



STATE & COMMUNITY ENERGY PROGRAMS

Narrative Document for the Oregon Department of Energy

IRA SECTION 50121: Home Efficiency Rebates

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Introduction

This is an optional document that is not required by the ALRD. A State may use this to submit their ALRD 2 State Application.

This Narrative Document should demonstrate the State's ability and intent to implement the program in accordance with the requirements of the ALRD and the Program Requirements document. The Narrative Document must provide a comprehensive framework and description of all aspects of the proposed rebate program(s). States may use existing programs/infrastructure to implement this work. States may not provide these funds to existing programs to implement non-rebate work.

The Narrative Document must be succinct, self-explanatory, and well-organized so that DOE reviewers can understand program design and delivery. A State must address the following in its application package and corresponding Standard Form 424 Application for Federal Assistance, Standard Form 424A Budget Information, and Budget Justification Workbook. A state may defer some responses to its State Implementation Blueprint, to be provided to DOE after award but prior to program launch. The questions are marked as such, and applicants should check the appropriate box if deferring their response. All other requirements are mandatory within the State application package. If there is no box offering the "Defer response to State Implementation Blueprint" option, then it is required as part of the application package.

Identify whether the application is for a Quick Start program.

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

Home Efficiency Rebates State Programs (50121)

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.

The Oregon Department of Energy (ODOE) plans to use **administrative funds** to cover the following types of activities:

- *Program Planning and Design* - \$1,000,000

The state will contract with two organizations for rebate implementation. Through a subgrant with Energy Trust of Oregon and a contractor to be identified through a Request for Proposals process, ODOE will partner with organizations with proven success in market uptake, high quality installations, income verification, and delivering benefits to low-income households. Energy Trust administers ratepayer-funded energy efficiency programs under an operating agreement with the Oregon Public Utility Commission serving customers of investor-owned utilities. The state or the state's implementers may subcontract with another organization to address income verification needs; however, this will be determined during the design of the Implementation Blueprint.

- *State Program Staff* - \$2,065,326

The state plans to support 2 full time staff members (a Program Analyst and Public Service Representative) and partially support another 2 staff members (Business Operations Manager and Grants Officer), with the intent that their time will be split between the 50121 and 50122 awards. ODOE's accounting systems can separately track these different funding sources, and internal policies are in place to ensure the time is accurately tracked. Estimate includes fringe benefits.

- *Development of Tools and Systems (including websites, applications, rebate processing, and reporting)* - \$1,000,000

The state plans to issue a Request for Proposal to procure a system for rebate tracking with user interfaces and systems for households, contractors, and others to apply for rebates, submit required documentation, etc. (to potentially include income verification, depending on the capability and role of the entity).

- *Program Evaluation and Consumer Satisfaction Surveys* - \$750,000

The state's implementers will conduct consumer surveys and, depending on availability of resources, focus groups to assess the effectiveness of program outreach and delivery, and satisfaction with rebates and products. The implementation contractors and other providers (e.g., income verification services, if needed) will also be required to fulfill data reporting and analysis per the contracts.

- *Program Monitoring and Audits - \$750,000*

In addition to state staff monitoring program delivery and overseeing the implementation contractors, the state anticipates utilizing an external firm to supplement fiscal and program compliance, as well as some legal oversight of contracts.

- *Consumer Protection Functions (including resolution procedures, data review, contractor management, installation standards, continuous improvements) - \$1,000,000*

In response to findings from periodic assessments of program performance (as well as any identified problems that arise throughout implementation), the state's implementation contractors will institute changes to address deficiencies in program design and/or delivery. The state's implementers will develop consumer protection guides or one-pagers in multiple languages that will be provided to all rebate applicants as one part of the consumer protection strategy. The state will also dedicate staff to respond to consumer questions and/or complaints, as well as fulfill contractor management needs with regular reviews of program implementer (and other contractor) data submission.

- *Marketing, Education, and Outreach (including the funding of local governments and place-based organizations to assist with these activities) - \$500,000*

The state has held four community engagement sessions – which included participation from retailers and product manufacturers and distributors – to better understand community interests and inform the program design. ODOE is committed to transparency and integrating the priorities of Oregonians into program design and will therefore continue to hold community engagement sessions as needed to convey details of the program. The state, with assistance from its implementers, will develop marketing and education information for homeowners, tenants, retailers, contractors, and others as needed. This may include travel to communities for in-person engagement, as well as travel to NASEO and/or US DOE conferences, and program education/development.

- *Implementation Contract Cost (not including rebates and costs for activities directly related to delivery of rebates) - \$2,743,573*

The implementation contractors will use administrative funds for data review and reporting and to fulfill other programmatic management requirements not otherwise accounted for in other administrative categories.

- *Contractor Training* - \$200,000

Contractor training and/or review of a contractor's certifications will be required before a contractor is placed on the qualified contractor list. This training will specifically assist contractors in participating in the rebate program.

- *Activities to Improve Access to Rebates, Facilitating Leverage of Private Funds and Financing Mechanisms Where Beneficial to Efficiency and/or Electrification Projects* - \$200,000

Depending on availability of resources, the state's implementation contractors will engage financing organizations to assist in making low-cost financing available to rebate applicants and providers (e.g., contractors).

- *Technical Assistance* - \$500,000

Depending on availability of resources, the state's implementation contractors may provide technical assistance either directly or through specialized organizations to assist entities focused on serving DACs and/or other priorities.

The state certifies that costs will not be duplicated on the 50122 award, or other awards, and are not duplicative of costs captured in the Indirect Rates.

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

- Rebates for Allowable Products - \$42,898,600
- Audits for Low-Income Homes - \$2,282,000 (additional information provided in response to question #2)
- DAC Incentives (additional information provided in response to question #2) - \$456,400

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

\$1,784,816

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

\$456,400 or 6%

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

- *DAC Incentives* - \$456,400

Given the state's goal of delivering 40% of rebates to low-income households in DACs, the state may require as much as \$456,400 for installer incentives.

- *Audits for Low-Income Homes* - \$2,282,000

Aligned with the state's priority of having minimal costs come out of the pockets of low-income households for the HOMES program – and given the requirement of having a home energy audit performed – the state would like to set aside funds to cover the costs of these audits for low-income homes.

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 several steps to reduce the costs of administration and project-related activities. ODOE plans to use the US DOE/Pacific Northwest National Laboratory (PNNL) Tracking System's API (available to states, vendors, modeling tools, etc.) to minimize the costs of data tracking and reporting. By making use of the DOE/PNNL Rebate Tracking System, the state will dramatically reduce the need for repeated data entry and associated errors, and simultaneously ensure much greater data consistency. ODOE will also 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. In terms of ensuring that administrative limits are maintained, the state will closely track and report administrative spending as well as spending on funds that are provided as rebates and as incentives to contractors. The state will also follow Generally Accepted Accounting Principles (GAAP) and conduct audits at least every 5 years through a contractor that is to be determined.

ODOE has experience with federal grant performance reporting and is confident in its established protocols and systems for successful implementation of the HOMES program. Additionally, ODOE's staff possess the necessary expertise and qualifications to deploy funds provided to this program. ODOE intends to leverage the agency's internal structure to manage,

oversee, and report on these funds. This structure involves several distinct features with segregated roles and responsibilities. ODOE adheres to and complies with statewide accounting and internal control guidelines.

During program implementation, ongoing review and monitoring is provided by the Grants Officer to ensure expenditures are allocable to the federal award, are necessary and reasonable, and are financially prudent. Monthly and quarterly financial monitoring and reporting documents are prepared by ODOE's Budget Analyst to assist the Grants Officer to ensure expenditures do not exceed the grant award and approved budgets. The Grants Officer also works closely with program staff during the development of quarterly progress reports to ensure accurate information is provided and then enters the quarterly report information into PAGE. This review compares progress and achievements to stated milestones to ensure program targets are achieved.

Rebate Funds Management:

The DOE Rebate Tracking System and its accompanying coupon feature will ensure that rebate amounts comply with program requirements. Rebate applications will only be approved for the rebate amounts (and percentages) associated with their income level (e.g., below 80% AMI; between 80 and 150% AMI) and the product type they intend to purchase (e.g., heat pump water heater, cooktop). 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, Oregon's rebate processing system will query the DOE database to ensure that a rebate for that product type has not yet been redeemed for that address and that rebate funds committed to that address do not exceed the \$10,000 cap. The state will also use the DOE Rebate Tracking System to track the amount of rebate funds committed to date and will only approve new requests for rebates if sufficient funds remain. When Oregon's rebate processing system issues a coupon, it will simultaneously put into place a "reservation" of funds (equivalent to the maximum value of that coupon) into the DOE Rebate Tracking System that will remain in place until either the coupon is redeemed at point of sale 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). Each time that the state receives an additional allocation of rebate funds from DOE, the state will work with the DOE/PNNL team to ensure that the Tracking System's accounting system reflects newly available funds.

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.

Note: States may increase the maximum rebate amounts available for low-income households, but States cannot set lower rebates than specified in Section 3.1.2.

For households with incomes greater than 80% AMI, the state will use the maximum levels noted in Appendix Table A-1. See ODOE's 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.

☐ Defer response to State Implementation Blueprint.

Allowable project costs include all energy efficiency improvements (equipment and installation/labor) associated with the anticipated energy savings. Allowable project costs may also include related project costs (e.g., work related to the efficiency improvement such as duct modifications, wiring or electrical panels, design or sizing calculations, home assessments, energy audits, and project quality assurance). The more expansive list will be applied to all projects in the interest of consistency, but the goal is to provide flexibility to cover cost specifically for low-income households given that low-income households are not likely to 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 homeowners, contractors, and/or aggregators.

☐ Defer response to State Implementation Blueprint.

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

- Line-item costs of equipment and materials
- Labor costs
- Model numbers for heating, cooling, and hot water systems (if geo-coded photos of installations include model numbers, that is acceptable)
- The address where the work was performed
- The name and contact information for the contractor(s) performing the work
- The dates on which the work was performed
- The total project cost prior to the rebate and the rebate amount

- Line-items for all rebates and discounts received, including the Home Energy Rebates.
- Line-item costs for any assessments, inspections, testing, and/or modeling
- Other project costs (if applicable, e.g., permitting)

The invoice must be signed and dated by the homeowner or building owner.

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.

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

☒ Defer response to State Implementation Blueprint.

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 LMI to non-LMI units.

☐ At the less than 80% AMI amount for all units

☒ Based on the ratio of LMI to non-LMI 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.

Valuing savings as part of this plan does not replace or count towards the requirements to demonstrate a minimum percentage energy savings for the household on a modeled or measured basis.

☒ Defer response to State Implementation Blueprint.

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 submit geo-coded photos for all heating, cooling, and water heating projects that will include model numbers.

Submitted through the contractor, implementer, or aggregator, 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 that includes educational information to help them ensure future projects meet the requirement. If they install non-qualifying equipment a second time, the state may remove the installer from the qualified contractor list. The state also plans to ensure that 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 rebates amounts than those listed in Tables 2 and 3 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. Please provide the amounts below or check N/A if not applicable.

☐ N/A. State will use the maximum rebates listed in Tables 2 and 3.

- i. Receive an energy upgrade that is modeled to save at least 20% of energy.

• % of project cost:

100

• \$ amount for low-income household:

\$8,000

- ii. Receive an energy upgrade that is modeled to save at least 35% of energy.

• % of project cost:

100

• \$ amount for low-income household:

\$10,000

ODOE's rationale in offering higher rebate amounts is that households with incomes below 80% AMI are unlikely to be able to afford any additional costs. The IRA suggested limits are too low to cover a project that must reach at least 20% energy savings. The state does not want to place additional burdens on low-income households and therefore wants to allow rebates to

cover 100% of the costs. Contractors and the selected program implementers will be required to consider options for stacking the rebates with other allowable incentives; where stacking is available, the rebates would not need to cover 100% of costs.

For the modeled approach, the state has placed a cap of \$8,000 per low-income household that reaches at least a 20% energy savings and a cap of \$10,000 per low-income household that reaches at least a 35% energy savings. If every Home Efficiency Project applied this ceiling, it would translate to half as many comparable projects in the 20-35% energy savings and about 20% fewer projects achieving greater than 35% energy savings (since IRA proposed low-income households on projects with at least 20% energy savings to cap at \$4,000 and those with at least 35% savings to cap at \$8,000). The state does not expect that this would be the case, since there are many opportunities to stack funds for low-income households and many non-low-income households will want to avail themselves of these rebates. In addition, ODOE is currently developing a single resource containing information about energy efficiency incentives available statewide (as described in response to question 73 below), and this resource will also help contractors determine how different funds could stack.

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

☐ Defer response to State Implementation Blueprint.

When initiating the rebate reservation, the contractor will be required to deduct the rebate amount associated with the modeled energy savings. 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).

☐ Defer response to State Implementation Blueprint.

The state is choosing to use a modeled approach and will not be providing a portion of the rebate to contractors or aggregators, so this cap is not needed for ODOE's proposed program.

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.

- ☐ Defer response to State Implementation Blueprint.

Not applicable

15. For the measured program path, describe how the State will calculate rebate levels based on average home energy usage in the State¹.

- ☐ Defer response to State Implementation Blueprint.

Not applicable

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

- ☐ Defer response to State Implementation Blueprint.

Not applicable

Section 3.1.3: Low-Income Homes

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

The state plans to allocate a minimum of 40% of rebate funds to low-income households (i.e., households with incomes less than 80% of AMI). This is consistent with the percentage of low-income households in the state, which is 40%.
In addition, the state plans to allocate a minimum of 10% of rebate funds to support projects in low-income multifamily buildings.

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

Oregon will define household income as the combined gross income for all adult household members for the past 12 months. Prior tax year gross earnings will also be an acceptable means for demonstrating household income. This definition aligns with existing programs in the state, including those operated by Energy Trust of Oregon and the Bonneville Power Administration.

Households that demonstrate categorical eligibility, based on documentation of participation within the most recent program renewal period for the pre-qualifying program, will not be required to submit household income information.

¹ Per statute, the measured energy saving of the home or portfolio of homes must achieve 15% savings, but the calculation of the rebate is based on a 20% reduction of average energy use of a home in the state.

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;

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

Oregon will allow income verification by any of the three methods allowed in the application guidance, with a preference for submission of income documentation or confirmation of participation in a pre-qualifying program. If possible, we will allow self-attestation in scenarios where neither of these options are possible. ODOE will work with its implementation partners to develop an approach for verifying self-attested information and resolving any payments submitted based on incorrect or falsified information. The rebate intake system, which will collect income information from either the applicant or a third party working on the applicant's behalf, will provide the following options:

1. Submission of documentation verifying household income. Accepted documentation will include tax return documents, income statements, and any other forms of official documentation from an employer, government agency, or financial institution.
 - a. The implementer or a subcontractor will be responsible for verifying submitted information is accurate. This verification process will be specified in the implementation blueprint.
2. Documentation verifying eligibility for pre-qualifying programs.
 - a. The implementer or a subcontractor will be responsible for verifying submitted information is accurate. The verification process will be specified in the implementation blueprint.
3. If documentation is not available to support eligibility in a pre-qualifying program, the household will be asked to provide consent for the implementer to contact the administrator of a pre-qualifying program to verify eligibility, *when possible*.
 - a. ODOE is exploring opportunities for confirming participation in programs run by other state agencies. This will be further specified in the implementation blueprint.
 - b. ODOE is also exploring opportunities for confirming participation in programs run by consumer-owned utilities. For participants in consumer-owned utility service areas, the implementer would contact the utility to inform them of the project. If the participant is enrolled in an income-qualified

program administered by the utility, the utility would provide confirmation to the implementer.

4. If the household does not have supporting income documentation and participation in a pre-qualifying program cannot be verified, the household will have the option to self-attest to their eligibility and rebate level.

a. Oregon will work with its implementers to determine a strategy for verifying self-attestation and will include this strategy in the implementation blueprint. If it is determined to be infeasible to allow for self-attestation while meeting USDOE's quality assurance requirements, ODOE and the implementer may choose not to offer self-attestation as an option.

b. If the implementer identifies consistent misuse of the self-attestation option during program administration, ODOE may choose to suspend the self-attestation option.

c. Oregon will provide an approach for resolving instances where an applicant has falsified income in the implementation blueprint.

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.

☒ Defer response to State Implementation Blueprint.

21. Please confirm the following:

- Claimant will be required to note the number of individuals who occupy the dwelling unit.

☒ Yes, the State confirms the above statement.

- 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).

☒ Yes, the State confirms the above statement.

- 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 statement.

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.

Oregon intends to use a rebate administration system that links with the USDOE-provided API to verify income. This system will rely on the API to update 80% AMI levels corresponding to household addresses and occupancy.

23. Confirm that the State will:

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

☒ Yes, the State confirms the above statement.

- 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 IVES or other methods as applicable).

☒ Yes, the State confirms the above statement.

- 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.

- 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.

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.

Depending on the administrative burden of doing this work, the Oregon Department of Energy may work with US DOE to reduce this requirement in the future.

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.

Oregon's income verification process is intended to provide flexibility to rebate applicants while ensuring adequate protections are in place to prevent fraud, waste, and abuse. ODOE already successfully employs some of these income verification channels in existing state incentives programs. By offering three separate channels for verification, as outlined above, and working with ODOE's partners to verify participation in pre-qualifying programs, ODOE is confident it can minimize the barriers to households applying for these rebate programs.

25. Describe how the State will verify (confirm legitimacy) of 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.

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

- ☒ Defer response to State Implementation Blueprint.

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:

- Describe how those applying for rebates will be warned of potential liability associated with falsifying information.
- Explain how signed statements of self-attestation will be securely stored.
- 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.

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.

☒ Defer response to State Implementation Blueprint.

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.

Oregon will use all approved programs in the federal guidance. These are:

- 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 Social Security Income (SSI)
- Weatherization Assistance Program (WAP)
- WIC

Oregon will also use the housing programs outlined in the federal guidance to qualify multifamily buildings. These include:

- Public Housing (housing owned by Public Housing Authorities)
- Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)
 - Whole building is eligible if 50% of housing units are subsidized through these programs.
- Privately-owned multifamily buildings that house residents receiving tenant-based assistance
 - Whole building is eligible if 50% tenants are receiving this assistance.
- Low Income Housing Tax Credit (LIHTC)
 - Whole building is eligible if 50% of housing units are income-restricted.

Oregon will add additional programs in its implementation blueprint submission and is actively evaluating which state and utility programs have existing requirements that align with HOMES's income requirements. These will be included in question 30 of the implementation blueprint.

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 Section 50121 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.

Oregon has heard from some stakeholders, including utilities, that some pre-qualifying programs are not updated every year. Accordingly, ODOE would like to allow conditional verification contingent on participation in a pre-qualifying program during the most recent renewal cycle for the program. For example, if a program re-confirms eligibility every two years, and an applicant last had their eligibility confirmed 18 months ago, they would pre-qualify on the basis of conditional verification. This is intended to provide flexibility for applicants.

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.

Oregon defers this response to the Implementation Blueprint.

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

- ☐ Defer response to State Implementation Blueprint.

The state will be using 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 the contractor is eligible for the \$200 incentive based on the census tract 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 paid to the contractor 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.

Oregon will provide contractors and aggregators location-specific data, in alignment with the CEJST map, to determine if an address qualifies for the \$200 disadvantaged community 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 CEJST), a State must explain how the proposed definition will meet the following three criteria as described in DOE J40 implementation guidance²:

- 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:

² See pages 8-9 of <https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf> for more details.

- a group of individuals living in geographic proximity to one another that experiences common conditions.
- a geographically dispersed set of individuals (such as migrant workers or Native Americans) that experiences common conditions.
- 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:
 - Low income, high and/or persistent poverty
 - High unemployment and underemployment
 - Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
 - Linguistic isolation
 - High housing cost burden and substandard housing
 - Distressed neighborhoods
 - High transportation cost burden and/or low transportation access
 - Disproportionate environmental stressor burden and high cumulative impacts
 - Limited water and sanitation access and affordability
 - Disproportionate impacts from climate change
 - High energy cost burden and low energy access
 - Jobs lost through the energy transition
 - Access to healthcare
- 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.

Oregon will use the DOE-provided definition of disadvantaged communities and use the federally-issued CEJST map to identify disadvantaged communities.

Oregon's Environmental Justice Council is working on the development of a map of EJ communities in Oregon and, depending on the timing in relation to the program deadlines and whether it conforms to USDOE requirements, the state may request the use of the alternate map.

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.

☒ Defer response to State Implementation Blueprint.

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.

☐ Defer response to State Implementation Blueprint.

The state will require that rebates are processed within 4 weeks of receiving the required and acceptable completion information for projects. The state's implementers 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 for both measured and modeled projects. The implementer will be required to demonstrate staff training on the protocols and offer a helpline for technical support. ODOE's 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 its implementers to report processing times on a monthly basis. Should the processing times exceed those stipulated above, the state will require the processor to provide an explanation as well as propose and implement new methods or systems to speed up processing within 30 days of notification. ODOE's contract with the rebate processor 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 its 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.

☐ Defer response to State Implementation Blueprint.

The state will apply workflows based on the DOE/PNNL-provided workflows and use the DOE Rebate Tracking System API to provide a seamless and integrated approach to both types of rebates.

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.

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

☒ Defer response to State Implementation Blueprint.

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

☒ Defer response to State Implementation Blueprint.

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.

45. Confirm that the State will collect the required data and cooperate in program evaluation processes as listed in section 3.1.6.3.

☒ 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 is planning to conduct its own evaluation. (Describe types of evaluations).

If yes, confirm that the State will:

- Cooperate with DOE to meet all the requirements listed in section 3.1.6.3.
- ☐ Yes, the State confirms the above statement.
- Submit an evaluation plan for DOE review within three months of program launch.
- ☐ Yes, the State confirms the above statement.
- Provide results to DOE.
- ☐ Yes, the State confirms the above statement.
- ☒ N/A. The State does not plan to conduct its own evaluation.

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.

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.

Section 3.2.2: Home Assessments

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

- ☒ Defer response to State Implementation Blueprint.

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

- ☒ Defer response to State Implementation Blueprint.

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

- ☒ Defer response to State Implementation Blueprint.

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.

- ☐ 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.

Section 3.2.4.1: Calculating Modeled Energy Savings

54. Describe the energy savings objectives and overall approach for estimating energy savings for the modeled program path.

- ☐ N/A. The State is not implementing the modeled program path.

Objectives:

- Maximize energy savings through targeting home characteristics and high energy bills;
- Focus on envelope improvements and heat pump installations.

First, the state wants building owners to get good advice regarding the types of improvements that make sense for their homes, including how different measures will affect utility bills, comfort, indoor air quality, moisture, and others. To that end, the state will require contractors to model energy

savings attributable to envelope improvements for homes with existing conditions that are less efficient than state-established envelope efficiency minimums (e.g., insulation R values). Second, the state wants the modeled energy estimates to be in line with the actual energy savings realized after the 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.

55. 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 modeled program path.

The state will apply the following standard conversion factors noted in the chart below:

Fuel	Measured Energy Rate	Conversion to kWh
Natural Gas	Therm	kWh = therm * 29.3
Propane	Gallon	kWh = gallons * 26.8
Fuel Oil	Gallon	kWh = gallons * 43.9

Note that the state intends these conversions to be the very last step in estimating energy savings and will likely track savings in the measured energy units for reporting out in purposes other than tracking for USDOE.

56. Describe which upgrades may be included in the modeled savings estimate, including at least one major upgrade as defined in section 2.1, including a brief description of if the state will or will not require the installation of envelope prior to other upgrades.

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

Oregon will allow only inclusion of upgrades consistent with BPI-2400 for the purposes of modeling energy savings. The state will not allow upgrades to portable lighting (e.g., changing out light bulbs) or plug load improvements to count toward the energy savings calculation. 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 experts (e.g., DOE, national labs) to establish pre-condition thresholds to inform contractors' recommendations for improvements.

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.
☐ N/A. The State is not implementing the modeled program path.

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

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

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:

- Detailing for which exceptions the State plans to apply the alternative approach (e.g., multifamily, lack of delivered fuel bills, etc.).
 - 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.
 - Commit to carrying out evaluations upon thresholds listed in section 3.2.3.1.
 - 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.

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.

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 will measure energy savings over at least 1 year or the State is not using the measured savings approach.

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 3.2.5) will be met for single-family homes.

- ☒ Defer response to State Implementation Blueprint.

69. Describe how each of the certification requirements (Section 3.2.5) will be met for multifamily buildings.

- ☒ Defer response to State Implementation Blueprint.

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

- ☒ Defer response to State Implementation Blueprint.

Maximizing Rebate Impact

Section 3.3.1: Supporting the Clean Energy Economy Through Market Transformation

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

☒ Yes, the State confirms the above statement.

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:

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

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

Oregon will use the following channels to inform homeowners and building owners of additional funding opportunities:

1. In investor-owned utility service areas, Energy Trust will be responsible for integrating HOMES in its existing rebate offerings, where applicable.
2. In consumer-owned utility service areas, the implementer will be required to contact the household's utility provider or energy efficiency program administrator to notify them that the household has qualified for a rebate. This will allow the utility/program administrator to inform the implementer of any additional program opportunities in their service areas.
3. Oregon will be implementing a one-stop-shop to inform consumers and contractors about available funding opportunities. The one-stop-shop will be a web resource that uses location and income information to identify energy efficiency programs a household may be eligible for. Homeowners can access this tool themselves, or it can be used by contractors to estimate potential incentives for a household.

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.

In 2023, in anticipation of the HOMES and HEAR programs, the Oregon Legislature directed the Oregon Department of Energy to establish a "single resource" to help people understand the various energy efficiency rebates available, and to provide education and other information related to energy efficiency and leveraging across varied programs. The agency recently hired IT staff to plan for this single resource, and various staff across the agency will work to create informational and educational resources that will be available as part of that resource. ODOE's goal is to launch this collection of tools alongside the launch of HEAR (and/or HOMES) and then continue to enhance the resource over time.

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.

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.

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.

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

☒ Defer response to State Implementation Blueprint.

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 (provide timeline below).
☒ No, this is not for a Quick Start Program.

Please add your name, title, signature, and date.

Name (printed)

Organization and Title

Signature

Date