes in conjunction with leadership, program implementers, and applicable parties.

Subject matter experts will analyze findings within the sections Data Review and Consumer Feedback to be shared on a [ENTER TIMEFRAME (E.G., QUARTERLY)] basis.

Program implementers and other third parties will be required to acknowledge, evaluate, and provide a status on applicable improvement items.

Program improvements will be managed, quantified, and prioritized according to a defined assessment criterion. [DESCRIBE SYSTEMATIC WAY OF AGGREGATING DATA SUCH AS LEVERAGING A TICKETING SYSTEM (E.G., AUTOMATED QA PROCESS WILL AUTOMATICALLY CREATE TICKETS FROM EMAIL INQUIRIES).]

The state will provide the DOE with [ENTER TIMEFRAME (E.G., QUARTERLY)] updates on improvement opportunities and implementation plans.

40. Document roles and responsibilities associated with how the state will monitor the program's budget and financial performance to ensure that funds are being used efficiently and effectively.

In terms of ensuring that administrative limits are maintained, the state will closely track and report spending quarterly at a minimum. The state has assigned [ENTER ROLE, TITLE, COMMITTEE, OR DEPARTMENT (E.G., THE DEPARTMENT OF PUBLIC SERVICES, OFFICE OF ENERGY SYSTEM PLANNING AND PERFORMANCE)] the responsibility of governing and monitoring the program's budget and financial performance to ensure that funds are being used efficiently and effectively.

Program limits/budgets will be communicated to participants ahead of time and at regular intervals to give direction on how market actors and customers can continue to be supported if/when program funds are exhausted [DESCRIBE ADDITIONAL COMMITTEE OR ROLE'S RESPONSIBILITIES, GUIDELINES, ETC.]. The state will leverage the DOE approved Budget Allocation Calculator in addition to following Generally Accepted Accounting Principles (GAAP) and conduct audits every [ENTER NUMBER: X] years.

[DESCRIBE THE PROGRAM'S ACCOUNTING PRACTICES IN 1-2 SENTENCES.]

41. For rebates allocated to low-income renter-occupied units, states must distinguish in their plans affordability restrictions and other tenant protections. Confirm that the state will ensure that owners of low-income renter-occupied units abide by the following requirements:

- The owner agrees to rent the dwelling unit to a low-income tenant. This is a minimum requirement, and affordability requirements should be commensurate with total rebate amount awarded.
- 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 two 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.

- A specific and verifiable mechanism (e.g., addendum to the lease) is in place for providing tenants with written notice of their rights and their building owner's obligations.
- Enforcement and penalties are clear and sufficient to act as a deterrent for owner violations and provide for damages and attorney's fees recoverable by tenants.

☒ The state confirms that it will ensure that owners of low-income renter-occupied units abide by above requirements.

Describe how the state will communicate and enforce the requirements above.

[DESCRIBE SPECIFIC WAYS THAT THE STATE WILL COMMUNICATE AND ENFORCE THESE REQUIREMENTS.]

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 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.

42. Describe how the state will review the Fraud, Waste, and Abuse Mitigation Plan at least every two years, adjust based on lessons learned, and communicate changes to contractors, aggregators, third-party inspectors, and DOE.

Note: According to best practices, documenting the assessment of risk allows states to reevaluate the risks to its programs and respond accordingly when the environment changes. DOE recommends aligning Fraud, Waste, and Abuse Mitigation Plans and associated program oversight with the guidance in [Standards for Internal Control in the Federal Government](#) issued by the Comptroller General of the United States or the [Internal Control-Integrated Framework](#) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). While states should consider leveraging these additional, preventative control activities, such as internal review plans, they are not required to be submitted to, or approved by, DOE.

[DESCRIBE HOW FRAUD, WASTE, AND ABUSE MITIGATION PRACTICES WILL BE STRENGTHENED BY LEVERAGING ONGOING INSIGHTS THROUGHOUT THE DURATION OF THE PROGRAM.]

The state will review and update the Fraud, Waste, and Abuse Mitigation Plan at least every two years to assess and strengthen effectiveness, based on lessons learned. Program implementers and quality assurance subject matter experts will analyze findings with the Consumer Feedback, Resolution Procedures, Data

Review, and Continuous Improvement sections to be shared on a [ENTER TIMEFRAME (E.G., QUARTERLY)] basis.

Program implementers and other third parties will be required to acknowledge, implement, and provide a status on applicable, updated controls to mitigate fraud, waste, and abuse.

Fraud, Waste, and Abuse Mitigation Plan improvements will be managed, quantified, and prioritized according to a defined assessment criterion based on risk assessments and associated program design, data security, and privacy security mitigation measures. [DESCRIBE SYSTEMATIC WAY OF AGGREGATING DATA SUCH AS LEVERAGING TICKETING SYSTEMS (E.G., AUTOMATED QUALITY ASSURANCE PROCESS WILL AUTOMATICALLY CREATE TICKETS FROM EMAIL INQUIRIES).]

The state will provide contractors, aggregators, third-party inspectors, and DOE with updates on updated controls, improvement opportunities, and the FWA Mitigation Plan [ENTER TIMEFRAME (E.G., QUARTERLY)].

For more information, visit: energy.gov/cmei/scep/home-energy-rebates-program

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