



Erika Scheffer

Associate Director, Government Relations

Carrier Corporation

erika.scheffer@carrier.com

571-721-9610 (mobile)

May 18, 2023

RE: NASEO Request for Information (RFI) from Private Sector Partners – Implementation Options for Home Energy Performance-Based Whole-House Rebate Program and High-Efficiency Electric Home Rebate Program

Category 2: Program Elements

Carrier Global Corporation (Carrier) provides fire safety, security, building automation, heating, ventilation, air conditioning and refrigeration systems and services to promote integrated, high-performance buildings that are safer, smarter and more sustainable. Carrier is the founder of the modern HVAC industry and operates across the globe. Our range of products includes unitary residential and commercial products, including ducted and ductless, transport refrigeration products, chillers and HVAC building services.

Accessible and Equitable Program Design

What best practices can program administrators and other relevant stakeholders (e.g., retailers, contractors, or community-based organizations) use to ensure that disadvantaged communities and low-income households are aware of and have easy access to the Home Energy Rebate programs?

Carrier believes U.S. DOE and state energy offices should consider a program similar to the Weatherization Assistance Program (WAP) to ensure that disadvantaged communities and low-income households benefit from these rebates. The proper sizing and installation of the HVAC equipment are critical steps in the process to ensure the homeowner reduces energy use, utility bills and is satisfied with the system. Conducting a pre-sale and post-sale energy audit mitigates potential issues in those steps.

What types of program design approaches, guidelines, tools, savings analyses, policies or reviews can help discourage contractors from using rebates for upgrades that will likely result in higher annual household energy bills, particularly for low-income households?

Conducting a pre-sale energy audit of the home that includes a proper assessment of the heating and cooling loads is a critical step in ensuring energy bills are reduced. Carrier believes it is equally important that U.S. DOE and state energy offices are not overly

restrictive or prescriptive in the designation of qualifying products. For example, in some homes, the energy audit may conclude that an Energy Star heat pump installed with an Energy Star gas furnace reduces energy use, lowers energy bills and reduces emissions more than an Energy Star heat pump with auxiliary electric heat. Carrier recommends programs should provide the rebate for such scenarios.

Designing Programs for Maximum Impact

What program design requirements are necessary to support increased investment in new business models, with the long-term goal of sustained financial and market investment and accelerated market adoption?

Carrier believes it is important additional burden is not placed on HVAC contractors for these programs to have long-term, sustained success. HVAC contractors are often small businesses who may not be able to provide the rebate and then wait on reimbursement. Additionally, they may not have the staff or IT systems to verify a homeowner's income. Therefore, we recommend income verification be completed by the state or third-party administrator prior to the HVAC contractor conducting any work. Additionally, we believe the contractor should receive the rebate reimbursement at the conclusion of their work.

To ensure that the homeowner meets requirements, that the equipment will lower energy bills and that contractor participation is high, the general process could be as outlined below. We believe this is very similar to WAP, and therefore could scale quickly.

1. Homeowner submits an application, and their income is verified.
2. An energy audit is completed.
3. A contractor is selected.
4. Contractor installs equipment.
5. Post-sale installation energy audit is completed, and rebate funds released to contractor.
6. Homeowner pays any remaining balance to contractor.

Eligible Technologies for Rebates

How should U.S. DOE and state energy offices facilitate that clear information regarding qualifying technologies and projects is readily available to consumers, contractors, retailers and other relevant stakeholders?

Carrier requests U.S. DOE and state energy offices leverage existing data sources used by contractors and consumers as much as possible. Since the rebates are for Energy Star qualifying products, it seems reasonable to use the Energy Star website.

The Home Electrification Rebates specifies that qualified electrification projects must include the purchase and installation of certain equipment or materials. Should other related improvements (e.g., smart thermostats, sensors and controls, LEDs) be allowable as part of a qualified electrification project for the purposes of calculating total project costs which can in turn affect the final rebate amount?

Carrier believes that other related improvements should be included in the total project cost. For example, all-electric heat pump systems that meet Energy Star cold climate requirements typically have dedicated thermostats that must be installed to operate correctly. Additionally, accessories may be needed so that a system can perform reliably. These devices should be included as well.

Sincerely,

A handwritten signature in cursive script that reads "Erika Lynn Scheffer".

Erika Scheffer
Associate Director, Government Relations
Carrier Global Corporation

Carrier Corporation 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.