

Hawai'i State Energy Office Application for IRA Section 50122 Home Electrification & Appliance Rebates (HEAR or Electrification Rebates)

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.

Hawai'i State Energy Office IRA Section 50122 Home Electrification & Appliance Rebates

Project End Date: September 30, 2030 (6 years)

Funding Breakdown, Total		Notes
Administration	\$6,818,780	<i>Amount from DOE Program Requirements v. 1.1</i>
Other Rebate Delivery Costs	\$3,317,450	<i>Includes low-income and DAC incentives</i>
Multifamily Allocation	\$3,000,000	<i>Above minimum amount set in DOE Program Requirements v. 1.1</i>
80 AMI or lower Allocation	\$14,427,670	<i>Above minimum amount set in DOE Program Requirements v. 1.1</i>
Native Hawaiian Allocation	\$3,000,000	
Rapid Rollout	\$3,530,000	<i>Intends to Leverage Existing Ratepayer-Funded Efficiency Program</i>

Narrative Description of Program

For Home Electrification and Appliance Rebate (HEAR) program under Inflation Reduction Act (IRA) Section 50122, the Hawai'i State Energy Office (HSEO or the state) intends to hire staff and procure contractors who are capable of performing work under other relevant parts of IRA, including the HOMES program in IRA section 50121 and home energy contractor training in IRA section 50123. HSEO intends to procure contractors who can perform different aspects of successful program delivery, including without limitation: 1) a rapid launch of point-of-sale rebates for limited products, specifically ENERGY STAR certified heat pump water heaters and ENERGY STAR recognized induction cooktops; 2) implementation and delivery of coordinated HOMES and HEAR incentives; 3) outreach in each county and tailored outreach for hard-to-reach (HTR) customers, such as disadvantaged community (DAC) and Native Hawaiian homestead associations; and 4) program evaluation and consumer protection oversight. The state will encourage consortia who can address multiple areas of performance and has envisioned multiple contractors to be selected for specialized work, such as point-of-sale and focused marketing as described in the next section. The state intends to leverage the Department of Energy (DOE) systems hosted by Pacific Northwest National Laboratory (PNNL) to assist with program administration and lower total program administration costs.

Focus on Low-Income Households

Recognizing the documented historical disparities in accessing government efficiency incentives,^{[1](#)} and the role of tax credits in providing additional incentives to middle income households, HSEO intends provide the maximum possible rebates to households with income up to 80% Area Median Income (80 AMI) and intends to allocate at least half of the rebate funds and incentives, or at least 40% of the total formula funds, to 80 AMI households. As noted in the table above, portions of the rebate funds will be allocated to multifamily and Native Hawaiian households who meet the income thresholds. Please note that the 80 AMI and multifamily allocations are intended as minimums. Should HSEO encounter difficulties in expending the rebates according to the allocation table in this application, the state will consult with DOE to identify the most expedient reallocation of funds that comports with the intent of the statute.

Portion of Funds for Rapid Rollout

A portion of HEAR funds will be allocated to a rapid rollout of the HEAR program that includes sales at time of installation or at retail ("point-of-sale rebates"), slated for April 2024. This procurement may be sole sourced to the existing third-party administrator (TPA) for the state's ratepayer funded energy efficiency programs. The existing TPA currently provides three rebates that can be adapted to suit HEAR: 1) heat pump water heater point-of-sale, with vendors already participating; 2) an efficient refrigerator rebate that could be modified to include induction cooktops and ranges; and 3) a mini-split air conditioner program that relies on

qualified installation contractors. The success of the rapid rollout program will depend on an expedient, narrowly tailored award for this phase of the rebate program.

HOMES and HEAR Combined Procurement

For the bulk of the rebate funding, the state will link the HOMES and HEAR programs for procurement purposes and intends to undertake a competitive procurement as soon as is practicable in 2024, enabling an award in May 2024 and full launch by the end of September 2024. This procurement will encourage consortia of prime and subcontractors who have skills in the distinct administrative tasks, such as marketing, tool development, implementation, evaluation and customer satisfaction. The current contract for the TPA will be re-competed in 2025. As a result, the state's prime implementation contractor and subcontractors cannot be named at this time. HSEO has completed budget estimates for both HOMES and HEAR, including breakdown by tranche and by type of administrative activity, that will be used to guide this procurement.

Home Electrification and Appliance Rebates State Programs (50122) - HSEO Answers Transposed to Official Template

Use of Funds and Rebate Eligibility

Section 4.1.1 Use of Funds

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

Note: These responses should correspond with the Standard Form 424, Standard Form 424A, and Budget Justification Workbook.

The state proposes the following types of activities, within the funding levels described in the budget table above and the SF 424 accompanying this application.

- **State program staff**
 - The state plans to hire four full-time staff members for program management and monitoring, whose time will be allocated to 50122 according to the budget worksheet. Our accounting systems are capable of separately tracking 50122 and other, different funding sources.
- **Program planning and design**
 - The state will contract with an organization with expertise in designing and delivering efficiency programs, with proven success in market uptake, sound installations, income verification, and delivering benefits to low-income households. Depending on the initial organization's experience in reaching disadvantaged communities (DACs) on each of the six islands, the state may likely contract with additional organizations better suited to addressing this need in the specific area of focus.
- **Development of tools and systems, including websites, applications, rebate processing, and reporting**
 - The state plans to fund a program implementer to develop user interfaces and systems to apply for rebates, submit required documentation, etc., including income verification.
 - The state may also fund an IT firm to develop an application programming interface (API) that allows several low-income programs to automatically share information regarding their enrollees.
- **Program evaluation and consumer protection**
 - Consumer protection functions including resolution procedures, data review, and process improvement.
 - In response to periodic assessments, the state or its implementation contractor(s) improve program delivery or design.
 - The state will develop consumer protection guides or one-pagers that will be provided to all rebate applicants as one part of the consumer

protection strategy. Promotional material and consumer protection material will be made available in multiple languages, such as 'Ōlelo Hawai'i, Tagalog and Ilocano.

- The state will also either create a separate hotline or dedicate state staff to respond to consumer questions and/or complaints.
- State staff will fulfill implementation contractor management needs with regular reviews of program implementer/other contractor data submissions.

- **Marketing, education, outreach, and technical assistance, including the funding of local governments and place-based organizations to assist with these activities:**

- Contract with community-based organizations with expertise and trust in the communities of focus on each of the six islands.
- Hold at least two community engagement sessions to better understand community interests and inform the program design focused on 50122 but will make space for feedback on all rebate program issues.
- Outreach to retailers and product manufacturers and distributors.
- Develop marketing and education information for homeowners, tenants, retailers, home energy contractors, and others as needed.

- **Implementation contract cost not including rebates and costs for activities directly related to delivery of rebate**

- The implementation contractor(s) will use administrative funds for data review, reporting, and other program management requirements.

- **The state plans to use ~\$220,000 rebate funds annually to cover the following types of activities:**

- DAC incentives (see question #2; and the proposed set of activities listed in the response to question #2.

a. The total amount of estimated administrative funds to be expended annually.

\$1,100,000 is the approximate average spending over six years, although administrative costs are expected to be front-loaded as program infrastructure is built.

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

\$550,000 is the approximate average spending over six years, although project-related costs are expected to be in middle and later years as low-income customers are brought into the program.

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 will reserve rebate funds in the amount stated above for project related activities, focused on customer acquisition in 80 AMI households. This will include virtual assessments, audits and incentives for reaching these customers and facilitating access to related energy burden reduction programs for low-income and Native Hawaiian communities. These project related activities will be focused on 80 AMI. The full extent of braiding with other programs will be one of the program design and implementation issues to be investigated with 50121 admin funds, and negotiated and refined with the implementation contractor.

After reviewing other sources of funding for certain programs, we are currently unaware of any other sources that can cover this critical element of ensuring 80AMI households receive the benefits of this program and addresses the cost of delivering rebates to historically disadvantaged and underserved areas. Should other funds become available, 50121 funds will revert to increasing rebate coupon availability.

Section 4.1.2 Rebate Conditions and Levels

3. Describe how the State will manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.

The state plans to use the DOE Rebate Tracking System hosted by Pacific Northwest National Lab (PNNL) to minimize the costs of data tracking and reporting. The state will also track different expenditure types consistent with Generally Accepted Accounting Principles (GAAP) and state accounting procedures. A mid-program and end-of-program audit will ensure the accuracy of these expenditure types.

Rebate Funds Management:

The DOE Rebate Tracking System and its accompanying coupon feature will ensure that rebate amounts comply with program requirements. Rebate applicants will only be approved for the rebate amounts (and percentages) associated with their income level (e.g., below 80% AMI; 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, the system will query the 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 \$14,000 cap.

The state also intends to use the DOE Rebate Tracking System to track the amount of rebate funds committed to date, and only approve new requests for rebates if sufficient funds remain. When the system issues a coupon, it will simultaneously put into place a “reservation” of funds (equivalent to the maximum value of that coupon) 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 allocations within

the DOE Rebate Tracking System to ensure that funds prioritize low-income households, according to program requirements.

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.

The state 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, such as housing programs.

- Describe how the State will monitor contractor costs and ensure that costs are not artificially inflated compared with market averages.

For projects where a rebate is provided to a home energy contractor or Eligible Entity Representative (after deduction on installation/project invoice), the contractor will be required to submit itemized invoices with labor and equipment/materials costs broken out. At least semi-annually, the state will select a sample of invoices to compare costs. Anomalies will be addressed according to the Consumer Protection Plan, which will be submitted prior to program launch.

- Identify the maximum rebate amounts that will be offered to eligible entities and eligible entity representatives if lower than the allowed amounts.

Qualified Project	Statutory Limit	Proposed Limit for AMI 81-150	Proposed Limit for AMI 80 or lower	Number of Rebates	Total
Electric Heat Pump Water Heater (HPWH)	\$1,750	\$1,750 for ENERGY STAR Connected Products \$1,000 for other ENERGY STAR certified HPWH	100% of qualified project cost up to the statutory maximum for ENERGY STAR Connected Products	Grid connected: 2,000 Non-connected (other) 1,000	Grid connected: \$3,500,000 Other: 1,750,000

			75% of qualified project cost for other ENERGY STAR certified HPWH		
Electric Heat Pump for Space Heating or Cooling	\$8,000	\$8,000 for ENERGY STAR Most Efficient \$4,000 for ENERGY STAR certified with SEER 2 rating over 22	100% of qualified project cost to the statutory maximum for ENERGY STAR Most Efficient 50% of qualified project cost for ENERGY STAR certified SEER 2 rating over 22	Most efficient: 750 Other ES certified: 500	Most efficient: \$6,000,000 Other: \$2,000,000
Electric Stove, Cooktop, Range, Oven	\$840	\$840 for ENERGY STAR recognized induction ranges and cooktops	100% of qualified project cost to the statutory maximum for ENERGY STAR certified induction ranges and cooktops	1500	\$1,260,000

Electric Heat Pump Clothes Dryer	\$840	\$0	\$0	0	0
Electric Load Service Center	\$4,000	\$4,000	100% of qualified project cost up to the statutory maximum	992	\$3,968,000
Insulation, Air Sealing, and Ventilation	\$1,600	\$1,600	100% of qualified project cost up to the statutory maximum	749	\$1,198,119
Electric Wiring	\$2,500	\$2,500	100% of qualified project cost up to the statutory maximum	1300	\$3,250,000
Maximum Rebate	\$14,000	50% of qualified project cost up to a maximum of \$14,000	100% of qualified project cost up to the statutory maximum	1637.5	22,925,000 (note \$1,199 difference due to rounding)

Note that for multifamily buildings, in the case of rebates claimed by an eligible entity representative on behalf of multiple households, the per-household maximum limits can be combined. For example, 10 low-income households claiming a rebate through an eligible entity representative could combine their heat pump allocations of \$8,000 each to provide \$80,000 for an eligible ENERGY STAR central heat pump system.

6. Identify the maximum allowable project costs for determining project cost rebate levels.

The state will not allow rebates to exceed the maximum allowed by the federal law, including costs associated with purchase and installations of the qualified electrification project.

7. Describe the documentation requirements related to project costs from eligible entities and eligible entity representatives.

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

- The name and contact information for the contractor(s) performing the work
- The address where the work was performed
- The dates on which the work was performed
- Name and signature of resident or building owner.
- The total project cost prior to the rebate and the rebate amount
- Line-item costs of rebated equipment and materials, including any related audits, inspections, testing, and/or modeling
- Model numbers for heating, cooling, and hot water systems
- Labor costs of the work related to any rebate
- Geo-coded photos of installed equipment relevant to the rebate, which can be taken with most smartphones

8. List the installation incentives the State will provide eligible entity representatives for each eligible product or service up to \$500 (in total).

In addition, the incentives for home energy contractor or Eligible Entity Representatives success in low- and moderate-income households is described in the following table.

Qualifying Activity	Maximum Incentive
Installation of one induction stove, cooktop, range, or oven	\$0
Installation of one or more electric heat pump water heaters	\$150
Installation of one or more electric heat pumps for space heating and cooling per dwelling unit - ducted	\$50
Installation of one more electric heat pumps for space heating and cooling per dwelling unit – unducted	\$150
Installation of insulation per dwelling unit	\$150

Installation of air sealing and materials to improve ventilation per dwelling unit	\$150
Bonus for combined installation of a heat pump product and insulation or air sealing in a dwelling unit* located within a disadvantaged community, an 80 AMI household, or a low-income multifamily building*	\$150
Installation of one or more electric load service center(s)	\$150
Installation of electric wiring per dwelling unit	\$250
<i>*Maximum total incentive per dwelling unit</i>	\$500
<i>*Maximum total incentive per multifamily building (i.e., incentives for larger buildings will be capped so that larger buildings do not absorb the entire incentive budget)</i>	\$10,000

Many Hawai'i homes are single wall construction and do not lend themselves to ducted infrastructure. Hawai'i also has the highest electricity cost in the nation. Hawai'i does not want to incentivize whole-home cooling in homes without it because that would run contrary to energy efficiency goals and would significantly increase energy burden. Unducted heat-pump split AC provides targeted cooling that can be better managed to reduce energy burden.

Bonus for combined installation of a HP product and insulation/air sealing in a dwelling unit located in an disadvantaged community and 80 AMI household, or a low-income multifamily building in addition to other bonus amounts offered, up to the maximum.

Heat pump (HP) products are water heaters or space conditioning as defined in the application.

- Describe the approach for ensuring that eligible entities will not receive Federal rebates or grants for the same QEP.

The state will use the [DOE Rebate Tracking System](#) to safeguard against duplicative rebates for the same product and household.

When an eligible entity (i.e., homeowner, tenant, building owner, or contractor) or eligible entity representative (as defined in the statute) applies to reserve a rebate for a product to be used at a specified address, the system will query a database to see if that type of rebate has already been issued for that address. If it has, the rebate request will be rejected, and the applicant will be informed that the applicable rebate has already been used at that address.

The state's system will also notify all homeowners or building owners (and others if applicable (e.g., contractor)) that the rebate cannot be combined with other Federal grants and rebates, but the household may still be eligible for a Federal tax credit per Internal Revenue Service (IRS) guidelines.

10. Confirm that the State will provide information via API or DOE-provided spreadsheet to the DOE central database to ensure that rebates limited to a single or a combination of products are tracked and managed, and no duplicate rebates are awarded.

- State will provide information via API.
- State will provide information via a DOE-provided spreadsheet.

11. Describe how the State will approach providing rebates to multifamily building owners and qualified households who live in multifamily units.

- Defer response to State Implementation Blueprint.

Multifamily building owners and tenants are eligible for rebates. However, owner authorization will be required for projects that include:

- Electric heat pump for space heating and cooling
- Electric heat pump water heater
- Insulation
- Electric load service center
- Electric wiring
- Mechanical ventilation

Rebates are attributed to dwelling units or a multifamily building and the rebated equipment and appliances are to remain with the unit. Therefore, if a tenant vacates the unit where a rebated project was completed/equipment was installed, the tenant's new dwelling unit would be eligible for rebate funded projects/installations (assuming that rebates have not already been applied to that unit).

Rebates (and the maximum limits) apply to the dwelling unit and/or multifamily building. Therefore, owners will always be made aware of remaining rebate amounts even if a tenant initiates a rebate request. Owners will also have the ability to cancel the rebate reservation in case they do not authorize the work.

When determining the appropriate rebate amount for a multifamily building, the state will first determine whether the multifamily building qualifies as a low-income building (i.e., the building has at least 50% of households with incomes less than 80% AMI).

12. Identify 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.

The state estimates an eligible project start date of no earlier than 04/01/2024, and may adjust this date based on approved program launch and procurement timeline.

A rebate may be paid only for a qualified electrification project (QEP) initiated after the State receives authorization from DOE for rebate program launch and launches the program. Rebates will not be provided retroactively. The entity applying for reimbursement of the rebate deducted at point of sale must submit required information within twenty business days of the issuance of the rebate coupon. Vendors that use the DOE API will submit the used coupon and required information automatically either when the purchase is made or in batches (daily or weekly). When a home energy contractor or EER applies the rebate coupon by deducting it from the invoice for installation, the contractor will need to submit the required

13. Describe how eligible rebate recipients will be informed of additional program funding available from non-Federal funds and grants.

Defer response to State Implementation Blueprint.

A portion of project costs will support the training and technical assistance necessary to ensure low- and moderate-income households can readily gain access to other relevant programs.

As part of the state’s outreach plan, the state will alert customers that other funding may be available through utilities or other state programs. The state will also add this to an “Energy Saver”-like packet that home energy contractors or EERS will be required to provide prior to commencing work, which will include information about the energy consumption of electrified appliances and the potential bill impacts of adding new energy consuming appliances to a home. The State also plans to send the packet electronically to the homeowner or building owner when the contractor initiates the rebate request prior to commencing work.

As part of the state’s outreach plan, the state will alert customers that other funding may be available through utilities or other state programs. The State will also add this to the “Be a Smart Consumer” packet that home energy contractors will be required to provide prior to commencing work. The State also plans to send the packet electronically to the homeowner or building owner when the contractor initiates the rebate request prior to commencing work.

Section 4.1.3 Low-Income Households

14. Identify the portion of the rebate funds the State will reserve for low-income and low-income multi-family households.

Point-of-Sale Rebates Available up to 150AMI: 15%
80AMI or lower: 45%
Multifamily Allocation: 10%
Native Hawaiian: 10%
Admin: 20%

While the state will meet all the required allocations, solely for the purposes of the thresholds currently recommended by DOE for releasing Tranche 3, the state will track rebates claimed by a household that meets both multifamily and 80 AMI descriptions with the intention of achieving the thresholds currently recommended by DOE as the state progresses toward meeting its chosen low-income and multifamily goals, which exceed the DOE-established minimums. After the release of Tranche 3, rebates will be allocated between each applicable allocation equally and funding will be prioritized to ensure required minimums for all categories are met.

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

Defer response to State Implementation Blueprint.

HSEO will consult with the Hawai'i Department of Commerce and Consumer Affairs and the Attorney General's Office to craft the statement signed by the building owner that meets the DOE requirements for sufficient deterrence (as noted in response), consistent with the Hawai'i Residential Landlord-Tenant Code in HRS Chapter 521 Section 74. For all tenant-occupied properties that receive higher rebate amounts available only to households with incomes less than 80% AMI, the state will require the building owner to sign a statement acknowledging the following:

- The owner agrees to rent the dwelling unit to a low-income tenant for at least two years.
- 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.
- The owner will provide written notice to tenants explaining their rights and the building owner's obligations (e.g., add an addendum to the lease).
- The owner will be subject to penalties (including attorney's fees) commensurate to their actions with a penalty under Hawai'i Revised Statutes Chapter 708 and/or 710.
 - 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.

16. Describe how the State program will define a disadvantaged community. If not using the default disadvantaged community definition of 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 guidance¹:

- 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 (OMB) guidance:
 - 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.

The state will provide a shapefile based on DOE's Energy Justice Dashboard (<https://energyjustice.egs.anl.gov/>) and DOE DAC map to PNNL at least 60 days prior to program launch. Any refinements will be submitted for DOE approval prior to use.

17. Identify the tool(s) the State will provide for eligible entity representatives to identify households that qualify for the installer incentive available for work in disadvantaged communities.

¹ See pages 8-9 of <https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf> for more details.

- Defer response to State Implementation Blueprint.

The state will be using the [DOE Rebate Tracking System](#) and will provide a map based on DOE's Energy Justice Dashboard (<https://energyjustice.egs.anl.gov/>).

When a rebate coupon is issued via the DOE Rebate Tracking System, that unique coupon will state whether the home is located in a DAC. If it is located in a DAC and household income is below 80% AMI, the home energy contractor/EER will be notified that they may be eligible for the \$200 incentive if they complete an installation of a project with more than an electric stove or heat pump dryer. Total installer incentives for one household cannot exceed \$500, even with this \$200 DAC incentive.

As with the product incentives, the program will reserve up to \$200 for any project to be completed in a low-income (below 80% AMI) household in a DAC. The reserved amount will be limited by the \$500 cap on installer incentives per household. This incentive will be paid to the home energy contractor/EER when they submit the required information about the completed project.

The program will also provide educational materials and do outreach to home energy contractors / EER so that they are aware of this potential incentive for substantial installations in DACs.

The state will be using the [DOE Rebate Tracking System](#) and will provide a map based on DOE's Energy Justice Dashboard (<https://energyjustice.egs.anl.gov/>) and CEJST.

In addition, the state will provide a map and/or a look-up tool (either federally- or state-issued tool) for home energy contractors to identify DACs in order to target their outreach in these communities. Finally, the State will also provide educational materials and do outreach to contractors/ eligible entity representatives so that they are aware of this potential incentive.

CEJST + DOE EJ Dashboard, with any future refinements to be submitted for DOE approval prior to implementation.

18. Confirm that the State's intake system for users to provide income information will compare household income to 80% and 150% AMI values associated with that household's county and household size to determine rebate levels prior to signing statements regarding their income.

The state plans to use the DOE provided API to compare an applicant's household income, occupancy number, and address to the appropriate 80% or 150% AMI level to determine income eligibility and level of rebate.

19. 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 or a preferred more granular geography (e.g., census tract) 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 federally provided web-based tool to determine whether a home is in a disadvantaged community.

Section 4.1.4 Community Benefits Plan

20. Confirm that the State will develop and submit a Community Benefits Plan prior to program launch.

- Yes, the State confirms the above statement.

Section 4.1.5 Processing and Delivering Rebate Funds to Eligible Rebate Recipients

21. Describe what types of systems will be put into place to allow effective processing of rebates, including ensuring the ability to apply rebates at point of sale and/or as part of an invoice. And confirm that the system will link to federally provided systems via API.

- Yes, the system will link to federally provided systems via API.
- Defer response to State Implementation Blueprint.

The state plans to use the [DOE Rebate Tracking System](#) to ensure effective issuance of rebates. The state's implementation contractor or a separate rebate processing firm will be charged with establishing an electronic rebate processing system and required to process reimbursements for used rebate coupons (applied at point of sale or installation) within 30 days of receipt of a rebate reimbursement request.

After receiving DOE's approval of the approach/application, the state will issue a request for proposal (RFP) and select an implementation contractor. In the RFP, the state will ask for qualifications regarding rebate processing but not make this a functional requirement. The State will issue a separate RFP for rebate processing in the event that the selected implementation contractor does not meet the needs for carrying out this function.

The coupons will allow qualifying consumers or eligible entity representatives to have the rebate amount deducted at point of purchase of equipment through retailers. For those that work directly with a home energy contractor or EER, the contractor will apply the rebate to the invoice provided to the household. In both types of transactions, the rebate will be applied at point of sale. The coupon will designate the type of qualifying product as well as the maximum rebate amount and percentage (whichever is lower) that can be applied to the purchase. Retailers, other vendors, and contractors will be able to submit reimbursement requests via electronic systems

(either via an API for those vendors/retailers that wish to connect that way OR via a web portal where the contractor, vendor, or retailer may submit all of the required information directly to the rebate processing system).

22. Describe how the State will ensure processing of rebates within 4 weeks of receipt (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 use an implementation contractor to carry out rebate processing. The state will require rebate processing to occur within twenty business days of receipt of required information. The state will give the implementer three business days to cure the missed payment past the deadline.

The state will require the implementation contractor to report processing times on a quarterly basis. Should the processing times exceed those stipulated above by 10% or more, the state will require the processor to provide an explanation and to implement new methods or systems to speed up processing within 30 days of notification.

23. Describe how the proposed processing system will be integrated with a system for processing rebates under Section 50121. Note if the State plans to use separate systems.

Defer response to State Implementation Blueprint.

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

Section 4.1.6 Verify Income Eligibility

24. Describe how the State will define household income for verification purposes.

For households that provide income information, the state will request a sum of the income of all adult occupants over the past 12 months. Information from prior tax year earnings will also be acceptable.

Eligibility for other Federal programs that are listed in the Programs Pre-Approved for Categorical Eligibility that require income verification, as long as the income requirements of identified federal programs fall below 80% AMI and/or 150% AMI, qualifies a claimant as categorically eligible that does not need to provide additional income information.

25. For single-family households, how will claimants be able to establish their household income for income qualification? States may select from 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

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

The state also plans to offer categorical eligibility for the following programs:

- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Weatherization Assistance Program (WAP), after demonstrating alignment between AMI and FPL
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), after demonstrating alignment between AMI and FPL
- Verified government or non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or households
- Public Housing (housing owned and operated by Public Housing Authorities)

The state will allow applicants to also attest to either meeting the income requirements or enrollment in one of the recognized programs. They will be required to either enter in their household income or specify which program(s) they are already enrolled in. The state's process for verifying the validity of self-attestations is described in questions below.

26. 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.

Provide documentation (as described in the response to question #25) demonstrating that at least 50% of households either have incomes below 80% AMI or are enrolled in any of the following programs:

- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Weatherization Assistance Program (WAP), after demonstrating 80% AMI <200% FPL if using to qualify for higher rebates
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) after demonstrating 80% AMI <185% if using to qualify for higher rebates
- Verified government or non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or households

Alternatively, an implementer can provide documentation that demonstrates that one of the following categories applies to 50% of the units in the multifamily building:

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

The state may propose to DOE in the future to recognize additional programs with equivalent income requirements and will seek approval from DOE in advance.

- a. 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 150% AMI (but not less than 80% AMI).

Multifamily building owners will be required demonstrate that at least 50% of dwelling units consists of households with incomes less than 150% AMI through either of the following methods:

- a) Provide documentation (as described in the response to questions #25-26) demonstrating that at least 50% of households either have incomes below 150% AMI or are enrolled in any of the following programs; or
- b)
- c) Provide documentation that demonstrates that one of the following categories applies to the multifamily building:
- d) Public Housing (housing owned and operated by Public Housing Authorities)
- e) Privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, Section 811)
- f) Privately-owned multifamily buildings that house residents receiving tenant-based assistance
- g) Low Income Housing Tax Credit (LIHTC)

27. Confirm the following:

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

28. Describe how the 80% AMI and 150% AMI levels for each location will be kept up-to-date and linked to DOE systems. Provide additional information if proposing NOT to use a federally provided link or API.

- Defer response to State Implementation Blueprint.

Confirm that these levels will correspond to:

- The address of the home at which rebates will be applied
- The applicable number of household occupants

Yes, the State confirms the above statements.

The state plans to use the DOE provided API to compare an applicant's household income, occupancy number, and address to the appropriate 80% or 150% AMI level to determine income eligibility and level of rebate.

29. Confirm that the State will do the following:

- Review information provided to support income eligibility for all applicants applying for rebates;

Yes, the State confirms the above statement.

- Take steps to verify income eligibility for at least 50% of those applicants 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; calls to employers);
- 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; and
- 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 all the statement.

If applicable, propose the types of information that the State will provide to DOE to warrant reducing these requirements (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.

30. 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.

- Defer response to State Implementation Blueprint.

By offering a variety of methods to demonstrate eligibility, including a wide range of programs recognized as providing categorical eligibility, the state believes that those in the lowest income brackets will have a range of options to demonstrate their eligibility. By offering the option of self-attestation (of either income OR enrollment in qualifying programs), the state is allowing applicants to move forward with the rebate application process while information is verified.

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

If the information provided to receive this rebate is invalid, any unprocessed rebate will be canceled. If the rebate has already been applied to a purchase or service, the homeowner or building owner will be responsible for repaying the state for the

rebated amount in addition to potential criminal offenses under Hawai'i Revised Statutes Chapter 708 and/or Chapter 710. The state reserves the right to engage a bill collection agency should repayment not be made within a stated period.

31. 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, a State may propose the types of information that it will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).

Defer response to State Implementation Blueprint.

The State will use a third-party income verification vendor to collect income data and verify it through IRS, enrollment databases of approved programs, and/or calls to employers as rebate claims come in.

For those applicants that apply with self-attestation, the vendor will begin by following up on attested information for 50% of applicants that use self-attestation monthly for the first year. For all other applicants (those that provide documentation of income or enrollment in a qualifying program), the state will have the vendor review that documentation and track any errors.

Based on the overall rate of false eligibility claims of 5% or less, the state will work with DOE to determine whether the state can move to reducing the review process (that is, reviewing a lower percent of either/both applications with documentation and applications with self-attestation). The state will pause self-attestations when raise the rate of review should falsifications reach a level of at least 10% over a six-month period.

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

Defer response to State Implementation Blueprint.

As soon as the information is determined to be incorrect (with review time projected between 5 and 10 business days), the implementation contractor's system will automatically do the following:

(1) Cancel the coupon reservation.

(2) Inform the homeowner or building owner (and home energy contractor/eligible entity representative where applicable) via one of any contact information provided

(emails, home address) that the coupon has been cancelled and can no longer be applied.

(3) Inform the homeowner or building owner that (a) their income eligibility information has been found to be insufficient or invalid, and they are no longer eligible for the requested rebate; or (b) in cases where additional information may establish their eligibility, they can reapply for consideration but will only be issued a new rebate coupon after that information is confirmed or (c) should the homeowner or building owner believe that the state's review is incorrect, they can petition a re-review within 30 days via a provided address, email, or call-in number.

(4) If applicable, inform the homeowner or building owner (and contractor/eligible entity representative where applicable) that the household is eligible for the lesser rebate percentage cap (50%) and a new coupon can be requested.

(5) Inform the homeowner or building owner that IF the rebate has already been applied at point of sale (by retailer, vendor, contractor/eligible entity representative), the homeowner or building owner must reimburse the state (via a provided address or through a provided call-in number via credit card) within 30 days for any rebate amount incorrectly applied with any additional requirement information. If the homeowner or building owner does NOT provide this reimbursement to the state within the allowable period, the state will file the claim to a collection agency and the homeowner or building owner will be subject to additional penalties per that process.

(6) Inform the contractor/eligible entity representative that if they have already performed the work and applied the rebate to the invoice, it is the homeowner or building owner's responsibility to pay back the state for the applied rebate. The state will reimburse the contractor for the rebate applied at point of purchase provided the contractor/EER provides all information per the program's standard requirements.

(7) In any instances where a rebate is provided to a homeowner or building owner that is found to not meet income eligibility requirements, the state will bill the homeowner or building owner for the rebated amount. The state may impose an additional fine and will enlist a bill collection agency if repayment is not received within 30 days.

33. 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.

Defer response to State Implementation Blueprint.

The state will allow self-attestation only in very limited circumstances where the proposed claimant states that relevant documentation is unavailable within a

reasonable time of the rebate-eligible work being completed, such as due to fire or other extraordinary circumstances. The program implementer will store the self-attestation documents in a secured data repository in accordance with the all approved data security measures and privacy measures as required by state law (HRS§487N-7 and HRS§487N-5).

Home energy contractors and EERs will be trained on the limited role of self-attestation and be required to acknowledge that they may be responsible for repaying all or part of a rebate and incentive issued under a falsified self-attestation. The state will include self-attestation in its home energy contractor training so that contractors understand self-attestation is available only as a last resort for families in need, and that submitting an invoice with falsified self-attestation may result in disqualification from the program, criminal prosecution, or both.

As part of all rebate claims, the state will require all applicants to affirm that the information they are providing is true and correct and that they understand that falsified information is subject to criminal prosecution.

The state will require review of at least 50% of applications that use self-attestation in the first year. The state will raise the rate of review should falsifications reach a level of at least 10% over a six-month period.

All applicants will be asked to confirm that they acknowledge the following:

- If the information provided is invalid and warrants the homeowner, building owner, or tenant ineligible for this rebate, the rebate reservation will be canceled if it has not yet been applied to a purchase or service.
- If the rebate has already been applied to a purchase or service, the homeowner or building owner will be responsible for repaying the state for the rebated amount in 30 days, in addition to potential criminal offenses under Hawai'i Revised Statutes Chapter 708 and/or 710. The state reserves the right to engage a bill collection agency should repayment not be made within the required period.
- Given the contractor role in self-attestation, the contractor will acknowledge the potential for them to repay the incentive and/or rebate amount.

34. Describe how the State program will verify, where applicable, that at least one member of a household has been enrolled in a program within the [Federal Programs Approved for Categorical Eligibility](#) document, or other state-proposed program approved by DOE, within the prior 12 months.

Defer response to State Implementation Blueprint.

The third-party vendor the state selects to oversee the income eligibility process will be required to review all of an applicant's documentation whether to substantiate

income or verify enrollment in a qualifying program. They will be required to visually review all submitted information. If the documentation is insufficient or unclear, they will be required to consider the application as a case of self-attestation and then follow the review process associated with those applications. In addition to visual review of documentation, the state plans to integrate automation into the process where possible (e.g., use of screening technology to review standard information like 1040 forms, enrollment cards for specific programs) to confirm whether the information provided in the documentation meets requirements. Where needed, the implementer will call agencies that administer programs approved for categorical eligibility to confirm a household member's enrollment.

35. Identify the Federal or other programs by which the State plans to allow categorical eligibility.

Defer response to State Implementation Blueprint.

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

The state also plans to offer categorical eligibility for the following programs:

- Low Income Home Energy Assistance Program (LIHEAP)
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Public Housing (housing owned and operated by Public Housing Authorities)

These following programs may qualify depending on size of household and county of residence. The implementer will use the AMI/FPL comparison available on the PNNL.gov website to verify if an application qualifies for categorical eligibility. If not, the application will follow the standard review process.

- Weatherization Assistance Program (WAP), after demonstrating alignment between AMI and FPL

- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), after demonstrating alignment between AMI and FPL

- The state will allow applicants to also attest to either meeting the income requirements or enrollment in one of the recognized programs. They will be required to either enter in their household income or specify which program(s) they are already enrolled in. The state's process for verifying the validity of self-attestations is described in questions below.

36. If applicable, propose any additional Federal and other programs to be considered for categorical eligibility. For any programs not already approved, describe how the program's eligibility aligns with the Section 50122 income requirements (Section 4.1.6).

- Defer response to State Implementation Blueprint.
- N/A. The State will not propose additional Federal or other programs to be considered for categorical eligibility.

The state may propose additional programs for categorical eligibility in the future and will seek approval from DOE in advance.

37. 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). If so, explain the State's proposal and describe the rationale.

- Yes, the State requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period. (Explain the State's proposal and describe the rationale.)
- No, the state will follow the categorical eligibility and proof of enrollment timeline requirements followed in our DOE approved WAP.
- Defer response to State Implementation Blueprint.

Many low-income programs do not update their enrollment information annually; and some households (given relocations or other factors) may not have up-to-date enrollment documentation. Therefore, the state proposes to accept documentation that demonstrates a household's enrollment within this longer period of time.

The state proposes that applicants provide proof of enrollment in a qualifying program within 24 months prior to the date of their rebate application.

38. 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](#).

Section 4.1.7 Data Collection and Evaluation

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

- Defer response to State Implementation Blueprint.

The state will apply all data security measures and privacy measures as required by state law (HRS§487N-7 and HRS§487N-5)
Per DOE program requirements, the state will not sell any collected data and will retain data/records for at least 3 years after the state submits the final expenditure report to US DOE. All of these requirements will extend to the program implementers and/or evaluators.

40. Include documentation of the processes to monitor, identify, and address security and privacy threats.

- Defer response to State Implementation Blueprint.

The state will conduct an independent review of the program's processes to monitor, identify, and address security and privacy threats before launching the program and every 2 years thereafter or more frequently if warranted.

41. Certify 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. Confirm that the State will collect required data and cooperate in program evaluation processes as listed in section 4.1.7.2.

- Yes, the State confirms the above statement.

43. Confirm that the State will gain access to billing data when requested by DOE for program requirements and program evaluation.

- Yes, the State confirms the above statement.

Describe how the state will gain access to billing data when requested by DOE for program evaluation.

The state will partner and work with Hawaiian Electric, Kaua'i Island Utility Cooperative and other private sector companies to ensure DOE will have access to

billing/usage data when requested, consistent with Hawai'i Revised Statutes §269-47. Private sector partners will confirm in writing their commitment to timely data access, and this written confirmation will be made available to DOE.

For all projects, the state will require the homeowner or building owner to provide access to energy consumption from energy bills for the year before and after the rebate was claimed.

The home energy contractor or EER must receive written confirmation from the household or building owner confirming that they will provide access to 12 months of energy utility billing data prior to the upgrade as well as 12 months of all energy utility billing data after the upgrade for evaluation purposes.

Data will be gathered via secure API in accordance with the Hawai'i Information Privacy & Security Council's guidelines and best practices.

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

- Yes, the State will conduct its own evaluation. (Describe below).
- No, the state will participate in the DOE-led impact and evaluation process.

If yes, what type(s) of evaluations. If no, leave blank.

We are planning to conduct one or more evaluations of the following:

- Process evaluation to evaluate the program experience for program participants, consumers, home energy contractors or EER, distributors, vendors.
- Process evaluations to understand success and recommendations for improvements towards program priority areas e.g., disadvantaged communities, multi-family, regionally focused programs)
- Impact evaluation to measure program impacts (e.g., consumer bills, fuel types, energy savings)
- Market effects evaluation to measure the influence the Home Rebates program is making within the state
- Randomized controlled studies of rebate impacts on savings, homeowner satisfaction and/or other metrics

If the State plans to conduct evaluations on its programs, confirm that the State will:

- Cooperate with DOE to meet the requirements listed in section 4.1.7.2.
 - Yes, the State agrees to meet the evaluation requirements.
- Submit an evaluation plan for DOE review within three months of program launch.

- Yes, the State will submit an evaluation plan within three months of program launch.
- Provide results to DOE.
 - Yes, the State will provide results to DOE.

45. 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.

- Yes, the State agrees to meet the evaluation requirements.
- N/A. The State will not conduct its own evaluation.

The state will establish the evaluation objectives as part of developing the evaluation plan. Potential objectives include but are not limited to (a) understanding program experience of different stakeholders to improve process (b) quantifying impacts on bill savings, greenhouse gas (GHG), and/or non-energy benefits and developing recommendations for increasing beneficial outcomes; (c) measuring lasting changes in behavior and decision-making of consumers and suppliers.

As a first step, the state will identify what types of impacts/outcomes the state wants to measure.

Evaluations will be designed to help assess progress toward meeting the program's goals and to help make process and other improvements over the course of the rebate program.

Evaluations will be designed to complement national reviews as well as other components of the program design and implementation (e.g., quality assurance). The state does not intend to ask to be excluded from DOE-led evaluations, depending on the information requested by the DOE-led evaluator.

The state will identify what data needs to be collected as part of the implementation processes (e.g., data on improvements, costs) and what data will be collected as part of evaluations (e.g., focus group responses). The state will ensure that relevant data collection is integrated into the implementation processes.

The state will develop a work plan that describes anticipated research strategies, evaluation methods, as well as the size and timing of the evaluations.

Consumer Experience

Section 4.2.1: Education and Outreach Strategy

46. Confirm that the State will develop and submit an outreach and education strategy consistent with section 4.2.1.

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

Section 4.2.2 Qualified Electrification Projects

47. Describe how the State will verify that rebates are provided only for qualified electrification projects, including that each of the following conditions are met for each project:

- Project includes the purchase and installation of a qualifying product, as described in section 4.2.2
- The qualifying product is installed as part of new construction; or to replace a non-electric appliance; or as a first-time purchase with respect to that appliance
- The installation occurs at a single-family home or eligible multifamily building

The state intends to use the DOE Rebate Tracking System which will only generate coupons for qualified product types. For those retailers that use the API, they will be responsible for coding those sales items that meet 50122 requirements and only accepting coupons when applied to those products. All others that accept rebate coupons will be informed that the rebate only applies to qualifying products and that they will not be reimbursed should the installed or purchased equipment not be a qualifying product.

Any entity that applies the rebate at point of sale or installation is required to submit a proof of sale/invoice with detailed product information (model numbers, etc.). For contractors that install equipment, they are also required to take and submit geo-coded pictures of installed equipment, including nameplate information.

Homeowners or building owners that apply for rebate coupons to be used only when purchasing equipment or materials will be notified of product requirements on the coupon and receive a warning noting that they are required to pay back the state in addition to a fine should it be found that they installed non-qualifying equipment or installed the equipment at another address. They will need to sign an affidavit attesting that they are providing accurate information and that they understand the consequences of falsifying information. They will also be required to attest to the type of equipment that they will be replacing in their home (if relevant). The state will also ask recipients to allow an inspector to come to their home to verify that qualifying equipment has been installed at the given address.

48. Describe how the State will collect and retain documentation to demonstrate how each criterion in section 4.2.2 was met for each installation.

- Defer response to State Implementation Blueprint.

The state will use the DOE Rebate Tracking System to collect and report required information. This system will allow easy retention as well as analysis of all rebates processed. Given that those applying to be reimbursed for rebates taken off at the

point of sale or installation (e.g., retailers, vendors, contractors) must provide documentation prior to being reimbursed, the state will have information on each of these projects. In instances where all of the rebate is applied at the point of purchasing equipment, the state will randomly select a portion of these rebate projects for quality assurance to ensure that the purchased equipment is installed at the appropriate address.

The state plans to randomly select and conduct quality assurance on at least 25% of all claims submitted for the first year. Through this quality assurance process done remotely or in person, the state will verify what equipment was installed, where it was installed, and also request documentation of any equipment that was replaced. If more than 85% of the randomly selected claims prove to be accurate, then the state may choose to decrease the percentage of randomly selected claims downward over time.

49. If applicable, identify any additional types of “materials to improve ventilation” that the State plans to make eligible for rebates.

- Defer response to State Implementation Blueprint.
- N/A. The State will not include any additional types of “materials to improve ventilation” in the rebates.

Eligible ventilation materials are limited to: ENERGY STAR-certified range hoods installed in an appropriate manner; and ENERGY STAR-certified ventilation fans for a residence that undergoes a whole-home retrofit.

Section 4.2.3 Installation Incentives

50. Describe how eligible entity representatives will be determined to be eligible for installation incentives, and how and when incentives will be paid.

- Defer response to State Implementation Blueprint.

The state will be using the DOE Rebate Tracking System to issue and track rebate coupons. Based on the product type, the coupon will note the relevant incentive available to the contractor/EER per the table included in response to Question #8.

At that same time that the program issues the rebate coupon to be applied to the electrification and appliance rebates project, the program will reserve all incentive amounts for the EERs related to that project. Incentives will be paid to the contractor/EER when they submit the required information about the completed project. The state will also provide educational materials and do outreach to contractors/EER so that they are aware of this potential incentive.

51. Confirm that the State program will provide a clear incentive schedule commensurate with the scale of the upgrades installed not to exceed the maximum allowable values.

Yes, the State confirms the above statement.

52. Describe what tool(s) the State will provide for eligible entity representatives to identify households that qualify for an installer incentive for substantial installation located within a disadvantaged community.

Defer response to State Implementation Blueprint.

The state will be using the DOE Rebate Tracking System and will be providing a map of DACs so that the DOE Rebate Tracking System can associate a home's location with its "disadvantaged community" status.

When a rebate coupon is issued via the DOE Rebate Tracking System, that unique coupon will state whether the home is located in a DAC. If it is located in a DAC and household income is below 80% AMI, the contractor/EER will be notified that they may be eligible for the \$150 incentive if they complete a substantial installation within that home (which does not include projects with only an electric stove or heat pump dryer). Installer incentives for one household, however, cannot exceed \$500.

As with the product incentives, the program will reserve up to \$150 for any project to be completed in a low-income (below 80% AMI) household in a DAC. The reserved amount will be limited by the \$500 cap on installer incentives per household. This incentive will be paid to the contractor/EER when they submit the required information about the completed project.

The program will also provide educational materials and do outreach to contractors/EER so that they are aware of this potential incentive for substantial installations in DACs.

53. Confirm that the State program will automatically provide the incentive to eligible entity representatives in an amount not to exceed \$500 per dwelling unit or multifamily building in a 12-month period.

Yes, the State confirms the above statement.

The state confirms that it will not exceed an incentive of \$500 per qualified electrification project per dwelling unit in a 12-month period, and will not allow the total incentives to a multifamily building to exceed the incentives listed in Question 8, up to a maximum of twenty units.

Section 4.2.4 Home Assessments

54. Determine and describe a pre-defined set of home pre-condition(s) and/or scope of work scenario(s) that will constitute unacceptable risk of raising utility bills.

- Defer response to State Implementation Blueprint.

No rebates will be provided for heating equipment.

Rebates to improve access to cooling will be focused on more efficient ducted heat pumps that enable cooling in specific rooms and deemphasize whole-home cooling.

Contractors will be required to provide customers with an estimated bill impact of cooling devices for previously unconditioned spaces.

55. Identify if the State will allow remote or virtual assessments in place of field-based assessments in cases of limited home assessments and if so, describe process.

- Yes, the State will allow remote or virtual assessments (described below).

The implementation contractor will develop a consistent questionnaire for home energy contractors to complete, likely incorporated into the contractor's rebate interface, to gather data on the unit. This will cover information similar to that described here, Virtual Energy Assessment (virtualhea.com). For HEAR, this information will be focused on appliance fuel type, age, and approximate energy consumption. The process for HEAR virtual assessments will include photographs and video conferencing, as described generally here - Remote Energy Efficiency Assessments the New Normal? (<https://www.energy.gov/eere/better-buildings-residential-network/articles/remote-energy-efficiency-assessments-new-normal>). The state will likely provide customer-facing FAQs for this process, when finalized with the implementation contractor, similar to this resource - FAQs (virtualhomeassessment.com).

The state will work with the implementation contractor to account for health and safety issues that may prevent the system from being safely installed and/or compromise system performance over its lifetime.

- No, the State will not allow remote or virtual assessments.
 Defer response to State Implementation Blueprint.

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

- Defer response to State Implementation Blueprint.

The implementation contractor will develop a consistent questionnaire for home energy contractors to complete, likely incorporated into the contractor's rebate

interface, to gather data on the unit. This will cover information similar to that described here, Virtual Energy Assessment (virtualhea.com). For HEAR, this information will be focused on appliance fuel type, age, and approximate energy consumption. The process for HEAR virtual assessments will include photographs and video conferencing, as described generally here - Remote Energy Efficiency Assessments the New Normal? (<https://www.energy.gov/eere/better-buildings-residential-network/articles/remote-energy-efficiency-assessments-new-normal>). The state will likely provide customer-facing FAQs for this process, when finalized with the implementation contractor, similar to this resource - FAQs (virtualhomeassessment.com).

The state will work with the implementation contractor to account for health and safety issues that may prevent the system from being safely installed and/or compromise system performance over its lifetime.

Section 4.2.5 Consumer Protection Through Quality Assurance

57. Confirm that the State will prepare and implement a Consumer Protection Plan in accordance with these requirements in section 4.2.5.

Yes, the State confirms the above statement.

Requirements to Maximize Rebate Impact

Section 4.3.1 Supporting the Clean Energy Economy Through Market Transformation

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

Yes, the State confirms the above statement and will provide the plan with this narrative document.

Section 4.3.2 Integrating with Other Programs

59. 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. If the State does not plan to integrate the rebates into any existing programs, note this as "not applicable" within the application. 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, quality assurance (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.

For the “rapid rollout,” the state intends to leverage the existing TPA rebates for unducted air conditioning and heat pump water heaters, and potentially modify an existing rebate for induction cooktops.

For the linked HOMES and HEAR implementation procurement, to the extent feasible given restrictions in combining federal grants and rebates, as one portion of the rebates, the state plans to leverage the federally funded weatherization programs and use the Home Electrification & Appliance Rebates to ensure that low-income households served by weatherization can also benefit from equipment improvements that are typically beyond the scope of weatherization.

As one method for delivering these rebates, the state plans to leverage the Public Benefits Fund program. In addition, the Hawai’i Green Infrastructure Authority programs for on-bill financing can complement 50122 rebates. These non-federally funded programs already have established programs that can facilitate the delivery of 50121 and 50122 rebates.

By integrating the 50122 Home Electrification & Appliance Rebates with IRA 50121, 50123, Weatherization Assistance, LIHEAP, and potential funding from other IJIA and IRA sources such as the Greenhouse Gas Reduction Fund, the state will build on existing consumer education materials, quality assurance activities, and workforce qualifications. HSEO is working with county, state, and federal agencies (i.e. Office of Consumer Protection, HUD, Hawai’i Data Exchange Partnership, etc.) to gather existing requirements and standards for quality assurance, workforce, data security, and other related measure to integrate these existing standards into the HOMES and HEAR programs. The specifics of how this integration will work the PBFA, financing incentives, and other similar programs will be determined in coordination with the program implementer selected through a competitive bid process.

Regardless of whether the state is able to fully integrate Home Electrification & Appliance Rebates into existing programs, the state will ensure that any program co-funding or stacking complies with the Program Requirements.

60. Describe how the State program will support households, contractors, and other stakeholders in understanding how the State program may leverage other program resources.

- Defer response to State Implementation Blueprint.

Prior to launching this rebate program:

- The state will work with relevant state membership associations and industry groups to conduct outreach via webinars and emails to program administrators and home energy contractors (e.g., home performance, HVAC, plumbers,

insulation installers, etc.) about allowable stacking and co-funding of measures and upgrades.

- The state will work with consumer education organizations, community-based organizations, retailers, manufacturers, and others to provide reliable information to homeowners and building owners. The state will make information available at large public forums (e.g., county fairs, festivals) as well as at retail locations.
- The state will engage with the following utilities Hawaiian Electric and Kaua'i Island Utilities Cooperative to collaborate and leverage existing communications, trainings, and marketing channels to amplify the message of the Home Energy Rebates. This includes media, mailers, emails, talking points, and follow up info for customer service call centers, leave-behind materials at trainings and trade ally network gatherings, and direct engagement with utility implementers.

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

- Defer response to State Implementation Blueprint.

The state will educate home energy contractors/EERs (and consumers) regarding the restriction of applying incentives that exceed total project cost. All contractors on the existing TPA's qualified contractor list will be given a pre-launch set of materials including information regarding the restrictions on stacking and the restriction that total upfront incentives cannot exceed the total project cost.

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

A homeowner or building owner is not eligible for rebate funds that in combination with other incentives exceed the total project cost. A homeowner or building owner must inform their contractor of other incentives that they are receiving toward the cost of the project. The contractor will then apply this rebate toward any remaining costs not covered by the other incentives and show that deducted amount on their invoice to be signed by the homeowner or building owner.

The contractor/EER will also require the homeowner or building owner to sign an affidavit stating that they did not receive funds in excess of the total project costs. Finally, the state will require contractors to list all applied incentives on the invoice that must be sent to the state/implementer in order to receive reimbursement for the 50122 Home Electrification & Appliance Rebate applied at point of installation/service.

62. Describe how the State program will support contractors and retailers in preparing acceptable invoices that may be kept as program records. The State must also describe how its implementer(s) will produce this 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.

All home energy contractors/EERs will be required to complete at least a brief on-line training session before being placed on a qualified contractors list. Only those included on that list will be eligible to be reimbursed for 50122 Home Electrification & Appliance Rebates applied at point of service/installation. The training will detail all of the required components of invoices as well as the reporting system that contractors will need to use to submit required information (including invoices). As part of the training session, the contractor will be asked to complete a “mock” request for reimbursement which will include entering all relevant invoice information, uploading a “signed” invoice, and any other requirements.

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

Any retailer that uses the DOE Rebate Tracking System API will receive guidance on how to submit the correct invoice information electronically. Other retailers that choose to accept a coupon will be able to find instructions when entering the invoice information or uploading transaction documentation in the rebate processing system.

The implementer or the state will be able to promptly provide invoice documentation because it will be submitted electronically through the DOE Rebate Tracking System, whether by API or maintained manually on a DOE-provided spreadsheet. All of these records will be retained by the implementer, and the majority of this information will already be provided to DOE.

63. Describe how the State will ensure rebate recipients will be made aware of the portion of the funding received from the DOE Home Electrification and Appliance Rebates.

- Defer response to State Implementation Blueprint.

The state intends to use the [DOE Rebate Tracking System](#) and workflows which include multiple notifications to all participants including homeowners and building owners regarding the level of DOE Home Electrification & Appliance Rebates available and applied. Contractors will be required to provide a line item showing the level of rebate applied on invoices that must be signed by the homeowner or building owner. Without this documentation, contractors will not be reimbursed.

Section 4.3.3 Quick Starts

64. 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.