Home Efficiency Rebates (IRA Section 50121): Implementation Request for Proposals (RFP) Guidance

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VERSION 1.1

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Modification Note: This version updates a reference to the DOE Data & Tools Requirements Guide on page 6 (change highlighted in yellow).

Contents

Background

The $8.8 billion Home Energy Rebates program provides an unprecedented opportunity for states, territories, and Tribes to make American homes more comfortable while reducing energy costs and greenhouse gas emissions.

Given the complexity and expertise required to plan, design, and execute these programs, DOE expects many states will contract with implementation organizations to provide the services needed to deliver effective programs to both single-family homes and multifamily buildings. To contract with these organizations, most states will need to go through a competitive solicitation process, which includes a Request for Proposals (RFP).

This document represents key recommended components of an RFP for states and territories[1] to conduct competitive solicitations for program implementation of the Home Efficiency Rebates outlined in Section 50121 of the Inflation Reduction Act.

States must follow their own state policies and procurement practices when soliciting for any subrecipient or contractor that may receive federal funds. States can only contract for and fund tasks that have been approved under their existing DOE awards. States are also required to segregate and track costs by award.

This document assumes that states have their own requirements and internal procurement policies for many aspects of solicitation management, including the timeline, required RFP structure, budgeting, terms and conditions, and scoring approach.

This document focuses on key aspects of Home Efficiency Rebates solicitations that states should consider including in their RFPs to ensure the bidders provide sufficient detail on how they intend to implement the programs. These sections include:

- **Program Design:** An overview of the state program, including key goals and objectives that a bidder will need to know when developing responses.
- **Minimum Requirements**: In addition to the DOE program requirements[2], additional key requirements developed by the state.
- **Proposal Response Questions:** Lists of recommended questions for inclusion in the RFP for bidders to respond to in their proposals. These sample questions are designed to help states request key information from potential bidders to both distinguish between contractors and ensure that contractors can meet the requirements.
- **Other Proposal Requirements:** Provides brief recommendations for components of the RFP that states may or may not need, including bidder qualifications, proposal format, budget guidelines, timeline, and selection criteria.

[1] Tribes are not included within the section 50121 program.
[2] See Home Energy Rebate Programs Requirements & Application Instructions.

Program Design

In this section, DOE recommends states provide key information to bidders about the state's intended design of their program. If states have submitted any applications or plans to DOE (e.g., ALRD-1 or initial ALRD-2 application), they should consider providing those applications to give bidders additional detail on program design. Program design content should include but not be limited to:

- Vision, goals, and key metrics for the program (e.g., number of homes participating by income category).
- Which residential sectors will be served and if any sectors will be targeted (e.g., single-family, multifamily, manufactured housing, etc.).
- Expected portion of funding reserved for low-income qualified households.
- Expected contract terms (e.g., standard clauses, agreements, conditions).
- Overall budget for the program, including considerations or details of:
    - Years of expected program delivery.
    - Building type(s) (e.g., single-family, multifamily, manufactured homes).
    - Income levels (e.g., low income, moderate income).
    - General spending categories (e.g., marketing, systems, rebates, trainings).
- How the program will operate within the state, including:
    - Program entities involved (e.g., contractors, retailers, auditors, installers) and their roles and responsibilities.
    - Expectations of partnerships or leveraging of existing program delivery channels (e.g., existing utility programs, nonprofits, community organizations).
- Maximum rebate amounts by income category and other program characteristics.
- Expectations, if any, of how rebates will be provided to homeowners and multifamily building owners.
- Expectations of how rebates will be provided to contractors or aggregators, and if those processes are anticipated to be different from how homeowners and building owners receive rebates (e.g., different process for submitting invoices, or bulk payments).
- How the state will determine and verify household income level applicability for single-family applicants and multifamily owners planning a whole-building project.
- Whether the state has a strategy for income verification.
- Maximum time allowed for rebate processing and how the state will meet that timeframe.
- What methods are allowed for income verification, as well as income verification strategies.

- Definition of a disadvantaged community if the state is proposing one that is different from the Program Requirements.
- Eligibility requirements.
- Whether envelope upgrades, as described in Section 3.2.4.1 of the Program Requirements, are required.
- Expectations and process for energy audits, post-installation inspection, and quality assurance for single-family and multifamily projects.
- Expectations for bidder's role in managing qualified contractor lists and qualified product lists.
- The list of Home Efficiency Rebates plans the bidder is expected to support the state in developing (e.g., Community Benefits Plan, Market Transformation Plan, Data Access Plan).

Minimum Requirements

- Bidders should be aware of and adhere to all programmatic requirements in the Home Efficiency Rebates Program Requirements and Application Instructions and Administrative and Legal Requirements Document (ALRD).
- Include any additional requirements implemented by the state. These additional requirements may include:
    - State-specific program requirements
    - Legal requirements
    - State policies
    - Partnerships with existing programs
    - Rebate dollar amounts
    - Qualified products

Proposal Response Questions

The following sections list sample questions bidders should be directed to answer in their proposals. States should customize these questions for their own unique program design and needs. These questions are intended to help states understand how bidders will fulfill the program's goals, design, and requirements. States can use the responses to compare each bidder's approach and understanding.

I. General Delivery Approach

In their proposal responses, bidders should explain how their proposed program will address:

- The overall program approach and how homeowners and multifamily building owners will interact with the program (i.e., customer journey).

- The structural barriers they expect to face and how they will overcome these through program delivery.
- The bidder's general approach and an overview of innovative ideas for achieving priority program objectives.
- How will the bidder prioritize projects that create disproportionately greater benefits due to location or timing of retrofit?

II. Education and Outreach

Bidders should provide the following information about how their approach will address outreach, marketing, and education, including a timeline and budget for associated activities for single-family homeowners and multifamily building owners:

- How will the bidder educate customers and contractors about Home Efficiency Rebates?
- How will consumers access information and be encouraged to participate in the program?
- How will the bidder promote other federal programs and encourage stacking and braiding with non-federal programs, including other incentives, and financing offerings?
- What partnerships and channels will the bidder utilize for outreach?
- How will the bidder reach out to and recruit contractors?
- How will the bidder track effectiveness of outreach and education efforts and materials? What metrics does the bidder propose to develop and use to measure effectiveness of education and outreach efforts?
- How will the bidder ensure outreach, education, and marketing efforts are reaching the appropriate audiences?
- How will the bidder support the state to facilitate at least one public input session and incorporate feedback into program design?
- How will the bidder support the state in their development of the Education and Outreach Strategy, including their proposed approach to developing the strategy, key content within it, and how the above activities will be incorporated into the strategy?

III. Home Assessments

Bidders should describe the home assessment process for both single-family and multifamily projects, including:

- How will the bidder ensure that a home assessment is performed where required?
- How will the bidder ensure assessments are completed consistent with the data collection requirements outlined in the DOE Data & Tools Requirements Guide?

- The process for and how the bidder will ensure all required information is collected during the home assessment.
- How will the bidder review and validate home assessments for accuracy?
- How will the assessor collect and report information to the bidder and how will that data be managed?

IV. Eligibility and Income Verification

Bidders should describe their approach to eligibility and income verification for both single-family households and multifamily buildings as a whole, including:

- Describe the methodology (and determined software) to calculate the rebate level based on income and energy savings.
- How will the bidder determine which upgrades and equipment are eligible for the program and the process to update the allowable measures?
- How will the bidder ensure that the ENERGY STAR certification requirement for heating, cooling, and water heating products is adhered to?
- How will the bidder verify the income levels of applicants and multifamily buildings?
    - What methods will the bidder implement to randomly sample applicants to confirm income level (especially if for self-attestation)?
    - What is the bidder's remediation process if the income level reported was deemed falsified?
    - If using the DOE Rebate Reservation and Tracking API (DOE API), how the bidder will incorporate the API into their systems and the execution of the income verification systems?
    - If not using the DOE API, what are the systems that will be used to verify income and the experience for the household?

V. Savings Calculations

Bidders should provide information on how they plan to calculate savings for each project. Note, this section varies by the program pathway, modeled or measured.

Measured Pathway:

- Which DOE-approved software will be used?
- If state does not yet know what measured savings methodology they will be using, what does the bidder propose? How will the bidder support the state in gaining DOE approval?
- How will the bidder use the approved M&V methodology to determine weather-normalized energy use before the installation of any upgrades?

- Describe whether a different methodology will be used for multifamily homes and how it will be different from single-family homes.
- How will the bidder verify that at least one major upgraded occurred and that it was an eligible upgrade as part of the HOMES program?
- How will the bidder ensure that peak seasons have been included in the measurement?
- How will the bidder estimate energy savings from data collected at the home assessment?
- Confirm and describe how all calculations will be done no less than 9 months after installation and how the peak season will be accounted for.
- If the state is not using the DOE API rebate reservation process, define the process in place to reserve or hold funds so that there are enough funds available 9-12 months after project completion.
- If the state is using the DOE API rebate reservation process, how will the bidder execute and manage the process?
- How would the bidder potentially measure energy savings across a portfolio of homes? How will the bidder manage all individual home data within a portfolio? How will portfolios be monitored and verified?
- How will the bidder approve and manage aggregators?
- How will the bidder monitor qualified contractors and notify the state when contractors are violating program requirements?
- How will the bidder ensure that all data is collected and managed as defined in the DOE Data & Tools Requirements Guide?

Modeled Pathway:

- Which DOE-approved software will be used?
- How will the bidder use the modeling software to estimate energy savings based on information collected at final home assessment?
- Describe whether a different methodology will be used for multifamily homes and how it will be different from single-family.
- How will the bidder verify that at least one major upgraded occurred and that it was an eligible upgrade as part of the HOMES program?
- How will the bidder assess the availability and quality of billing data and determine sufficiency for modeling?
- How will the bidder address missing data in compliance with DOE methodologies?
- How will the bidder use a model to calibrate savings? What model is the bidder proposing to use?
- How will the bidder perform periodic reliability analysis to ensure the reliability of modeled savings?

- If the state has been approved for modeled-path exceptions, how will the bidder execute and manage those program paths?
- How will the bidder ensure that all data is collected and managed as defined in the DOE Data & Tools Requirements Guide?

VI. Data Access

If applicable, bidders should describe their approach for collecting and managing utility energy data for single-family households and aggregate, whole-building data for multifamily buildings, consistent with state policy and the requirements for data access as defined by the state.

- How will the bidder implement the pre-project data access approach as defined by the state (e.g., Opt-in, Opt-out, Aggregated, Open Access[3])? If collaborating with utilities to receive data, how will the bidder support the state in collaboration and transfer of data?
- How will the bidder safely and securely manage data consistent with state requirements?
- What is the bidder's proposed approach for assessing and communicating with various types of utilities? (e.g., IOUs, Co-ops, municipals)
- What is the bidder's proposed approach for overcoming barriers and obstacles to collecting utility energy data for single-family and multifamily buildings?
- How will the bidder ensure that consumers participating in the program agree to provide access to their energy usage data as a condition of receiving a rebate?
- If the bidder will be supporting the state in developing the Data Access Plan, what is the bidder's proposed approach to developing the plan and key content within the plan, and how the above activities will be incorporated into the plan?
- If program participants (i.e., homeowners) are involved in accessing and sharing their utility data, how will the bidder simplify the process to minimize burden?
- How will the bidder work with the state to identify and apply allowed program requirement exceptions to utility bill collection?

VII. Rebates

Bidders should describe their approach to how rebates will be paid and processed, including but not limited to:

- Is the bidder proposing to use the DOE rebate API?
- What systems will be used for processing and payment?
- How will the bidder manage rebates to both customers and contractors?

[3] See DOE Utility Data Access Guidelines for more information.

- How will the bidder manage budgets and ensure that funds have not been over-obligated, particularly for the measured program path?
- How will the bidder manage payments to contractors or aggregators that were different from the rebate that was provided to the program participant?[4]
- How and when will contractors be paid?
- How will the bidder ensure appropriate payments to consumers and contractors consistent with federal and state rebate requirements?
- How will the bidder ensure the maximum time allowed for rebate processing will be met?
- What are the risks to meeting the rebate processing time frame requirements and how will the bidder mitigate those risks?
- How will the bidder ensure rebates meet all program requirements and document those conditions?
- How will procedures differ between single-family homes and multifamily homes/buildings?

VIII. Consumer Protection and Quality Assurance

The bidder should describe how they will assure quality installations including:

- How will the bidder support the state in developing a Consumer Protection Plan, or if already developed, how will the bidder develop the program consistent with the Consumer Protection Plan?
- How will the bidder develop a system to collect and respond to consumer feedback?
- How will the bidder address dispute resolution? What is the bidder's proposed approach for conflict resolution and remediation?
- What is the bidder's proposed approach for onsite inspections to meet DOE requirements?
- How will the bidder qualify contractors as eligible, identify required qualifications, and have a process for delisting contractors if necessary?
- How will the bidder develop installation standards and a process to enforce those standards?
- How will the bidder incorporate continuous improvement, developing processes for identifying problem areas and fraud/waste?
- How will the bidder work with a third-party to develop systems for providing households and multifamily building owners with a Post-Installation Certificate after quality assurance has taken place on their upgrade?

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[4] In the measured path, contractors or aggregators that provided rebates to consumers based on estimated savings may receive a different rebate when calculated based on actual savings performance.

IX. Community Benefits

If applicable, the bidder should describe their approach for supporting the state in the development of the Community Benefits Plan which should include:

- **Community and Labor**

How will the bidder engage with community partners and community organizations?

What are the bidder's community outreach and engagement strategies?

- **Skilled and Qualified Workforce**

How will the bidder incorporate workforce education and training into their plans for both the single-family and multifamily workforce?

How will the bidder support groups that organize and apply collective bargaining?

- **Incorporating Diversity Equity Inclusion and Accessibility (DEIA)**

How will the bidder incorporate the state's DEI objectives? How will the objectives be met?

How will the bidder manage and track the portion of budget with minority owned businesses, women owned businesses, and veteran owned businesses?

What other DEI actions does the bidder propose?

- **Address Justice40 Initiative**

How will the bidder effectively identify and promote home efficiency rebates to disadvantaged communities?

How will the bidder work with the state to ensure that at least 40% of rebates are provided to LMI recipients and 10% are provided to multifamily?

What are the quantifiable expected benefits expected to accrue to disadvantaged communities?

  - Direct benefits from energy upgrade projects?
  - Economic benefits through jobs and contracts?

X. Data and Security Requirements

The RFP should request the bidders describe their approach to data tracking and data security and request the following:

- A description of cybersecurity protocols and how information will be stored securely.
- A description of risk-based security controls.
- Confirmation that the security and privacy controls should be reviewed by an independent party in the last 3 years.
- How will the bidder meet the data collection requirements in the DOE Data & Tools Requirements Guide?

- Will the bidder use the DOE/PNNL rebate reservation and tracking API or another system?
- If using DOE/PNNL, how will the bidder incorporate these workflows and API into the program?
- If using a different system, what is the system and how will the bidder ensure the system meets all DOE data and program requirements?
- Does the bidder have data transfer abilities and protocols in place to utilize APIs and HPXML?

XI. Program Evaluation

The RFP should describe the data that will be required for evaluation and must remain accessible for validation. The RFP should request the bidder describe how they will store and make available the following data and information:

- Auditing tools and software
- Home assessment data
- Income amounts
- Post-installation photos
- Savings assessments from modeled or measured savings approach
- Incentives paid
- Project costs
- Quality assurance tracking and resolution

XII. Market Transformation

The RFP should provide the bidder with a high-level vision of the state's market transformation goals. If the bidder will be supporting the state in developing the Market Transformation Plan, the RFP should request bidder describe the following:

- A general approach to developing market transformation plans and why they are qualified to support the state in developing the Plan.
- Key components of a Market Transformation Plan and how the bidder will guide the state through addressing each of them.
- How will the bidder ensure that the Market Transformation Plan meets DOE Program Requirements?
- How will the Market Transformation Plan be implemented, tracked, measured, and reported on towards goals over time?
- Key market indicators that can quantify and measure market transformation goals and how that data will be collected.

XIII. Reporting to State and DOE

The RFP should include the state's reporting requirements for the bidders and how those reports will flow into the overall award reporting that the state is required to provide to DOE. The RFP should request the bidder describe how they will track and report the following to the state while keeping each IRA provision tracked and managed separately, if applicable:

- Quarterly progress
- Quarterly budget vs. actuals spending
- Projected progress
- Projected budget changes, if any
- Projected scope changes, if any
- Potential risks or realized issues on the project

Other Proposal Requirements

RFPs generally include additional components that provide the bidder guidance on any additional information to be submitted and how that information should be provided. This includes expectations for how bidders should provide company and staff qualifications, the structure of the proposal and templates, and formats for submitting key information including proposed budget and timeline to launch. States should consider adding the following to their RFPs.

I. Bidder Qualifications, Experience, and Staffing Plan

The RFP should request:

- A summary of related expertise and minimum qualifications that speak to both single-family and multifamily experience.
- A plan for staffing the project that includes an organization chart and bios/resumes of key personnel.

II. Proposal Format and Submission

The RFP should include instructions for proposal structure, length, format, due date, etc.

III. Budget Guidelines

The RFP should include:

- An optional template in an Excel spreadsheet or similar for completing the budget by category that allows for consistency among the different bidders and easy comparison by the state. Recommended categories include budget for:
    - Outreach and marketing
    - Home assessments

  - Contractor incentives
  - Customer incentives
  - Modeling or measuring savings
  - Data tracking
  - Data security
  - Evaluation
- The overall level of effort expected (e.g., a range of hours, FTE, or % of budget), budget range, and cost proposal requirements (e.g., costs by category, number of hours, hourly rates, etc.).

IV. Proposal Timeline

The RFP should:

- Request a timeline for the bidder that includes the schedule for developing a detailed implementation plan and preparation activities required to launch the program.
- Include key dates for RFP process, decision, project commencement, etc.
- Include a Bidder Webinar to review RFP process and allow for questions.
- Include dates for submittal of additional questions and response date.
- Allow at least 4-6 weeks from the time it is released until proposals are due.

V. Selection Criteria

The RFP should describe the criteria that will be used to evaluate proposals and compare bidder's proposals. Recommended criteria include how well the bidder responded to each of the proposal requirements and addressed the topics in the RFP, budget, schedule, and staff experience and expertise and preference for disadvantaged businesses.

VI. Contracting

Consistent with the state's procurement rules, the RFP should describe the contracting process and provide a draft contract for the bidder to reference.