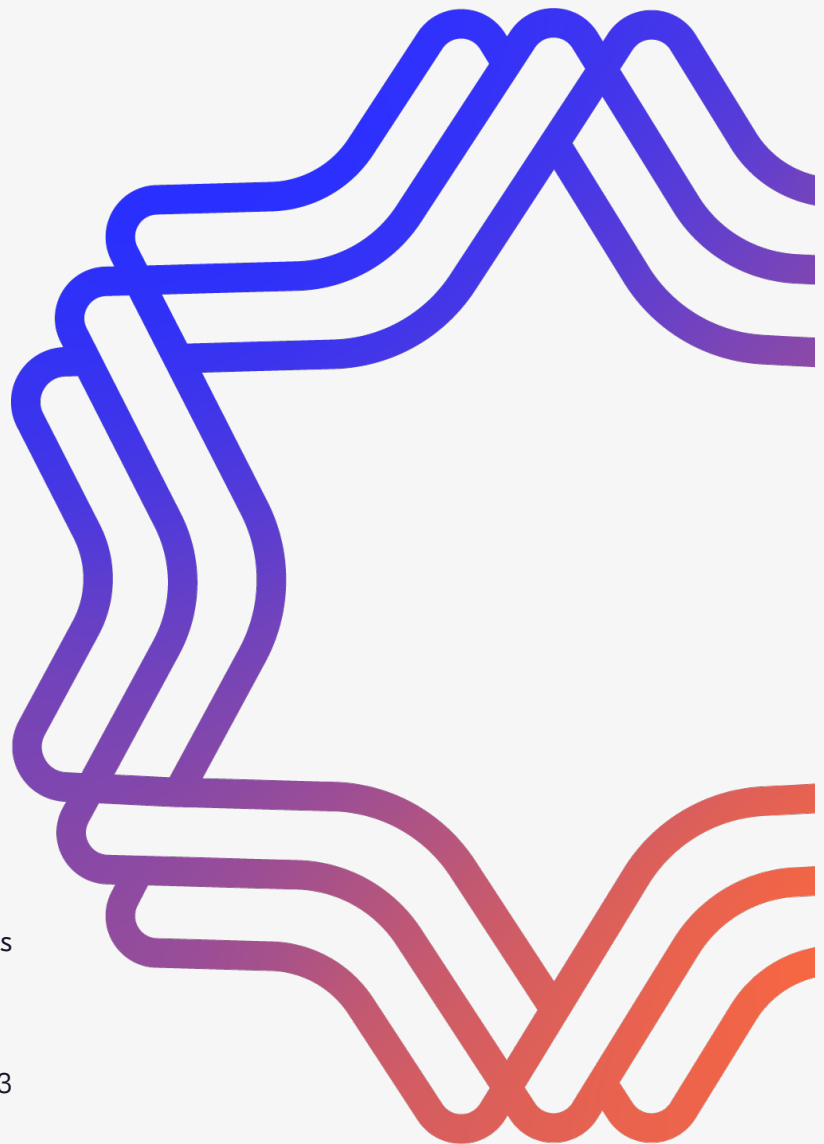


AEG

RFI: Implementation Options for HOMES and HEEHR Programs



Prepared for:

National Association of State Energy Officials

By: Applied Energy Group, Inc.

Date: May 19, 2023

AEG Key Contact: Tim Maslak | 631-848-2373

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A. | Cover Letter

Applied Energy Group, Inc. (“AEG”), a wholly owned subsidiary of Ameresco, Inc. (“Ameresco”), is pleased to submit our proposal to the National Association of State Energy Officials (“NASEO”) in response to your Request for Information (“RFI”) for “Implementation Options for Home Energy Performance-Based Whole-House Rebate (“HOMES”) Program and High-Efficiency Electric Home Rebate (“HEEHR”) Program.”

Overview of Applied Energy Group

AEG offers utilities, grid operators, and government bodies dedicated partnerships, leading energy expertise, and a comprehensive suite of energy efficiency, beneficial electrification, and customer-focused services designed to address the evolving needs of greenhouse gas reduction and social equity.

Our services include the design, turnkey implementation, and evaluation of these important programs; IT and software solutions development; regulatory support services and expert witness testimony; and analytics and data science services. The AEG team brings unparalleled experience in market assessment, potential studies, program planning and design, and evaluation. Our engagements are managed and delivered by a seasoned, interdisciplinary team comprised of professional electrical, mechanical, chemical, civil, industrial, environmental, and software engineers, as well as data scientists, economists, business planners, project managers, market researchers, load research professionals, and statisticians.

As part of our comprehensive suite of software and analytics tools, our flagship VisionDSM portfolio management software platform has empowered our clients with greater insights into their program portfolios. We utilize the IT solutions we provide to utilities to manage our own in-house services, thereby driving the expansion of these platforms with influence from both external and internal clients.

AEG has provided web-based Software as a Service (“SaaS”) solutions to its clients since 2000, with New York’s largest investor-owned utility and largest municipal authority being its first two clients. AEG’s decades-plus of experience with these systems includes the development and hosting of in-house solutions, SaaS and cloud offerings, and the implementation of enterprise-level commercially off the shelf (“COTS”) systems. AEG’s VisionDSM platform is a market leader in customer program management, with more than 240 utilities and agencies supported and more than 2,400 programs managed.

AEG has been providing these services for over 40 years. Clients view AEG’s experts as trusted advisors, and we work together collaboratively to ensure the success of our clients’ initiatives.

Ameresco Financial Overview

Ameresco, Inc. (“Ameresco”) is a highly successful, profitable public company that was founded in 2000 and has traded on the New York Stock Exchange (NYSE: AMRC) since 2010. The company is headquartered in Framingham, MA. Ameresco is an independent provider of comprehensive energy solutions, including infrastructure development and upgrades, energy efficiency, energy security and resilience, asset sustainability, and renewable energy solutions for Utilities, Federal Governments, State Governments, Universities, Businesses, Municipalities, and various other organizations throughout North America and Europe.

Ameresco recognizes that it is paramount to have an energy partner that is not only technically qualified, but also financially strong. With 2022 revenues of over \$1.8 billion and a construction backlog exceeding \$2.5 billion, Ameresco is a leading independent provider of comprehensive energy solutions that works with many of the State Energy Offices across the U.S.

Ameresco’s recent SEC filings can be found online at the following website: <https://ir.ameresco.com/sec-filings/annual-reports>.



Proposed Approach

While AEG is flexible and willing to implement the HOMES and HEEHR programs as independent standalone programs, we are proposing to combine the HOMES and HEEHR programs into one program design. This combined approach simplifies the homeowner experience and maximizes the benefits the homeowner gains through participating in the programs. Trade ally and other market actor/stakeholder participation is also made easier through this combined approach, leading to increased coverage and greater access to qualified program support for homeowners. A single, flexible homeowner engagement platform and toolset can provide a one-stop-shop for prequalification, eligibility checks, scheduling, home energy audits, financing/green loans, installation, and quality control, and it also includes a mechanism for coordinating with trade allies, distributors, and retailers.

AEG's proposed program services can be delivered as either 1) an individual state approach or 2) a multi-state regional approach that combines efforts across multiple neighboring states. Our proposed regional approach allows for the maximizing of limited administrative funds by sharing program components across a region. This regional approach can significantly reduce individual state costs while maximizing program effectiveness and providing a consistent experience across regions.

Relevant Experience

Program Administration & Turnkey Implementation

AEG has wide-ranging experience providing program administration and turnkey implementation services to utilities and government bodies to support residential, commercial, and industrial programs. Our program delivery frequently includes related professional consulting services as well as our VisionDSM portfolio management and tracking system for process automation, participant engagement, and analytics. We leverage our in-house capabilities and expertise, along with our vast partner network, to assemble successful program implementation teams on behalf of our clients. Program types we have implemented include, but are not limited to, energy efficiency, including home energy audits, Home Performance with ENERGY STAR ("HPwES"); demand response; beneficial electrification; renewables; multifamily; income-qualified; behavioral; marketplace; direct install; and custom programs; among others.

Our implementation experience ranges from large multi-program residential, commercial, and industrial portfolios, such as our work with Minnesota Energy Resources Corporation ("MERC"), to more targeted implementations, such as our residential and commercial work with South Jersey Gas and Elizabethtown Gas in New Jersey, and unique programs such as the Delaware Sustainable Energy Utility's ("SEU") Empowerment Grant Program that managed energy efficiency incentives for low-income residents and was expanded to include direct installation services. Another significant example is that AEG implemented the New Jersey Clean Energy Program ("CEP") on behalf of the New Jersey Board of Public Utilities ("BPU") from 2008 to 2015. We provided services across all CEP programs and segments, designed and built CEP's statewide portfolio management system (NJIMS), and managed the energy-focused ARRA funds.

While AEG uses our VisionDSM portfolio management and tracking system for our program implementations, the platform is also in use as a standalone solution by numerous clients. A couple of unique examples include the Bonneville Power Administration ("DOE BPA"), where it is being used by 137 member utilities, as well as the New Jersey Statewide Coordinator ("NJ SWC") project, where it is being used for cross-utility coordination by seven public electric and gas utilities across the state.

Please refer to our response to Category 3 for additional details about these and other relevant projects.

Income-Qualified Program Experience

AEG's implementation, consulting, and VisionDSM platform experience includes income-qualified programs. We are familiar with the unique challenges that must be overcome to ensure the success of these programs, and we have outlined our successful and in-place strategies for overcoming those barriers below.

Our VisionDSM platform has supported more than 40 income-qualified programs. One recent example is the Low-to-Moderate-Income ("LMI") Portal we implemented for Georgia Power (<https://gpc-energyaid.customerapplication.com/>). The goal of this portal is to screen customers for utility program eligibility using easy-to-understand questions. The result of answering those questions is a recommendation to the customer for utility and non-utility programs/resources available to them. The recommendation screen has a brief description of each program/resource, as well as links to those resources. We are currently working with Georgia Power to expand upon this initial implementation to allow customers the ability to generate a lead record in VisionDSM to be sent to non-utility association or agency systems to begin the application process for non-utility low-to-moderate income qualifying programs. The ultimate goal is to

braid programs together and reduce the friction and confusion that comes from participants having to navigate applying to multiple agencies and programs.

AEG has also conducted formal process evaluations of income-qualified programs to assess program effectiveness and make corresponding recommendations to improve program processes and increase customer participation and satisfaction. Further, as part of AEG's ongoing effort to enhance our strategy to meet the growing needs of income-qualified programs, we are engaged in Voice of the Customer research that will be folded into our program and platform designs.

AEG's Approach to Overcoming Barriers in Income-Eligible Programs

AEG brings an effective array of strategies to address barriers to income-eligible program participation while ensuring a positive program experience and driving increased participation. These include:

- **Program Information Dissemination.** One of the main barriers to income-eligible participation is the lack of knowledge about available program offerings and their benefits. Targeted marketing and program awareness are critical in reaching this market. AEG develops outreach material to raise awareness of the programs and their benefits of increased comfort and lower utility bills. The COVID-19 pandemic created an unprecedented and growing class of “new poor” (people who have lost their jobs or had their pay substantially lowered during this pandemic), which underscores the importance of a broad marketing and program awareness campaign.
- **Program Simplicity.** Delivery of programs that have complicated and complex customer journeys is a significant barrier to participation. AEG has decades of experience ensuring homeowner engagement is simple, straightforward, and a positive experience, while the complexity of program rules, stage gates, quality control, regulatory, and other requirements are both “hidden from view” and automated through the use of our powerful work management capabilities in VisionDSM. This approach is equally important for attracting the trade ally, distributor, retailer, and manufacturer partners that are critical to the success of residential programs.
- **Building Trust Through Existing Community Based Organizations (“CBOs”).** Another barrier in this market is the lack of trust. Creating trust and disseminating accurate and easy-to-understand program information, including the benefits of participation, through a trusted source is key to overcoming this barrier. AEG will identify targeted community- and faith-based organizations, local schools, senior centers, etc., and educate trusted community leaders on the program and its benefits. We can also present at community events, bingo nights, and school fairs to educate and sign-up homeowners. Working collaboratively with CBOs and educating their staff as “Community Energy Champions” can significantly increase program participation. Other community-based games and competitions, such as “Biggest (Energy) Loser” competitions, can further educate and encourage participation.
- **Strategic Market Characterization and Targeting.** The AEG team works with our clients to identify target areas for income-eligible customers. We use census data and other data sources to identify low- and moderate-income target Block Groups, which are typically anywhere between 250 to 500 housing unit locations. Our segmentation analyses can identify building type, demographics, education level, and even language for income-eligible program geo-target areas. Based on this data, marketing material can be adapted and fine-tuned for each segment's characteristics. This data-driven approach will enable strategic outreach and customer recruitment. This geo-targeting is also used to identify CBOs to engage, as described in the previous bullet.
- **Ensuring High Quality Program Delivery.** AEG considers high quality program delivery and excellent homeowner and trade ally satisfaction critical components of our low-income program approach. We have multiple strategies for achieving this, including formal quality assurance (“QA”) strategies to monitor delivery quality and satisfaction, as well as partnering with strategic players in this space who bring a culture of humble service delivery that ensures that employees take great care not to stigmatize homeowners and treat all participants well. We use the QA feedback to further fine-tune and enhance our program delivery on an ongoing basis through an established continuous improvement process.

Our Commitment to the SEOs

AEG is excited to support the State Energy Offices (“SEOs”) with the implementation and support of the HOMES and HEEHR programs. We believe that our extensive cross-functional experience uniquely positions us to provide significant value to the SEOs and their constituents. The expertise, capabilities, experience, tools, resources, and solutions we bring to the table provide the strongest combination of qualifications to reduce risk and ensure the long-term success of these programs. Further, as a mid-sized company with the experience of our larger counterparts, the

SEOs get the benefits of both a dedicated, high-touch portfolio partner and the expertise that comes from decades of energy efficiency and electrification innovation.

We look forward to continuing to engage with the SEOs as you move forward with this solicitation process. Should you have any questions regarding our qualifications or this RFI response, please do not hesitate to reach out to our team in the ensuing days and weeks.

Authorization to Publish and Distribute

Applied Energy Group, Inc. 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.

Sincerely,



Tim Maslak

Senior Vice President

631-848-2373 | TMaslak@appliedenergygroup.com

B. | Category I: Comprehensive Program Design

Company Characteristics

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

Bidder Legal Name: Applied Energy Group, Inc.
Parent Company: Ameresco, Inc.
Contact Name & Title: Tim Maslak | Senior Vice President
Mobile & Email: 631-848-2373 | TMaslak@appliedenergygroup.com

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

AEG is proud to be an equal opportunity employer and an affirmative action workplace. We are fully committed to attracting, retaining, developing, and promoting the most qualified employees without regard to race, gender, color, religion, sexual orientation, gender identity, national origin, age, physical/mental disability, citizenship status, veteran status, or any other characteristic protected by applicable law. We are dedicated to providing a work environment free from discrimination and harassment, and where employees are treated with respect and dignity.

AEG will partner with SEOs to establish a DEIA plan at program outset. We bring a comprehensive approach that will ensure each SEO meets program goals while driving diversity, equity, inclusion, and accessibility. AEG's approach to program DEIA includes, but is not limited to, the following:

- Provide training to all stakeholders on DEIA best practices
- Set diversity hiring goals to ensure diverse representation
- Leverage strategic partnerships and diversity sourcing platforms/techniques to build diverse talent pipelines
- Streamline job posting templates, assemble diverse interviewing teams, and use competency-based interview questions to help eliminate bias
- Develop a formal retention plan that includes DEIA management
- Ensure managers are trained to lead diverse teams while ensuring equity, inclusion, and accessibility
- Assign all new hires a mentor to support coaching, training, and career goal alignment

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.

For more than 40 years, AEG has provided a comprehensive suite of solutions focused on key areas in the energy efficiency lifecycle, including program design and administration; turnkey program implementation; our VisionDSM portfolio management and tracking system; and consulting services that include program planning and design, market assessments, program evaluation services, data management and analytics, and regulatory support. As previously noted, our comprehensive suite of services is designed to address the evolving needs of energy efficiency and social equity, and many of the client initiatives we have supported have included income-eligible components. Clients view AEG's experts as trusted advisors, and we work together collaboratively to ensure the success of our clients' initiatives.

Please refer to the table under Category 3 for numerous examples of AEG's relevant work experience, including multiple initiatives that include income eligibility requirements. We have included hyperlinks where available.

Program Goals

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

The goals of the program design are multifaceted and include driving increased comfort, along with energy and cost savings opportunities for all homeowners meeting program participation criteria, with an emphasis on supporting income-eligible homeowners; engaging with, and reducing energy burden for, those most in need; and increasing grid reliability and delivering energy savings towards carbon reduction goals. Ultimately, the program will drive clean energy market transformation through the use of proven processes and combining technology with data to remove program participation barriers; through investment in awareness and manufacturing; and by driving a cost-effective transition to carbon reduction and energy efficiency.

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

Residential single-family homes, including attached and detached homes, and multi-family dwellings.

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

Our program approach addresses all of the population segments eligible for both the HEEHR and HOMES programs. The HOMES program design is open to all residential homeowners. The HEEHR program design targets incentive levels based on household income eligibility (less than 80% AMI and 80%-150% AMI). Integration with a third-party income verification partner streamlines income level identification for homeowners and provides auditable and verifiable classification.

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

AEG's program design addresses both HOMES and HEEHR. While AEG is flexible and willing to implement the HOMES and HEEHR programs as independent standalone programs, we are proposing to combine the HOMES and HEEHR programs into one program design (please refer to Question #19 for additional details). There are synergies gained by including both programs in the overall approach. The workflows for both programs are designed separately with interwoven communications and processes that maximize the energy savings and program benefit opportunities for homeowners within a simple, streamlined experience.

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

The initial HOMES program design is based on the modeled savings approach. Modeled savings programs are time-tested and prominent in many states, delivered by utilities that have invested in their enhancement and continuous improvement over decades, and are, most importantly, already embraced by trade ally networks who have already been significantly trained in delivering these residential-focused projects. We recommend that this program model be utilized to initiate programs and drive initial incentives. As the program gains traction and matures, a shift to a measured approach makes sense for certain regions based on several factors, including AMI availability and trade ally experience. Ultimately, the approach should lead to a model that utilizes both measured and modeled savings together to capture maximum savings and reduce administrative burden.

For the modeled pathway, AEG will adhere to the BPI 2400 standard required under the Inflation Reduction Act ("IRA") and leverage existing partners to provide the necessary auditing and modeling solutions, integrated with our VisionDSM program management platform.

For the measured pathway, AEG can integrate with open-source advanced measurement and verification software such as OpenEEmeter. AEG plans to implement a Request for Quotes ("RFQ") process to attract and manage aggregators (we already have one such aggregator identified and engaged) that develop projects in partnerships with local trade allies. For more information on the measured pathway of the HOMES program, please refer to the Flex Coalition's RFI comments.

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

There are several informational tools that allow homeowners to research efficiency and incentive availability (ENERGY STAR, Air Conditioning, Heating, and Refrigeration Institute ("AHRI"), Consortium for Energy Efficiency ("CEE"), etc.). These same tools help drive program technology eligibility options and are used by program design consultants across the industry. Combined with local and regional technical resource manuals ("TRMs"), this data will be used to select those measures that will result in the greatest participation and associated energy and carbon savings. AEG can leverage partners that have developed rebate search tools to simplify homeowners' ability to find manufacturers and models that qualify for incentives, and we can integrate this into the participant journey. Ultimately, we will combine these resources with Department of Energy ("DOE") guidance to determine technologies that are eligible for rebate. AEG's program management system is integrated with major efficiency certification databases, including ENERGY STAR, AHRI, DesignLights Consortium ("DLC"), and others, and we will utilize this data to automatically verify equipment nameplate attributes, increasing the validity of claimed savings and standardizing the approach toward measure data collection.

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?

Consistency in policy, with ample incentive funding available for multiple years, are both critical for program success. New programs take time to gain traction, and an extended runway without interruption is paramount.

To successfully deliver these comprehensive programs in a quality manner, multiple partnerships and stakeholder support will be necessary. The development of manufacturer, distributor, retailer, and trade ally networks is also crucial to providing a seamless path for homeowner participation. Solid relationships with utilities, community action agencies (“CAA”) agencies, and other local agencies that support the coordination of the homeowner experience, will enable opportunities to maximize both energy savings and incentive spend while driving program education and awareness.

As previously noted, AEG’s program design is flexible and can be delivered as either 1) an individual state approach or 2) a multi-state regional approach that combines efforts across multiple neighboring states. Our proposed regional approach allows for the maximizing of limited individual state administrative budgets by sharing program components such as marketing plans, program management, homeowner engagement systems, field service tools, trade ally networks, etc., across a region. This regional approach can significantly reduce individual state costs while maximizing program effectiveness and providing a consistent experience across regions.

If the above conditions are not available, a collaborative effort between stakeholders and the program delivery support teams will be needed to drive needed changes to the market.

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

Building permits and inspections are a standard part of home performance programs. Making sure the trade allies and program support teams are trained on the process, as well as educated on permit needs by locality, will be essential to minimizing homeowner participation delays.

Inspections drive quality and impact the program positively.

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)**

AEG’s vision for implementation includes a mix of a traditional energy efficiency program approach and new HOMES and HEEHR workflows to drive a seamless participation experience, both from a market actor and homeowner perspective. Processes currently in place in home performance programs implemented by AEG have been proven over decades in the market. We will connect these programs and develop several clearly defined program paths to ensure the homeowner gains the benefits through a great customer experience.

AEG’s role will be to perform overall administration and program implementation duties, such as program management, training, reporting, quality assurance, marketing, fulfillment, customer care, and outreach services. These services will be paid from administrative funding.

Incentive funding will be distributed to trade allies, midstream partners, and homeowners through AEG’s program administrator function. Trade allies will receive payment for performing energy audits, or the verified sale of a program-eligible product to a program-eligible homeowner, on a cadence determined during program startup.

Trade ally/weatherization work is paid for by the homeowner, through financing or through incentive funds directly, or a combination thereof. This payment flow is dependent upon the completion of home improvement work, installation of program-eligible equipment, and quality assurance approval, with proper submission of the rebate application and supporting documentation.

We will look to work with existing utility programs and other relevant programs to collaborate on incentive stacking, to the extent possible, with the goal of leveraging maximum savings opportunities for program participants in a simple and seamless experience.

The trade ally network will be developed utilizing a multi-pronged approach. We will start with the existing trade ally network, if available, and perform outreach and recruitment activities to increase participation. We will provide training, management, and quality assurance. Each participating trade ally will be provided with

program orientation training that includes program details, expectations, invoicing and reporting requirements, and quality assurance.

Quality control processes and procedures will be put in place to maximize homeowner satisfaction and program benefits, and to ensure program funding is used as intended. Both application and field quality reviews will be conducted, and results reported. If a quality assurance review does not meet program standards, the trade ally will be placed on a remediation plan or ultimately removed from the program.

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)

Our model combines both HOMES and HEEHR, as outlined in the participant journey below. The experience is similar between programs, with the exception that a homeowner can go straight to a retailer or distributor and receive an incentive, if eligible.

Proposed Participant Journey:

- Multiple marketing and outreach campaigns to drive awareness among homeowners
- Homeowner awareness/need will drive activity to the program website/customer care center
- Website/customer care center will support the homeowner with further program information and broker the connection with trade allies
 - Homeowners also have the option to go directly to a retailer or distributor to take advantage of HEEHR instant rebate opportunities
- Homeowner will connect with the trade ally, and the trade ally will provide additional program information and education and schedule an appointment for an energy audit
- Trade ally performs the energy audit and identifies opportunities for improvement
- Trade ally provides homeowner with summary of findings, improvement opportunities, incentive eligibility, stacking, and cross-program opportunities. (e.g., HVAC replacement or panel upgrade, utility program incentives, etc.)
- Homeowner agrees to move forward
- Homeowner applies for financing, if needed
 - Homeowner visits program portal to apply
 - Funding approval received
- Trade ally schedules work with homeowner; this is done in coordination with the program team if major measure work needs to be performed by other trade allies
- Work is performed
- Trade ally assists homeowner with application(s) or submits on behalf of homeowner
- Quality assurance reviews/visits performed on a percentage of applications
- Application completed and approved for payment
- Incentive funds delivered to homeowner and/or trade ally
- Follow-up participation survey sent to homeowner

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

- **State Energy Offices:** Responsible for program oversight, DOE reporting, administrative and incentive funding, and the Justice40 Initiative
- **Implementation & Program Management Provider:** Manage overall program activities; perform segmentation, marketing, quality assurance, application processing, and incentive issuance
- **Verification, Tracking, and Reporting System Provider:** Provide the program system of record used to tie together homeowner income verification, incentives, energy savings, quality assurance, and program reporting data
- **Modeling Software Provider:** Provide the system used by trade allies to model energy savings potential, provide summary reporting to homeowners, and provide data requirements to program/system of record
- **Homeowners:** Provide utility usage data (pre- and post- for measured savings)
- **Finance Partners:** Support homeowner project financing needs and administration of revolving loan funds
- **Distributor & Retailer Network:** Stock program-eligible equipment, support education, provide marketing through point-of-purchase (“POP”) materials, and utilize incentive funds to discount end-user cost

- **Trade Ally Network:**
 - **Home Energy Auditors:** Perform home energy audits, provide homeowner education, support coordination and application submission, and deliver required reporting
 - **Weatherization Trade Allies:** Perform major measure weatherization work, provide homeowner education, support coordination and application submission, and deliver required reporting
 - **HVAC, Plumbing, and Electrical Trade Allies:** Stock program-eligible equipment, perform installations, and support homeowner education
 - **Quality Assurance Inspectors:** Provide required quality assurance inspections
- 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)**

Benefits of this program concept include program controls to ensure funding is used as intended; maximizing the use of available funding to drive energy efficiency improvements in disadvantaged communities; providing one program design to allow for easier participation and a simplified customer experience in either program, both from a trade ally and homeowner perspective; comprehensive reporting that enables line-of-sight to grid impact and greenhouse gas reduction potential; overall program performance; and progress towards net zero.
- e. **A description of any secondary market implications (e.g., reselling energy savings)**

Program participation may increase a home’s resale value, reduce ancillary burden, provide pollution reduction, increase the number of clean energy jobs, increase access to low-cost capital, and provide poverty exit opportunities for homeowners.

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).**
- Home Energy Auditors
 - HVAC & Electrical Trade Allies
 - Appliance Retailers
 - Appliance Distributors
 - Manufacturers
 - Green Financing Entities
 - Home Modeling Software
 - Marketing Firms
 - Income Verification Services
 - Measured Savings Aggregators
 - Disadvantaged Community Data Sources
 - Average Median Income Data Sources
 - Utility Billing Data Sources (can be utilities themselves)

Other

14. **Any additional comments.**

Not Applicable

RFP Language

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

Not Applicable

C. | Category 2: Program Elements

Company Characteristics

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

Bidder Legal Name: Applied Energy Group, Inc.
Parent Company: Ameresco, Inc.
Contact Name & Title: Tim Maslak | Senior Vice President
Mobile & Email: 631-848-2373 | TMaslak@appliedenergygroup.com

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

AEG is proud to be an equal opportunity employer and an affirmative action workplace. We are fully committed to attracting, retaining, developing, and promoting the most qualified employees without regard to race, gender, color, religion, sexual orientation, gender identity, national origin, age, physical/mental disability, citizenship status, veteran status, or any other characteristic protected by applicable law. We are dedicated to providing a work environment free from discrimination and harassment, and where employees are treated with respect and dignity.

AEG will partner with SEOs to establish a DEIA plan at program outset. We bring a comprehensive approach that will ensure each SEO meets program goals while driving diversity, equity, inclusion, and accessibility. AEG's approach to program DEIA includes, but is not limited to, the following:

- Provide training to all stakeholders on DEIA best practices
- Set diversity hiring goals to ensure diverse representation
- Leverage strategic partnerships and diversity sourcing platforms/techniques to build diverse talent pipelines
- Streamline job posting templates, assemble diverse interviewing teams, and use competency-based interview questions to help eliminate bias
- Develop a formal retention plan that includes DEIA management
- Ensure managers are trained to lead diverse teams while ensuring equity, inclusion, and accessibility
- Assign all new hires a mentor to support coaching, training, and career goal alignment

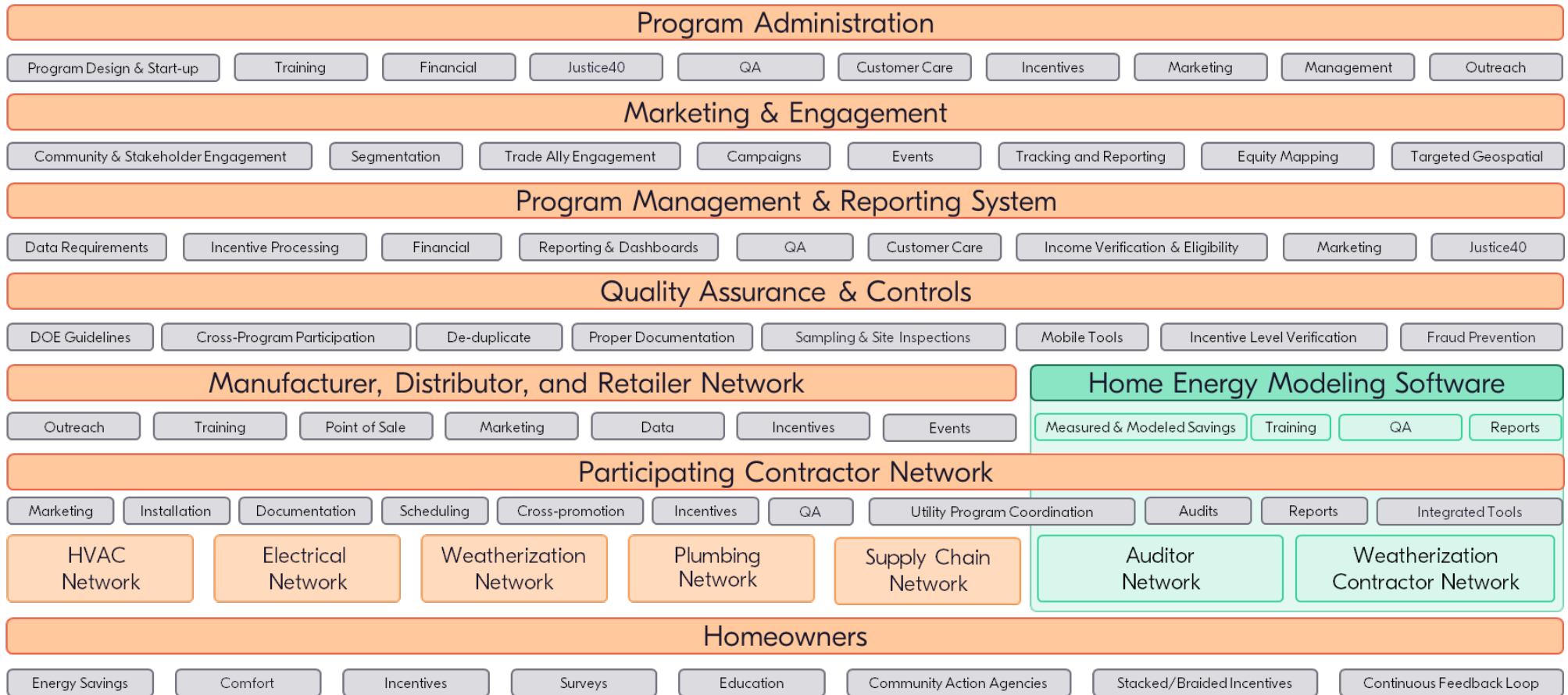
18. As applicable, a short description and a link to programming that your company is contracted or has been contracted to implement for planning, administering, and/or field delivery of federal or state programs. Note which, if any, provides low- and moderate-income and affordable home energy upgrades,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

For more than 40 years, AEG has provided a comprehensive suite of solutions focused on key areas in the energy efficiency lifecycle, including program design and administration; turnkey program implementation; our VisionDSM portfolio management and tracking system; and consulting services that include program planning and design, market assessments, program evaluation services, data management and analytics, and regulatory support. As previously noted, our comprehensive suite of services is designed to address the evolving needs of energy efficiency and social equity, and many of the client initiatives we have supported have included income-eligible components. Clients view AEG's experts as trusted advisors, and we work together collaboratively to ensure the success of our clients' initiatives.

Please refer to the table under Category 3 for numerous examples of AEG's relevant work experience, including multiple initiatives that include income eligibility requirements. We have included hyperlinks where available.

Home Electrification Rebate Program + Home Efficiency Rebates

(Home Energy Performance Based)



Program Elements

19. Describe the program element that is important for SEO consideration. Be as detailed as possible.

Combining HOMES and HEEHR into One Program Design

While AEG is flexible and willing to implement the HOMES and HEEHR programs as independent standalone programs, we are proposing to combine them into one program design. Combining the HOMES and HEEHR programs under one program design simplifies the homeowner experience and maximizes the benefits that the homeowner gains through participating in the programs. Trade ally and other market actor/stakeholder participation is also made easier through this combined approach, leading to increased coverage and greater access to qualified program support for homeowners. A single, flexible homeowner engagement platform and toolset can provide a one-stop shop for prequalification, eligibility checks, scheduling, home energy audits, financing/green loans, installation, and quality control. Our combined approach also includes a mechanism for coordinating with trade allies, distributors, and retailers.

Multi-State Regional Approach

As previously noted, AEG's program design is flexible and can be delivered as either 1) an individual state approach or 2) a multi-state regional approach that combines efforts across multiple neighboring states. Much like the concept of combining programs into one program design, combining program administration and implementation resources across multiple states allows SEOs to capture numerous benefits. These benefits include shared administrative oversight, consistent processes and program messaging, and reduced costs, allowing SEOs to maximize their budgets through scalability and simplified participation for all stakeholders and market actors.

Providing Income Verification to Support Eligibility Qualification and Incentive Levels

VisionDSM will provide income verification through integration with a third-party credit agency that is used to determine and assign household income. Homeowners enter their name and address into our Customer Engagement Portal, the data is passed via API to the credit agency system, and the resulting household income value is returned in real-time. This data, combined with homeowner location, is used to determine the percentage of Average Median Income and assign the eligibility and incentive level for HOMES and HEEHR participants.

Enabling Software-based Energy Savings Modeling and Field Services Coordination

AEG has partnered with a leading provider of open-source-based field service and modeling tools to provide the trade ally network with a set of integrated and easy-to-use tools to engage homeowners, schedule visits, perform home energy audits, capture utility billing data, and model project overall savings. These solutions, seamlessly integrated with our VisionDSM platform, provide a comprehensive and auditable solution for the delivery of residential projects and the setting of incentive levels.

HOMES Measured Savings Pathway: Aggregator/Trade Ally Program Delivery Solution

The measured savings pathway of the HOMES program can contribute to program success at speed and scale by providing accessible, flexible, and performance-based incentives. In the measured pathway, incentives are paid by program implementers to aggregators who take on project performance risk based on the actual energy and greenhouse gas reductions achieved by their projects. While aggregators are paid over a year or more, based on actual performance of a portfolio of projects, trade allies and homeowners receive upfront incentives once the installation work is complete, paid by the aggregator. Since aggregators are paid based on actual project performance, they are incentivized to ensure high levels of quality work. This can lead to market transformation to accelerate the adoption of residential energy efficiency and electrification.

Aggregators can come in many different forms and can take on a combination of functions. For example:

- “Installer aggregators” could be local trade allies that do their own sales and marketing, leveraging measured savings incentives to provide special rebates to consumers while partnering with financing and distribution partners.
- “Marketing aggregators” could focus primarily on lead generation, leveraging measured savings incentives to reach more homes than they would otherwise be able to.
- A “Distributor Aggregator” could provide installer partners with lower cost equipment and financing solutions subsidized by measured savings incentives, lowering project prices across the board.
- A “Sales Aggregator,” like a solar company with existing sales, marketing, and financing capabilities, could partner with HVAC trade allies to improve the economics of projects that combine heat pumps and solar.

AEG can manage any form of aggregator and the energy savings data flow that comes from them.

In addition to the services outlined above, we advise the SEOs to examine the submission from the RFI Flex Coalition for further ideas and best practices.

VisionDSM: Portfolio Management and Tracking System

AEG’s VisionDSM Software-as-a-Service (“SaaS”) platform is the trusted, established, industry leading portfolio management and tracking system. It has been successfully vetted by utilities, state agencies, and independent system operators, as well as the federal governments of the U.S and U.K. and provincial governments of Canada. VisionDSM is currently serving the needs of more than 200 utilities and government agencies, including more than 2,400 energy efficiency, demand response, renewable energy, and beneficial electrification programs. With more than 730,000,000 measures installed and more than 26,000,000 applications processed, VisionDSM is a proven, time-tested, utility-trusted market leader.

While AEG would use our VisionDSM platform for any program that we implement on behalf of an SEO, it is also important to note that our VisionDSM platform is implementer agnostic. Regardless of who each SEO engages to deploy these programs, VisionDSM can function as the SEO’s centralized hub. VisionDSM has already been integrated with more than 30 different implementers’ platforms across multiple energy portfolios. These existing integrations mean that the configuration of these interface would be a simpler, less costly, and less risky process.

Support for Pre-planning Activities included under “Early Administrative Funds” in the ALDR: Planning, Administration, or Technical Assistance

AEG is recommending that states consider immediately initiating certain program design activities from a subset of the “acceptable uses of funds” outlined in the Administrative and Legal Requirements (“ALDR”) document. The tasks to be considered include those that are not dependent on the final DOE program guidance expected in July, excluding those that may not be needed in a given state due to specific local conditions. States may apply for and receive these funds and use some/all of them. A state may request that unspent early administrative funds be rolled into the program grant as part of its application for program administration funds.

The following is a list of the tasks we recommend each SEO consider initiating immediately. Each SEO should consider conditions in their own local market when determining which tasks to undertake now versus when final guidance is received, balancing the benefit of an early start with preserving scarce administrative funding for full rollout and implementation.

1. Contract with experts that can assist the state in drafting its application to DOE for funds once program guidance is issued.
2. Identify existing contracts and program delivery mechanisms that may meet the preliminary program requirements and could be leveraged to deliver rebates when DOE releases the programmatic funds.
3. Develop a plan for addressing equity and environmental justice in rebate programs, including contributing to the goal of the Justice40 Initiative.
4. Develop and begin to implement a plan for addressing equity and environmental justice as part of workforce development strategy, as well as supporting good-paying jobs with a free and fair choice to join a union.
5. Engage local trades groups, residential trade ally organizations, retailers, and manufacturers, and review training programs and certifications to determine what types of additional training is needed for the existing residential workforce.
6. Engage relevant stakeholders, such as local government, community-based organizations, utilities, green banks, program implementers, and existing state/federal programs to consider how and when braiding and stacking of incentives, or other co-delivery of resources, would be most effective.
7. Develop a marketing plan, campaigns, and messaging for commencement prior to program go-live.

Other

20. Any additional comments.

Not Applicable

RFP and Contract Language

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

Not Applicable

D. | Category 3: Indication of Vendor Interest

Company Characteristics

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

Bidder Legal Name: Applied Energy Group, Inc.
Parent Company: Ameresco, Inc.
Contact Name & Title: Tim Maslak | Senior Vice President
Mobile & Email: 631-848-2373 | TMaslak@appliedenergygroup.com

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

AEG is proud to be an equal opportunity employer and an affirmative action workplace. We are fully committed to attracting, retaining, developing, and promoting the most qualified employees without regard to race, gender, color, religion, sexual orientation, gender identity, national origin, age, physical/mental disability, citizenship status, veteran status, or any other characteristic protected by applicable law. We are dedicated to providing a work environment free from discrimination and harassment, and where employees are treated with respect and dignity. AEG will partner with SEOs to establish a DEIA plan at program outset. We bring a comprehensive approach that will ensure each SEO meets program goals while driving diversity, equity, inclusion, and accessibility. AEG's approach to program DEIA includes, but is not limited to, the following:

- Provide training to all stakeholders on DEIA best practices
- Set diversity hiring goals to ensure diverse representation
- Leverage strategic partnerships and diversity sourcing platforms/techniques to build diverse talent pipelines
- Streamline job posting templates, assemble diverse interviewing teams, and use competency-based interview questions to help eliminate bias
- Develop a formal retention plan that includes DEIA management
- Ensure managers are trained to lead diverse teams while ensuring equity, inclusion, and accessibility
- Assign all new hires a mentor to support coaching, training, and career goal alignment

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.

Please refer to the table provided on the following page.

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

AEG is proposing to provide the following services to the SEOs:

❖ Turnkey Program Implementation Services

- a. Individual State Approach
- b. Multi-state Regional Approach

AEG can provide all of the necessary program components, as outlined under Category 1 and Category 2.

❖ VisionDSM: Portfolio Management and Tracking System

AEG can also provide our VisionDSM Software-as-a-Service platform as a standalone solution. Please see Category 2 for additional details.

❖ Support for Pre-planning Activities included under “Early Administrative Funds” in the ALDR: Planning, Administration, or Technical Assistance

AEG is recommending that states consider immediately initiating certain program design activities from a subset of the “acceptable uses of funds” outlined in the Administrative and Legal Requirements (“ALDR”) document. The tasks to be considered include those that are not dependent on the final DOE program guidance expected in July, excluding those that may not be needed in a given state due to specific local conditions. Please refer to AEG’s response to Category 2 for additional details and a list of the tasks we recommend each state consider initiating immediately.

Client	V	I	C	LMI	States	Dates	Project Details
Bonneville Power Administration (DOE BPA)	X			X	MT, ID, UT, WY, OR, WA, NV, CA	2020 – Ongoing	<ul style="list-style-type: none"> VisionDSM Platform: In use by 137 of BPA's customer/member utilities
State of Delaware: Department of Natural Resources & Environmental Control (DNREC)		X	X	X	DE	2009 – 2023	<ul style="list-style-type: none"> Programs Include: Solar, C&I, WAP, and Energy Efficiency Advisory Counsel; the scope of work includes: <ul style="list-style-type: none"> Program Reporting Content/Format Assessment Process Improvement Recommendations on Program Reporting and ACEEE Reporting Assessment of Effectiveness of DE TRM and Comparison to Alternatives Marketing Campaign Assessment and Pilot Campaigns Consultation with DNREC staff on HOMES and HEEHR program tasks and timelines Past: Prime contractor overseeing launch of programs utilizing ARRA funds and launch of Energize Delaware brand and program prior to appointment of an Executive Director and full-time program staff
Delaware Sustainable Energy Utility (SEU)		X		X	DE	2009 – 2022	<ul style="list-style-type: none"> Empowerment Grant Program addressed the split incentive issue for low-income residents by providing incentives for HVAC replacement upon failure or end-of-life; the program provided non-profit property managers and trade allies with a simple process for the purchase of high-efficiency HVAC replacements at no incremental cost <ul style="list-style-type: none"> The project was expanded to include installation of direct install measures Past: Formation of Energize Delaware <ul style="list-style-type: none"> Establishment of Energize Delaware brand as well as initial web presence, marketing, and communications Transition to DNREC & DE SEU staff at conclusion of contract Oversaw procurements and supervised subcontractor staff Consolidated data for internal reporting and U.S. DOE reporting Conducted quality assurance reviews and visits
Black Hills Energy	X	X	X		CO, WY, SD, IA	2011 – Ongoing	<ul style="list-style-type: none"> VisionDSM Platform: Utilized across four U.S. states and six Black Hills Energy utilities Program Implementation Baseline & Potential Studies; Program Planning & Design; Cost-Effectiveness; Stakeholder & Regulatory Support
New Jersey Statewide Coordinator (SWC)	X				NJ	2021 – Ongoing	<ul style="list-style-type: none"> VisionDSM Platform: Statewide centralized, interconnected data tracking and reporting platform for cross-utility coordination and tracking of dual fuel incentives and savings across portfolios for all 7 public electric & gas utilities
New Jersey: Implementation & VisionDSM Services	X	X	X	X	NJ	2010 – Ongoing	<ul style="list-style-type: none"> VisionDSM: In use by multiple utilities including FirstEnergy, Rockland Electric (Con Edison), South Jersey Gas, Elizabethtown Gas, and Atlantic City Electric (2010-Present) Implementation: Multiple utilities, including South Jersey Gas & Elizabethtown Gas (2016-Present) AEG managed the New Jersey Clean Energy Program on behalf of the New Jersey BPU from 2008 to 2015
Minnesota Energy Resources Corp. (MERC)	X	X	X	X	MN	2006 – Ongoing	<ul style="list-style-type: none"> VisionDSM Platform: Portfolio Management System Turnkey Implementation: All residential, commercial, and industrial programs, including LMI programs Potential Studies; Program Planning & Design; Stakeholder Support; TRM Support
Georgia Power	X			X	GA	2019 – Ongoing	<ul style="list-style-type: none"> VisionDSM Platform: Centralized Portfolio Management System for Energy Efficiency and Beneficial Electrification Programs; portfolio includes LMI programs VisionDSM includes LMI Portal for eligibility screening across both utility and non-utility programs Implementation of Electric Vehicle Dedicated Circuit and Electric Transportation Rebate Program Market Assessment/Technical Potential Study; IRP Support; Program Planning and Design Services
Alabama Power	X			X	AL	2022 – Ongoing	<ul style="list-style-type: none"> VisionDSM: Centralized portfolio management system for energy efficiency programs, including LMI Programs

Table Key: V = VisionDSM Deployment; I = Implementation Services; C = Consulting Services; LMI = Low & Moderate-Income Programs



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