

Implementation Options for Home Energy Performance-Based Whole-House Rebate Program and High-Efficiency Electric Home Rebate Program NASEO Request for Information (RFI)

Link to NASEO RFI Summary: [naseo-request-for-information-rfi-implementation-options-for-home-energy-performance-bas...](#)

Category 1: Comprehensive Program Design (maximum of five pages)

Company Characteristics

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

Daniel Mintz, daniel@joinpromise.com 347-225-1159. Promise Network, Inc.

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

Promise builds software that makes government work for everyone. We are a technology company, founded by two women with long histories of working to make the world a better place, that modernizes and humanizes interactions between governments and the people they serve. Our focus is specifically on helping underserved populations and making government technology work for them.

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.

Promise was chosen by the Virginia Dept of Social Services to be the administrator of the federal Low Income Household Water Assistance Program ([LIHWAP](#)) in Virginia, where we helped Virginia go from one of the last states to launch LIHWAP to one of only 8 states that qualified for additional funds because they'd so effectively distributed their initial allocation.

Promise has also been engaged by large water providers in Ohio, California, Arkansas, and Mississippi to help their customers apply for LIHWAP in their states. In 2021 and 2022, Promise helped distribute more than \$15m in CARES Act and ARPA funding to utility customers who had fallen behind on their bills during the pandemic.

Program Goals

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

We see the IRA rebates, particularly the HEEHR program, as a transformative opportunity to open the benefits of electrification to low- and moderate-income households that are often unable to take advantage of rebate programs because of the need for them to cover costs, even if temporarily, out of pocket. Our goal is to provide these households with a delightful and easy-to-use experience that spreads awareness of the programs and their benefits, enrolls households with minimal friction, and delivers benefits quickly.

Because our clients are all governments and highly-regulated utilities, we have a deep understanding of how to design programs that are effective at achieving their aims. We understand how even well-intentioned programs can be implemented in ways that impede their success, and can provide clients with data-driven insights into the key pitfalls that hamper end-users and make programs less successful.

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

No

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

Our expertise is specifically in working with LMI households. While we expect that many households benefitting from HOMES will not be LMI, building an efficient and accurate income verification process will be critical to both HOMES and HEEHR, since each household's options will be dictated by the income verification process.

Within the LMI cohort, we have experience working with both low-income households on programs like LIHWAP, as well as pandemic-impacted moderate-income households. We've learned through our programs that the types of outreach and supports that work best for low-income households are often ill-suited to higher-income households and that designing program language in such a way that households across the income spectrum feel welcome and like the program is "for them" will be critical to the rebate programs' success.

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

Our program design fully addresses HEEHR, and addresses the income qualification portion of HOMES (to determine whether a household's rebate should be doubled), but does not address the other parts of HOMES.

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

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

Our HEEHR program design is technology-agnostic beyond the limitations laid out in the legislation and in upcoming DOE guidance. In talking to DOE, we've strongly suggested that an API-addressable national registry be established—similar to the Energy Star listings—where manufacturers can register their products as being eligible for each of the "line items" in HEEHR (e.g. heat pump hot water heater, electric stove/cooktop, etc.) and DOE or its designee can verify their eligibility. States should not have to build this infrastructure individually and all would benefit from its availability.

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

While there's no single relationship or market condition that will make or break our program design, certain elements will contribute to the overall efficiency and success of the program. Some important ones include:

- Establishing data sharing agreements within state government agencies to create an "express lane" for qualifying households that are categorically eligible vis-a-vis their participation in other government programs. We have deep experience helping negotiate these agreements between state agencies.

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- Leveraging big box retailers broad reach and existing contractor networks to advertise the availability of these rebates.
- Partnering with utilities with existing rebate programs to find ways to braid and stack the IRA rebates with existing programs to maximize consumer savings and cover the cost gap for any costs above and beyond what the IRA rebate programs cover. Many utilities also have existing low-income rate plans whose participants would be good targets for HEEHRA.
- Outreach and education to existing contractor networks and associations to make sure they have adequate materials about the benefits of the IRA rebate programs for distribution to potential customers.

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

For projects that require permitting and inspections, these can be added to the project flow at the appropriate step. Inspection can be added as a step before project close-out and final payment is allowed. Collecting permit and inspection information can also provide an important fraud check by ensuring that the work is completed.

Implementation Proposal

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

- A.** A description of the program concept. Who pays whom, when, for doing what (including eligible measures, income strata/customer types, incentive strategies, certification of work completed, contractor training and management, quality assurance, recycling of existing appliances and equipment, and funding leverage)

While much will depend on the eventual guidance from DoE, our basic program concept prioritizes:

- A simple, centralized experience for households that guides them toward good options and minimizes complexity
- A streamlined experience for vendors
- Fast flow-of-funds so that vendors aren't asked to float payments for longer than they would when serving non-rebate-using customers
- An excellent software solution to handle the most numerous use cases, backstopped by efficient, human-driven processes to handle outliers (whether that be an elderly homeowner uncomfortable with doing things on their phone, or a contractor who has a job canceled on them).

At a high-level, we envision households registering for the rebates in a software portal where they will go through an income qualification process (that in the ideal case will be completed in real-time) and then be presented with a dashboard of the options they qualify for. Vendors will similarly pre-register for rebate eligibility.

Once a qualified household finds a qualified vendor (whether to simply purchase an appliance or do an installation), they will create a "project" in the system that links household and vendor. This project will follow much the same process that a contractor would follow with a household that's paying out of pocket: estimate, acceptance, deposit, work being done, completion being certified by the homeowner, and final payment.

- 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)

For households participating in HEEHRA, a multi-channel outreach approach to boost awareness will be key. We know from our experience reaching low-income households that moving someone from awareness to sign-up usually takes multiple "touches," often via multiple means of communication. Once someone is ready to apply,

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our income qualification processes make this as painless as possible, leveraging categorical eligibility where applicable and otherwise providing detailed reminders about what types of documentation are required.

Once a household has qualified as low- or moderate-income, they should be able to access a portal that lays out which rebates they're eligible for, which they've already used, and which are still available. The assumption should be that households will not use all their rebate eligibility at once, but will tackle projects over time, singly or in groups. The program should minimize the friction of signing back into the portal and should limit requalification intervals.

Partnering with utilities, who may offer stackable rebates, would also allow the portal to help guide households to ways to minimize their out-of-pocket costs. While a project is in progress, the household would be able to approve the estimate (so that the rebate program can send a deposit to the vendor), which would lock up that rebate amount (to prevent double-spending). Once the vendor indicates that the project is completed, the homeowner would confirm that the project is ready for close-out so that the final rebate payment can be sent.

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

We anticipate different SEOs will want different levels of involvement in the rebate process, with some fully handing its management over to an administrator, and others keeping parts of it in-house. As such, our program design is meant to be modular and ensure interoperability with existing systems.

We expect in all cases that the SEO, as the grantee, will take the federal guidelines and turn them into a concrete implementation plan that specifies how the federal rules are to be applied in the state's program. We also expect that the SEO will establish relationships with other state agencies (e.g. Dept of Social Services or equivalent, Dept of Labor or equivalent) that hold critical data sources that can speed the income verification process.

Promise envisions that in all cases, it will manage the core functions of outreaching to households, deploying the registration portal, helping households register through the portal, and income qualifying households. Other roles that the SEO could take on, that could be subcontracted to related entities, or that could be managed by Promise itself include:

- Providing a call center to help households that cannot register online
- Tracking projects and each household's usage of their rebates to ensure they stay within the limits
- Deploying a vendor registration portal and outreach to vendors
- Managing the flow of funds from the program account to vendors
- Auditing projects for waste, fraud and abuse
- Generating "coupons" for use purchasing rebate products at point of sale

- 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)

A streamlined, user and mobile-friendly online application portal, coupled with culturally competent targeted outreach is critical to seeing broad enrollment in HEEHRA and HOMES. Program design that places onerous requirements on households or that runs through existing utility rebate programs that are not heavily utilized by the target population of HEEHRA are likely to lead to underutilization that imperils the success of the rebates.

Internet access, especially on mobile devices, is nearly ubiquitous and the convenience that online registration minimizes the resources needed for most households to participate. This allows this program design to focus *more* resources on those who most need help navigating the process (the elderly, the disabled, those without reliable internet access) via call center and personalized assistance.

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Ensuring a rapid flow of funds to vendors will allow even small contractors to serve rebate customers in much the same way as they would serve non-rebate customers because it will not increase their float requirements for equipment purchase. Having a large pool of contractors available to complete work will be critical for making sure that households can choose among high-quality options without long wait times that may make it impossible for them to use the rebates. (For example, if a hot-water heater breaks, the HEEHRA rebate could make it cheaper to buy a high-efficiency heat pump hot water heater. But if the wait for a HEEHRA-registered contractor is too long, the household might buy a cheap gas replacement rather than live without hot water for weeks.)

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

Types of Implementation Partners

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

As described above, our program design is modular. Promise, in combination with its partners, will be ready to deliver a complete “program in a box,” as well as delivering only some program components as needed. Although we have in-house capacity to manage the flow of funds, and have done so for other programs, we are likely to engage a government accounting firm to manage this part of the process for additional capacity. We may also engage a vendor who specializes in creating single-use coupon codes that can be read by major POS systems.

RFP Language

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

- The program administrator should leverage, the maximum amount possible, information that the government and stakeholders already have about who is likely to qualify based on participation in existing programs (e.g. SNAP, low-income utility programs). This information should be used to target outreach and relieve the burden on households to prove their eligibility.
- Because many contractors rely on upfront customer deposits to provide the “float” they need to purchase equipment from wholesalers before installation, funds must be made available to contractors for a registered project quickly. This will be critical to making sure that contractors and vendors of all sizes can participate.
- Key principles that will be reflected in all parts of program design include:
 - **User-friendliness** - Consumers, contractors, retail employees will all be interacting with the rebate system. Some will only interact with it once, while others will use it regularly, but the system should be designed to be as self-explanatory as possible, with no requirement to read separate instructions or get specialized training.
 - **Timeliness** - Some parts of the rebate process will be best completed in advance, while others must happen synchronously at the moment of purchase. Making sure that users can complete parts of the process on their own timeline, whenever is most convenient, will be crucial to a smooth user experience.
 - **Efficiency in the flow of funds** - Contractors and retailers will need to be reimbursed for the rebates quickly and efficiently so that they’re not floating the funds for any longer than is absolutely necessary. Getting entities who will receive payments to pre-register their information in a system of record will be important so that funds can be moved electronically and expeditiously, and so that participating vendors can easily be tracked and monitored for program compliance.
 - **Security and oversight** - Because the systems needed to manage the rebate programs will have access to sensitive data, users of all kinds need to know that their data will be maintained securely. In general, access to data should maintain the Principle of Least Privilege. However, security and data restrictions shouldn’t be allowed to be used as an excuse for a poor user experience. Nor should security prevent rigorous oversight and analysis that seeks to identify fraud *and* areas of the program that are not working optimally so they can be improved.

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Category 3: Indication of Vendor Interest (maximum of two pages)

Company Characteristics

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

Promise (company)

Daniel Mintz, Head of Data & Operations, daniel@joinpromise.com, 347-225-1159

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

Low-income and disadvantaged community participation in traditional government payment plans and affordability initiatives often faces barriers due to lack of awareness and accessibility – we do not want this for the HOMES and HEEHR rebate programs. Promise uses sophisticated outreach tools to meet customers where they are and achieve record enrollment numbers. Promise partners with all types of local governments and utilities to provide simple, secure payment, relief, and affordability solutions. Our core belief is that outcomes are improved for all when everyone is treated with dignity. We are a technology company that modernizes and humanizes interactions between governments and the people they serve.

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.

Promise was chosen by the Virginia Dept of Social Services to be the administrator of the federal Low Income Household Water Assistance Program ([LIHWAP](#)) in Virginia, where we helped Virginia go from one of the last states to launch LIHWAP to one of only 8 states that qualified for additional funds because they'd so effectively distributed their initial allocation. More than 82% of the approved applications used were able to attest to their categorical eligibility, have us confirm said eligibility via state databases, and be approved without having to upload any income documentation. As a result, Virginia has been able to distribute almost 5% of its allocation each week.

Promise has also been engaged by large water providers in Ohio, California, Arkansas, and Mississippi to help their customers apply for LIHWAP in their states. In 2021 and 2022, Promise helped distribute more than \$15m in CARES Act and ARPA funding to utility customers who had fallen behind on their bills during the pandemic.

Company Summary

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

Promise is able to modernize the rebate distribution model at the state & local level by streamlining income verification at the point of sale. Because many existing low-income programs (e.g. SNAP, LIHEAP, LIHWAP, TANF) are administered by one or two state agencies in each state, states already have an excellent resource for

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identifying and certifying households that are low-income and should be deemed categorically eligible for HEEHR rebates.

Promise has a proven track record of using software to move government monetary benefits efficiently, securely, and accurately. Our software solutions can reduce the time contractors have to “float” funds to their rebate customers, expanding the pool of participating contractors.

Promise will support states in proactively reaching low-income households who are eligible for the rebate program by owning outreach to historically hard-to-reach communities. Promise will enable the acquisition of new homeowners who have historically been unable to access rebates or were not aware of the benefits of participating. Promise can operate as a funds administrator on the back-end as well as provide seamless client experiences at the front end. Promise-designed application processes allow applicants to complete the process in 15 minutes or less, directly from their mobile phone.

May 19, 2023

To whom it may concern:

Promise 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.

A handwritten signature in black ink, appearing to read "Daniel A.", written in a cursive style.

Daniel Mintz
Authorized Representative
Promise Network, Inc.