



NASEO RFI Response



A Program Implementation Concept for the HOMES Modeled Savings Method

Submitted to:
National Association of State Energy
Officials (NASEO)
1300 North 17th Street, Suite 1275
Arlington, VA 22209

Submitted by:
ICF Resources, L.L.C.
1902 Reston Metro Plaza
Reston, VA 201901
703-934-3000

5/19/2023

This proposal contains ICF's confidential information and shall not be disclosed to any third party or used for any purpose other than to evaluate this proposal. Copyright © 2023 ICF Resources LLC, All Rights Reserved.

Table of Contents

1	Category 1: Comprehensive Program Design	1
1.1	Company Characteristics.....	1
1.2	Program Goals	1
1.3	Market Conditions	2
1.4	Implementation Proposal	3
1.5	Types of Implementation Partners.....	5
1.6	Other.....	5
1.7	RFP Language	5
2	Category 3: Indication of Vendor Interest	6
2.1	Company Characteristics.....	6
2.2	Company Summary.....	7



1 Category 1: Comprehensive Program Design

1.1 Company Characteristics

1. 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

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: 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. In 2023, Forbes 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® New Homes](#), [Home Performance with ENERGY STAR \(HPwES\)](#), [ENERGY STAR Labeled Products](#), and [ENERGY STAR Buildings](#), and [DOE's Better Buildings](#) and [Better Climate](#) programs, and its [Combined Heat and Power \(CHP\) program](#). As EPA's HPwES contractor, we also helped several states and localities field test the methods that are in wider use today. 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. 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 has 45 offices in 28 states. ICF is also a leading implementation contractor for utilities. ICF currently implements eleven comprehensive home performance programs for utilities, including programs in Maryland (for [Baltimore Gas & Electric](#), [Pepco](#), and [Southern Maryland Electric Cooperative](#)), Michigan (for [Consumers Energy](#) and [DTE Energy](#)), Oklahoma (for [Public Service Company of Oklahoma](#)), and New Jersey (for [Public Service Gas and Electric](#)). ICF provides full end-to-end services, including program design, outreach, scheduling, field implementation, advertising, marketing, database tracking and management, back-office and call center support, and QA/QC.

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?

The HOMES rebate program is intended to upgrade the energy performance of hundreds of thousands of American homes, and in the process transform the nation's residential energy efficiency market. ICF's program design goals support these broader goals by fostering a trade ally-based system that uses approved modeling tools to identify and install whole-house efficiency solutions and sustaining this market momentum by building trade ally capacity and consumer awareness. Having fostered similar home performance trade ally markets in

several states, we believe this goal is attainable in all states. The ultimate market transformation goal is to realize enhanced energy performance in all American homes in the coming years. Our overall program goal encompasses several subgoals:

- Deliver at least 40% of the benefits to low and moderate-income households
- Improve energy savings realization rates through calibration of modeling tools
- Support workforce development of trade allies for capacity to deliver at scale
- Foster customer awareness of the benefits of comprehensive home energy upgrades
- Leverage other funding sources, such as utility incentives, green bank, and other financing mechanisms to provide lasting ways to fund energy upgrades
- Deploy a program design that is easy for states to administer, minimizes fraud, waste, and abuse, and withstands Inspector General audits.

ICF looks to achieve the kind of market transformation that we have helped achieve over the last 30 years, by supporting EPA's ENERGY STAR® programs, including Home Performance with ENERGY STAR and similar programs for utilities in several states. We have helped trade allies learn the skills and apply the tools to make whole-house solutions commonplace in the market. We believe our HOMES modeled savings program is the most informed and field proven design to help states realize such results across the nation.

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

Our program design is widely applicable to single-family and multifamily building types, owner-occupied and rental dwelling units.

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

The design is applicable to all income levels. However, the tiered incentive structure places added market interest on low and/or moderate-income homes.

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

This program design addresses the modeled savings path in HOMES in its technical features; however, from a program delivery standpoint we can easily combine it with the measured savings path and/or the HEEHR program to provide a full-service program delivery solution.

8. If your program design addresses HOMES, are energy savings measured, modeled, or both?

This program design is for the modeled path in HOMES; however, we can easily combine it with the measured path to allow states to offer individual or combined programs. The differences in measured vs. modeling savings are mostly technical, but the program management dimensions can be handled in a single program administration structure.

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

Our modeled savings design is technology-agnostic, though its flexibility allows states to encourage specific technologies if a state desires. For example, we could prioritize promotion of heat pumps or other electrification technologies, though a wide variety of solutions would be eligible if the project forecasts modeled savings of at least 20%, the savings are estimated using software consistent with BPI 2400, and the measures meet any DOE- or state-defined requirements. 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?

There are no specific policy requirements needed to enable this program design in a legal sense; however, states whose utility regulators have approved programs of this type are more likely to have the tools and methods, and the trade allies and other players, needed for success. States where regulators and utilities have enabled electronic data exchange systems could be easier markets in which to implement this design. Bulk access to utility metering data can be vital for this effort: more than half of U.S. electric utility customers have the advanced metering (AMI) needed to obtain such data remotely, though AMI penetration varies by state. Key relationships include:

- **Electric utilities** can be key partners to provide customer usage data to calibrate the energy model. However, this information can also be obtained through third party entities, so long as customers provide their consent. Utilities’ efficiency programs, which could provide complementary funding leverage.
- **Trade allies** must be capable and experienced in the modeled savings approach if this program design is to succeed. Depending on the state’s record of accomplishment, some states may need training and other workforce development support to build this capacity.
- **Supply chain partners**, including manufacturers, distributors, retailers, and local governments, can all be helpful partners, though they typically follow market demand and so are not often critical path constraints.
- **Customers** are the ultimate drivers! Internet access is helpful for customer engagement, but not essential; ICF’s teams use the best channels to reach key audiences, be they electronic, print, TV, radio, or community networks.

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

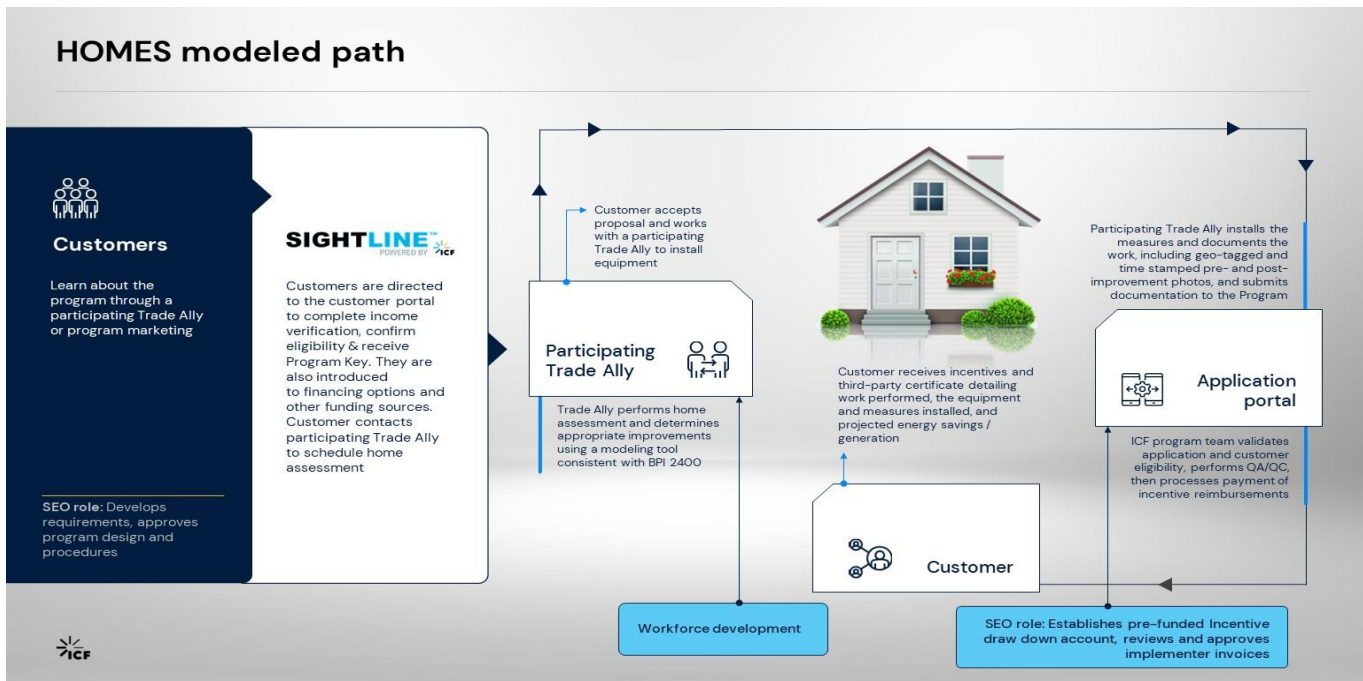
Where applicable, the program will require trade allies to obtain building permits and inspections. In many cases, permits are not required for interior remodeling or like-for-like replacements, which tend to be the majority of such projects. Our experience is that such issues will not significantly impact the program.

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 HOMES Modeled Path Program



Our program concept, illustrated in Exhibit 1, builds on and/or develops a trade ally network that is trained in selling whole-house energy upgrades, conducting site assessments with modeling tools, and quality

installation. The program will recruit, train, and manage trade allies, aligned with state workforce development efforts. Eligible measures include any bundle that meets modeled energy saving thresholds and any additional DOE or SEO imposed requirements; which could include air sealing, insulation, space heating and cooling equipment, water heaters, and appliances.

Customers will learn about the program from participating trade allies directly, or through program marketing activities; most will visit the program website, where they set up an account and verify income eligibility. Customers will then receive a Key to reserve incentive funding and will contact a participating trade ally to schedule a site assessment. Site assessments identify improvements using a model consistent with BPI 2400 and provide customers with detailed proposals that meet program standards.

For accepted proposals, the trade ally performs and documents the work (including geo-tagged and time stamped photos) and submits documentation to the program. ICF performs QA/QC on submitted documentation, including fraud detection and prevention. The trade ally arranges for all required appliance and material recycling. The customer then pays the trade ally, and the program pays incentives to the customer or their trade ally (if assigned). The customer receives a third-party certificate detailing the work performed and projected energy savings.

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 HEEHRA 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. Participation in such markets requires aggregators, which in

the past have been distribution utilities, but under HOMES these could potentially be unregulated aggregators. 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.

HOMES will provide a stream of longer-term benefits, such as recognition of the value of upgraded homes in the real estate market, through certification, appraisal methods, and similar schemes. The improvements will reduce the customers' energy burden and free up money that can flow directly to local communities. In disadvantaged communities, HOMES investments could reverse the decline in housing quality and value, and increase local employment, supporting community revitalization and resilience, not to mention providing opportunities for these often disadvantaged and hard to reach communities to participate in other energy related programs that could also contribute to other grid and climate planning efforts.

1.5 Types of Implementation Partners

13. Types of partners, businesses or other entities will be necessary for program implementation.

The types of partner organizations that we will interact with include trade allies, third-party certifiers, workforce development training providers, trade organizations, the SEO, utilities, supply chain partners, and other entities that the program may tap for layering funding.

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 may be 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.

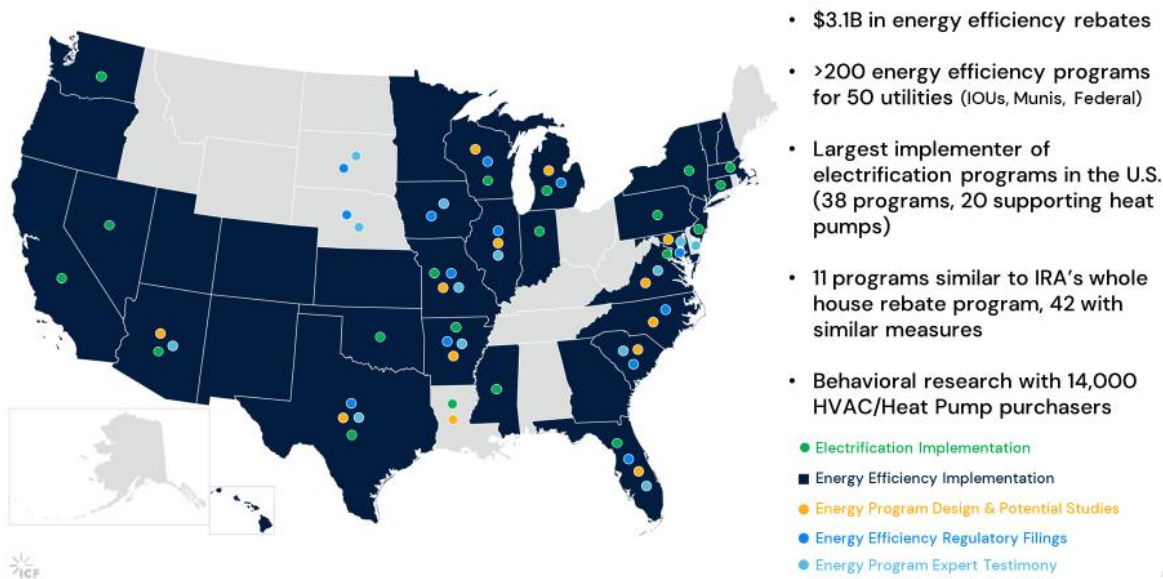
24. As applicable, a short description and a link to programming that your company is contracted or has been contracted to implement for planning, administering, and/or field delivery of federal or state programs. Note which, if any, provides low- and moderate-income and affordable home energy upgrades, 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® New Homes](#), [Home Performance with ENERGY STAR \(HPwES\)](#), [ENERGY STAR Labeled Products](#), [ENERGY STAR Buildings](#), [DOE's Better Buildings](#) and [Better Climate](#) programs, and its [Combined Heat and Power \(CHP\) program](#). 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 Programs Office, Massachusetts' Green Communities initiative, and a wide range of NYSEERDA programs since 1999. ICF's 45 offices in 28 states enable us to serve the needs of states in all regions of the country. In our role as EPA's Home Performance with ENERGY STAR contractor, ICF helped states and localities field test their initial HPwES program efforts. ICF is also a leading implementer of ratepayer-funded programs, primarily working as an implementation contractor for utilities, as summarized in Exhibit 2 below. Leading examples include our work in MD, MI, OK, and NJ for [Baltimore Gas & Electric](#), [Pepco](#), [Southern Maryland Electric Cooperative](#), [Consumers Energy](#), [DTE Energy](#), [Public Service Company of Oklahoma](#)), and [Public Service Gas and Electric](#)).



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



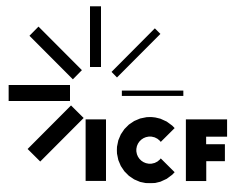
2.2 Company Summary

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, trade allies, and supply chain partners. 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 propriety **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 sub-teams. 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.



icf.com



twitter.com/ICF



[linkedin.com/company/icf-international](https://www.linkedin.com/company/icf-international)



[facebook.com/ThisIsICF](https://www.facebook.com/ThisIsICF)



[#thisisicf](https://www.instagram.com/thisisicf)

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).