



May 12, 2023

National Association of State Energy Officials (NASEO)

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

To whom it may concern,

I am writing on behalf of the Community Action Partnership (CAPO), which represents a network of 17 Oregon community action agencies and a special purpose organization, the Oregon Human Development Corporation. Our organizations plan, implement and deliver anti-poverty programs across all of Oregon's 36 counties, including homeless shelters, food banks, and Head Start. Our network is responsible for implementing federal- (WAP), state-, and utility-funded low-income weatherization programs in Oregon. All our members are committed to equity, diversity, inclusion, and accessibility (DEIA). We have a diverse workforce and serve members of all racial and ethnic groups in Oregon equitably. Our approach includes consultation with affected communities and partnering with culturally-specific organizations.

Below we offer some program design elements essential to making these rebates work for low-and moderate-income households.

Make qualifying low- or moderate-income clients easier

Bureaucratic requirements often depress participation of low-income households in programs designed to help them. Identifying the right program and who administers it is frequently time consuming. Complex forms and documentation requirements follow. Concerns about fraud often get in the way of delivering desired outcomes. The following steps can help:

- Offer decision-making help and navigation through the State Department of Energy
- Contract with community-based organizations that take care of any construction-management related activities for low-income clients.
- Allow households to self-attest their income. If verification is deemed necessary, rely on creative ways that don't burden the client: exploit government data bases, use census data, or rely on random sampling and statistics.
- Allow households to qualify through categorical eligibility but expand this to a wide array of programs. For instance, if a client is enrolled in a low-income discount program of their local utility, allow them to turn that in as proof. Instead of putting all the effort on low-income clients, state officials can figure out what that program is and whether it falls within the income guidelines.



State Departments of Energy must offer coordination and navigation

There is already a myriad of energy-efficiency programs and more are coming. There is federal weatherization assistance and tax credits. There are many state-funded initiatives. And there are utility programs. A sophisticated customer will easily be able to combine various programs for free energy-efficiency upgrades or choose the program with the best benefit. At the same time, there is not enough done to actually use the incentives to move consumer behavior from non-adopter to adopter of a given technology. The number of programs and rules can easily be overwhelming to consumers. That is especially true for low-income consumers who do not have a financial pillow to absorb risks, like for instance an incentive not coming through, or a follow-up repair. Furthermore, many low-income households simply don't have the time to navigate complex bureaucracies and conduct research to figure out whether a specific heat pump might be beneficial and affordable to them.

The current fragmented regimes require the ordering function of government. While designing rebate programs, state departments of energy should:

- Provide consumers with objective (plain language) information about possible energy efficiency upgrades, including decision guides;
- Provide consumers with information about how various incentives, rebates, tax credits, and other programs can be combined, including decision guides;
- Connect consumers with reputable contractors and offer remedies when conflicts arise;
- Offer more intensive case/construction management to low-income customers;
- Coordinate the large network of organizations that provide energy-efficiency incentives and weatherization services; and
- Eventually build a home decarbonization clearinghouse as envisioned in Massachusetts that creates one comprehensive access point.¹

Quality Control and Accountability

Don't sub-sub-sub-contract. The practice of creating layers of subcontracting diffuses authority until accountability vanishes and chaos ensues. In many areas of social service delivery desired outcomes are not achieved, but responsibility cannot be assigned because the created delivery networks are too complex for anyone to understand. Instead, we recommend government to develop and acquire its own expertise to run coordinated programs that are at most contracted one level down. Government contractors should not be drowned in reporting requirements and accounting rules, but instead held to clear performance metrics that matter to program goals. This should relate to quality, quantity, and efficiency of the work.

¹ Massachusetts Commission on Clean Heat. Report. November 20, 2022. <https://www.mass.gov/doc/massachusetts-commission-on-clean-heat-final-report-november-30-2022/download>



Most construction contractors are honest and hard-working, but clients need solid protection from home improvement scams, which have been rapidly increasing in numbers in recent years. Especially elderly and low-income homeowners have been preyed on. Furthermore, incorrectly installed or used equipment can lead to skyrocketing energy bills. How will low- and moderate-income clients be protected in situations like that? They may not have the extra \$500 to call back the contractor or get someone else to fix the issue. This suggests the following:

- Impose some scheme of quality control, for instance a random sample of inspections.
- Create a remedy for clients who believe equipment might have been installed incorrectly. For instance, clients could be allowed to request an inspection by a quality control division. Money should be reserved for “finishing the job” if a contractor is not willing to do it for free.

Home energy performance-based, whole-house rebates (HOME) for low- and moderate-income households

Low-income households are unlikely to take advantage of rebates that do not cover 100% of the cost. Even with a large rebate, any home improvement activity will come with additional risk, effort, and costs. Hence, rebates should cover the full amount. We recommend using the provision in 42 USC 18795 (c)(3) to make HOME rebates of 100% available to low- and moderate income households. Furthermore, a defined percentage of rebates should be reserved for income-qualified households. If that percentage cannot be met, program design needs to be adjusted.

Make serious efforts to reach low-income renters

The majority of low-income households are renters. Unfortunately, the most low-income energy efficiency programs serve mostly home-owners. More needs to be done to incentivize owners of affordable housing –regulated and naturally-occurring – to upgrade. Often, perfect gets in the way of delivering outcomes. For instance, well-intentioned deed-restrictions, affordability-contracts, or co-pay arrangements frequently simply deter owners. Instead, focus on upgrading houses first before worrying about second order effects. Furthermore, ensure that rebates are available to landlords that rent affordably in non-multifamily settings – for instance single family houses, individually-owned apartments, or 2-4 unit buildings. Small-scale landlords (a few units) should receive additional support.



CAPO 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.

Thank you for your consideration,

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