



NASEO RFI Response

A Program Implementation Concept for the High-Efficiency Electric Home Rebate (HEEHR) Program

Submitted to:
National Association of State Energy
Officials (NASEO)
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1 Category 1: Comprehensive Program Design

1.1 Company Characteristics

1. Name, contact information, company or organization that you represent.

Company: ICF

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Contact for State Energy Offices: Mike Mernick. Email: Michael.Mernick@icf.com. Phone: +1 (401) 465-0674
ICF authorizes NASEO to publish and distribute this response to the NASEO RFI on its website and through other means to the states and general public. We have included no confidential or proprietary information in our response. **Signed by:** *David Pickles*, Senior Vice President

2. An overview of your approach to equity, diversity, inclusion, and accessibility (DEIA).

At ICF, we live the values we wish to see in the world, going beyond words so that our values become our actions, and these actions reinforce our corporate culture. Promoting Diversity, Equity, Inclusion and Accessibility (DEIA) is a critical focus in developing and maintaining our employee workforce, supporting our clients, and engaging our suppliers and partners. As shown in our [Inclusion Report](#), ICF's more than 9,000 employees speak over 70 languages, are more than 50% female, more than 45% non-white, and more than 50% Millennial or Gen Z. ICF's Supplier Diversity framework has a 15+-year history of working with small, diverse, and disadvantaged businesses, in which we have subcontracted nearly \$1.5 Billion with such businesses, graduated eight companies from the Federal Mentor/Protégé Program, launched a partnership development program, and worked as a subcontractor to local prime diverse suppliers. In 2023, Forbes again recognized ICF as a [Best Employer For Diversity](#).

3. As applicable, a short description and a link to programming that your company is contracted or has been contracted to implement for planning, administering, and/or field delivery of federal or state programs. Note which, if any, provides low- and moderate-income and affordable home energy upgrades, especially with and in disadvantaged communities.

ICF has planned, managed, and supported implementation for federal clean energy programs for more than three decades, including contract support for EPA's [ENERGY STAR® Labeled Product, New Homes](#), and [Home Performance with ENERGY STAR](#) programs. Our labeled products work includes heat pump products, including heat pump water heaters. At the state level, we have supported state energy office efforts including Maryland Energy Administration's Strategic Energy Investment Fund programs, Pennsylvania's Energy Program Office, Massachusetts' Green Communities initiative, and various NYSERDA programs. During the American Recovery and Reinvestment Act period of 2009-12, ICF fulfilled Maryland Energy Administration's appliance rebates under State Energy Efficient Appliance Rebate Program (SEEARP) funding, leveraging our utility program business center capacity. ICF is currently supporting several SEOs in the development of their DOE supported Energy Security Plans. ICF's 45 offices in 28 states enable us to serve state needs in all regions of the country.

ICF is also a leading implementer of ratepayer-funded programs, primarily working as an implementation contractor for utilities. Since 1999, ICF has helped utilities in all regions of the country plan, design, and implement residential energy efficiency programs. We have implemented more than 200 programs in all, and in the process have perfected technical, business, and market processes that have delivered award-winning results. ICF currently implements 49 programs that deliver instant rebates to promote the sale of energy efficient products, appliances and equipment through retailers, distributors, and contractors across the country. Some examples of these programs in New Jersey for (PSE&G [Appliances](#), [Retail Lighting](#), [HVAC Instant Rebate](#)), Maryland for (SMECO [Appliance Rebates](#), [Heating & Cooling Rebates](#), [Lighting](#)), Oklahoma for (PSO [Power Forward Home Rebates](#)). ICF delivers programs at scale in other domains as well: for example, our disaster management programs, funded by FEMA and HUD, have delivered billions of dollars of recovery funding in Louisiana, Texas, Florida, Puerto Rico, and New Jersey.

1.2 Program Goals

4. How would you describe the goals of this program design? What kind of market transformation are you looking to achieve?

HEEHR's overall goals are to decarbonize American homes by electrifying key end uses, which will reduce GHG emissions and home energy bills, and transform these end use markets. ICF's program design supports these goals by leveraging supply chain infrastructure to maximize program impacts through an easy to administer design, and in the process to transform markets, by engaging key supply chain partners, shifting product market shares, and expanding the trained contractor base. Over a multiyear period, the metrics for market transformation would include not only market share increases, but a shift in market perception and behavior, such that the targeted product types become the mainstream choice. This perception would be accompanied by significant drops in retail prices, creating a virtuous circle where the preferred choice becomes the more affordable choice.

ICF is confident in our ability to help state energy offices realize this kind of market transformation, because we have helped EPA do this with ENERGY STAR Labeled Products since the 1990s, and utility clients since the 2000s. We have seen high-efficiency lighting, appliances, and HVAC products become dominant in their markets, by leveraging manufacturers, distributors, retailers, installers to deliver quality products and proven savings to customers. Ultimately, many of the product standards we have helped promote in the market have become federal appliance standards, making market transformation universal and permanent. We believe that state energy offices can leverage our experience and existing infrastructure to drive a new wave of similar market transformation through HEEHR.

5. Does your program address a specific building type? If yes, which?

Our program design is a comprehensive design to serve all residential building types, including single-family, multifamily, and manufactured homes, in any configuration that allows eligible products to be installed and operated within applicable specifications.

6. Does your program target a particular income level? If yes, which? If not, what income levels can your program effectively reach?

Yes, the program design will serve targeted income levels, defined as households below 80% of Area Median Income (AMI) and 80-150% of AMI. Because we will be targeting supply chains broadly to reach all equipment replacement markets, we will effectively serve this population over the program period.

7. Does your program design address HOMES, HEEHR, or both?

The program design included here addresses HEERA. However, this design is flexible and could easily be realigned to support those SEOs wishing to combine programs, seek economies of scale, and provide greater access to constituents eligible to participate in multiple programs. 8. *If your program design addresses HOMES, are energy savings measured, modeled, or both?* NA

9. Does your program design promote any efficiency or electrification technology in particular? How will you determine which technologies are eligible for rebates?

This program design accommodates all eligible technologies, as defined by legislation, or required by the SEO. For products sold through retail channels, we will work with retailers to identify eligible SKUs; for those sold through distributor channels, we will establish eligibility criteria that enable identification of specific models. ICF will work with each SEO to identify technologies that best advance the state's objectives by carefully considering the best matches among technologies, end-uses, customer applications, and state-specific intentions. We will then adjust measure specifications and rebates to meet state preferences.

1.3 Market Conditions

10. What market conditions are necessary for your program design to be successful? What policies are necessary? What relationships? (E.g., relationships with utilities, relationships with appliance manufacturers, building envelope technology manufacturers, data access policies, relationships with local and county

governments, consumer access to internet, consumer access to big box retailers.) If these conditions are not available, how would a state create them?

The principal market condition for success in HEEHR is in the supply chains for eligible technologies, which need to be able to support increased demand on a timely basis. No specific new policy actions are needed, as the markets and players required for HEEHR success are present in every state and can operate under existing policy conditions. Key relationships include:

- **Manufacturers, retailers, distributors, and contractors.** ICF has built these relationships in markets across the country. We work directly with more than 700 Lowes and Home Depot stores, for example.
- **Utilities.** We will collaborate with utility partners in each state to align and leverage complementary utility program offerings. In some cases, state energy offices may want to develop explicit coordination agreements, such that utility program implementers like ICF can manage both HEEHR and utility programs through common program management systems.
- **Local governments, trade organizations and community organizations.** These can also play significant roles in promoting awareness and uptake of HEEHR incentives.

Data access should not be an issue for HEEHR, in that the supply chain and retail channels have well-developed systems for product information, incentive fulfillment, and related issues. Access to utility customer usage data could help implementers identify and reach out to customers. Customer access to internet, while helpful, is not essential for HEEHR success. Our marketing teams know how to reach all customer audiences through the channels that reach them best, and our systems can handle a range of enrollment and fulfillment mechanisms.

11. How would building permits and inspections impact the program?

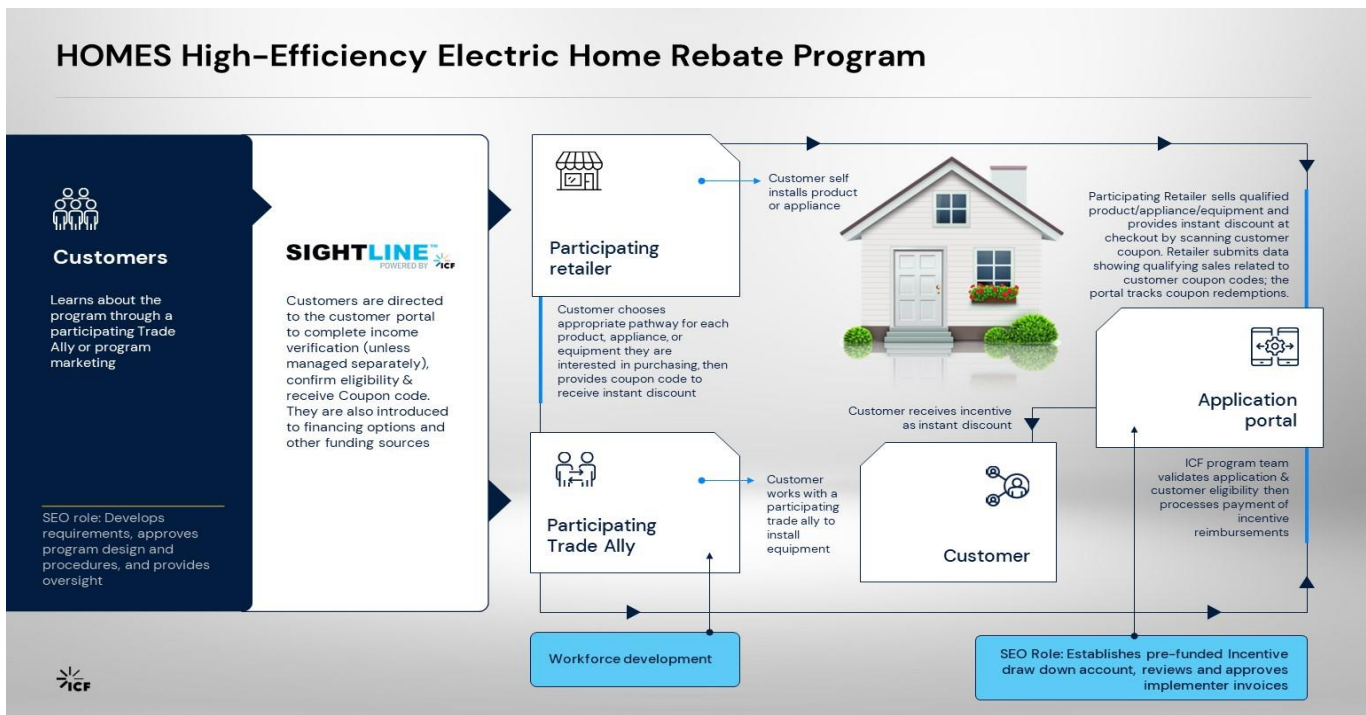
Generally, HEEHR rebate projects, typically seen as like-for-like equipment replacements, should not require formal building permits, except where local permitting regulations require. In cases where major modifications to the home electricity service are made, utilities and/or local authorities may require permits. ICF will assign these responsibilities to installation contractors.

1.4 Implementation Proposal

12. Describe your vision for implementation in as much detail as possible. Include:

a. A description of the program concept.

Exhibit 1: Illustration of ICF’s Concept for the High-Efficiency Electric Home Rebate Program



The proposed program concept, illustrated in Exhibit 1, provides a seamless customer experience while ensuring execution of legislative and SEO requirements.

ICF will leverage existing trade ally relationships to plan and execute within a specific state, including The Home Depot and Lowe's, as well as smaller local retailers. We will also leverage our existing manufacturer and distributor relationships to recruit and train contractors and installers within the state. In order to ensure participation options for customers in areas not served by big box retailers, ICF can also utilize an online marketplace as a sales channel. To ensure the integrity of the list of eligible Stock Keeping Units (SKUs), ICF will continuously work with our network of retailers and distributors to ensure that the program's SKU list stays up to date, as model transitions occur regularly across all product types.

Contractor training will be conducted using ICF's train-the-trainer method. Account Managers hired locally will visit participating distributors to provide initial and ongoing training, as well as ongoing oversight and management of the trade ally network. We will also utilize our web-based platform, which provides continuing education units (CEU) accredited courses for contractors. Those distributors will then train all participating contractors, who are recruited by the distributors and approved by ICF.

ICF will also apply our extensive experience in income verification and fraud prevention for programs of this size and complexity, along with our proven quality assurance procedures. The Sightline tool will mitigate fraud by validating customers and allowing only one instant coupon per measure. Invoices from trade allies will be compared to data in the Sightline tool. Certification of work completed will be provided for measures purchased through participating contractors. Contractors will request customer IDs on-site prior to installation to verify the customer. The contractor will take a geo-tagged photo to verify that the installation location matches the customer's address. For self-installations through retailer purchases, virtual or in-person field inspections can be provided to verify that the product was installed at the approved customer address. Purchases made through retailers will not require a certification of work completed. The measures available through the retail channel are more conducive to self-installation, and it will be a better customer service experience if those income qualified customers are allowed to install those measures.

b. A description of the participant journey through the awareness, application, participation, and close out process (including money flows and options for stacking rebates and financing).

The participant's journey is depicted in Exhibit 1.

c. A description of the roles and responsibilities of all parties involved in the process, including the responsibilities of the State Energy Office.

The roles and responsibilities of the parties involved are depicted in Exhibit 1.

d. A statement of the benefits and comparative advantages of this program concept (including grid impacts related to electrification, ability, or inability to cover a state's entire geography).

ICF's program design supports attainment of the goals outlined in our response to question 4, and also offers benefits and advantages including:

- **Transparency.** ICF receives no payments or other revenue for products purchased through proprietary or affiliated web portals or other channels. This keeps us independent, objective, and transparent in our service delivery integrity and in our program fee structures.
- **Efficiencies** realized by leveraging a proven supply chain network capable of selling and installing energy efficiency and electrification measures, which ICF helped build through our ENERGY STAR work and perfect through our utility work. It enables lower program costs and larger scaling of impacts.
- **Market transformation.** By driving market share growth in targeted products, this design will make HEEHR products more mainstream and lower cost. As these products gain market share, they will become the preferred market choice, and may ultimately lock in savings across the entire market by raising federal appliance standards for covered products.
- **Utility grid benefits**, especially reductions in peak demand through measures such as programmable and Wi-Fi HVAC thermostats and water heaters. These measures support DOE's Grid-Interactive Efficient Buildings (GEBs) goal; and when aligned with utility-provided incentives for such GEBs-enabling strategies, can result in the development and enablement of Virtual Power Plants (VPPs).

- **Statewide coverage.** Our program concept provides statewide coverage by leveraging existing and to-be-added contractor and installer networks. Though layering of other incentives and financing and promotional support from utilities and local governments may vary across states, our contractor recruiting and training will actively engage participation statewide, and especially in disadvantaged communities.

e. A description of any secondary market implications (e.g., reselling energy savings).

Secondary markets for residential energy savings in the U.S. are generally limited to forward capacity markets operated by regional transmission organizations, such as PJM, New England ISO, or the California ISO. Participation in such markets requires aggregators, which in the past have been distribution utilities. But if the HEEERA program were to be aligned with the HOMES program, aggregators could potentially leverage these programs for participation in Demand Response programs, where enabled and eligible. In some cases, voluntary carbon markets have paid for emissions offsets from energy efficiency projects, but those have typically been large projects involving major energy users, where the transaction costs could be justified. In the future, some investors could be willing to pay for the CO2 emission reduction value associated with HOMES projects, but this would require additional EM&V mechanisms and other market development actions.

1.5 Types of Implementation Partners

13. Types of partners, businesses or other entities will be necessary for program implementation (Do not specify a third-party name. NASEO may delete your entire submission if a specific third-party name is included).

Program implementation will require partnerships with retailers, distributors, contractors, and installers. Utility partnerships can also be beneficial to leverage additional program incentives.

1.6 Other

14. Any additional comments. NA

1.7 RFP Language

15. Any RFP language that could be used to execute your program idea.

ICF prefers not to supply RFP language here, to ensure that we are eligible to bid on implementation RFPs. It is our understanding that if a vendor participates in developing an RFP, they are subsequently prohibited from bidding on that RFP. We recommend that NASEO and member state energy offices clarify this policy before any RFPs are issued.

2 Category 3: Indication of Vendor Interest

2.1 Company Characteristics

22. Name, contact information, company, or organization that you represent.

Company: ICF

NASEO Contact: David Pickles. Email: David.Pickles@icf.com. Phone: +1 (469) 467-4410

Contact for State Energy Offices: Mike Mernick. Email: Michael.Mernick@icf.com. Phone: +1 (401) 465-0674

ICF authorizes NASEO to publish and distribute this response to the NASEO RFI on its website and through other means to the states and general public. We have included no confidential or proprietary information in our response. **Signed by:** *David Pickles*, Senior Vice President

23. An overview of your approach to equity, diversity, inclusion, and accessibility (DEIA).

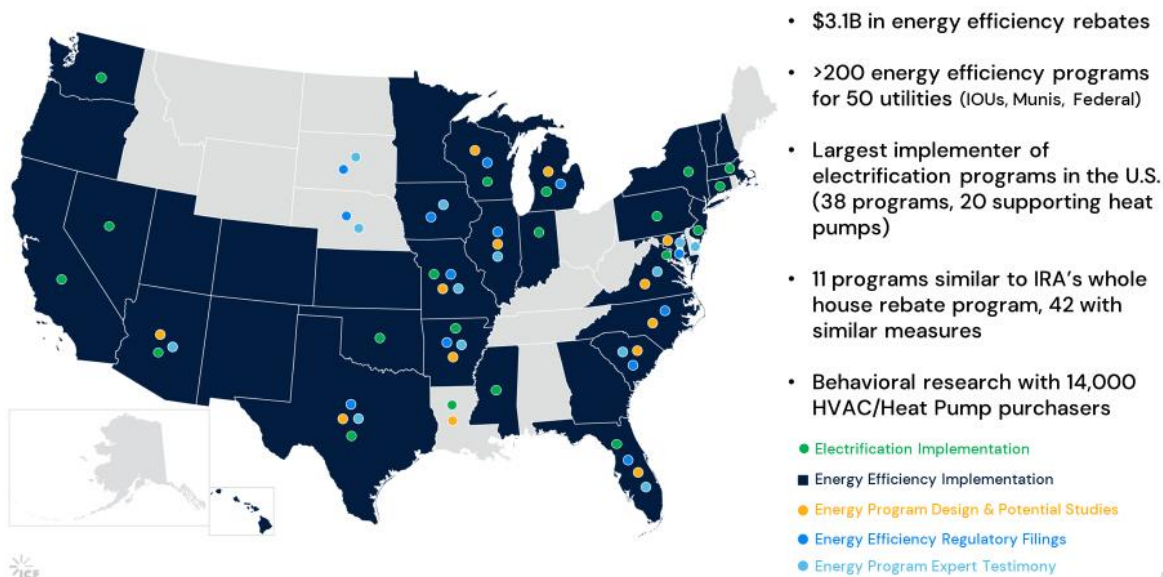
At ICF, we live the values we wish to see in the world. Our values become our actions, and these actions reinforce our corporate culture. Promoting Diversity, Equity, Inclusion and Accessibility (DEIA) is a critical focus in developing and maintaining our employee workforce, supporting our clients, and engaging our suppliers and partners. Internally, ICF's more than 9,000 employees speak over 70 languages, are more than 50% female, more than 45% non-white, and more than 50% Millennial or Gen Z. ICFs' Supplier Diversity framework has subcontracted nearly \$1.5 Billion dollars with small and disadvantaged businesses, graduated eight companies from the Federal Mentor/Protégé Program, and worked as a subcontractor to local prime diverse suppliers.

Our focus on DEIA internally gives us the knowledge and framework needed to root our client programs in DEIA principles. We ensure best practices are applied consistently across program activities through the development of tools, systems, and staff capacity to implement our expertise. We use advanced GIS and demographic data analytics to prioritize communities so that we know where our efforts need to be directed. Our stakeholder engagement process helps connect those priority communities and other populations to our programs, ensuring that underrepresented groups are involved, and their needs met. Our communications teams produce culturally relevant, multilingual materials and distribute them through the channels that can best reach these communities. Finally, our program management systems are designed to report key DEIA performance indicators, such as the percentage of total incentives delivered to priority communities and defining of non-financial benefits.

24. As applicable, a short description and a link to programming that your company is contracted or has been contracted to implement for planning, administering, and/or field delivery of federal or state programs. Note which, if any, provides low- and moderate-income and affordable home energy upgrades, especially with and in disadvantaged communities.

ICF has planned, managed, and supported implementation for federal clean energy programs for more than three decades, including contract support for EPA's [ENERGY STAR® Labeled Product](#), [New Homes](#), and [Home Performance with ENERGY STAR](#) programs. ICF has a deep history with HPwES, having helped EPA develop, design, and implement this whole house retrofit program since its inception in 2001. At the state level, we have supported state energy office efforts including Maryland Energy Administration's Strategic Energy Investment Fund programs, Pennsylvania's Energy Program Office, Massachusetts' Green Communities initiative, and various NYSERDA programs in lighting, heat pumps, solar PV, among others. In our role as EPA's Home Performance with ENERGY STAR contractor, ICF helped states and localities test and pilot HPwES methods and practices. ICF is also a leading implementer of ratepayer-funded programs, primarily working as an implementation contractor for utilities. This experience is summarized in Exhibit 2.

Exhibit 2: ICF's National Energy Efficiency and Electrification Program Footprint



2.2 Company Summary

25. Summarize the services your company or organization could provide to a State Energy Office in the execution of these programs.

ICF is a nationwide program implementer that provides full end-to-end services, including program design, stakeholder engagement, community outreach, grant administration, field implementation, marketing, and program management, such as:

- ICF's own **full-service call center** to answer program questions, manage business processes, support customer care, and process incentive applications and payments.
- Our **analytics support** includes planning analyses such as energy and demand savings potential, error-checking modeling tool results, and midcourse adaptive design changes.
- ICF's award winning **marketing and communications teams** develop messaging strategies, marketing materials, media campaigns, integrated with technical and management teams.
- ICF **recruits, trains, supports, and supervises trade allies** including aggregators, contractors, and supply chain partners via our National Accounts team. We also support merchandising field services such as retailer staff training and in-store events.
- ICF conducts **QA/QC processes** directly and through third-party verifiers, to ensure that work performed reflects modeling tool projections and performance testing results.
- ICF applies our **information technology (IT) systems such as Sightline™** to support both customer engagement and experience and client reporting.
- Development of **equity and justice programs** in 6 states and for the EPA, DOE and numerous public utilities.

In providing any of these services, ICF's program leaders live a culture of responsiveness and mutual trust. They build strong relationships with our clients, our trade allies, and our various ICF subteams. They are 'on it' in responding to situations that arise during our programs, and find solutions that quickly address any performance, logistics, personnel, or other issues.



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About ICF

ICF (NASDAQ: ICFI) is a global consulting and digital services company with over 7,000 full- and part-time employees, but we are not your typical consultants. At ICF, business analysts and policy specialists work together with digital strategists, data scientists and creatives. We combine unmatched industry expertise with cutting-edge engagement capabilities to help organizations solve their most complex challenges. Since 1969, public and private sector clients have worked with ICF to navigate change and shape the future. Learn more at [icf.com](https://www.icf.com).