

North Carolina Department of Environmental Quality

Effective <Month> 2024

North Carolina Home Energy Rebate Program (IRA Section 50121): Consumer Protection Plan



Abstract

The Consumer Protection Plan describes how North Carolina will provide procedures and processes to protect the consumer through its implementation of the Inflation Reduction Act's Home Energy Rebate program. The plan documents the process for seven required elements: (1) collecting and responding to Consumer Feedback; (2) providing a thorough Resolution Procedure for consumers; (3) having Data Review and Quality Control measures in place via a technology platform that will handle application intake, eligibility determination, and rebate management; (4) providing protocols for Onsite Inspections; (5) identifying and setting standards for Qualified Contractors; (6) providing Installation Standards and Requirements; and (7) providing opportunities for Continuous Improvement for the program.

The Consumer Protection Plan will be readily accessible to the general public, including all program participants. The Consumer Protection Plan will be made available in multiple formats, including digitally on the program's website, printed copies upon request, and available in English and Spanish. NCDEQ will work to accommodate requests to translate the CPP into other languages, as possible. NCDEQ, through its program implementer, will provide contractors and community organizations with paper copies and applicable website links to share with homeowners and interested consumers. Additionally, all materials will meet ADA accessibility standards, making them accessible to individuals with disabilities. North Carolina aims to foster transparency and trust among all participants involved in the Home Energy Rebate program.

Table of Contents

Abstract.....	1
Acronyms and Abbreviations	3
1. Consumer Feedback	4
A. Feedback Channels	4
B. Response Protocol	4
C. Customer Relationship Management.....	6
D. Customer Satisfaction Survey.....	7
E. Multifamily Buildings.....	7
F. Continuous Improvement.....	7
2. Resolution Procedures.....	9
A. Resolution Procedure of Recorded Conflicts and Disputes.....	9
B. Remediation Process for Inspection Deficiencies	11
3. Data Review	13

A. Data Validation Controls	14
B. Home Assessment Data	14
C. Scope of Work Requirements.....	15
D. Installation Address Verification.....	16
E. Income Category Verification	18
F. Post Installation Certificate Receipt.....	20
G. Data Retention	20
H. Documentation of QC Inspections.....	21
I. Contractor and Retailer Quality Control	22
J. Personnel Training and Credentials.....	22
4. Onsite Inspections	24
A. Inspection Process	24
B. Multifamily-Specific Process:.....	25
5. Contractors and Other Partners	26
A. Qualifications for Contractor List	26
B. Contractor Training and Outreach	27
C. Qualified Contractor List Integrity	28
D. Access to Qualified Contractor List	29
E. Energy Savings Calculations	29
6. Installation.....	31
A. Installation Requirements	31
B. Installation Standards	31
C. Sales and Contract Language	31
D. Returns	32
E. If Financing is Involved	33
7. Continuous Improvement.....	35
A. Unfair Business Practices.....	35
B. Leveraging Automation and Data Security	35
C. Program Measurement, Evaluation, and Improvement.....	36
D. Budget and Financial Performance	37
8. Low-Income, Renter-Occupied Buildings and Homes	39
A. Tenant Protections	39

Acronyms and Abbreviations

ADA	Americans with Disability Act
AMI	Area Median Income
API	Application Programming Interface
BENDEX	Beneficiary and Earnings Data Exchange
BPI	Building Performance Institute
BSI	Building Safety Inspector
CBO	Community-Based Organization
CEO	Certified Code Enforcement Official
CFR	Codified Federal Regulations
CO	Carbon Monoxide
CRM	Customer Relationship Management
DOE	Department of Energy
GAAP	Generally Accepted Accounting Principles
HVAC	Heating, Ventilation, and Air Conditioning
LIEAP	Low Income Energy Assistance Program
LIHTC	Low Income Housing Tax Credit
NCDEQ	North Carolina Department of Environmental Quality
NCDOJ	North Carolina Department of Justice
PII	Personal Identifiable Information
QA	Quality Assurance
QEP	Qualified Electrification Project
QC	Quality Control
RESNET	Residential Energy Services Network
SNAP	Supplemental Nutrition Assistance Program
SOLQ	State Online Query
WAP	Weatherization Assistance Program

1. Consumer Feedback

North Carolina Department of Environmental Quality (NCDEQ) will provide household consumers with the ability to file complaints, concerns, and issues directly and efficiently. Creating a positive consumer experience is one of the pillars of NCDEQ's Inflation Reduction Act (IRA) Section 50121 program, and NCDEQ's intention is to design a program that protects consumers (program participants) and provides a positive experience. In doing so, NCDEQ will hire a program implementer, overseen and managed by NCDEQ, to develop and manage the consumer feedback system to improve service quality, address specific consumer issues, and enhance overall customer satisfaction. The consumer feedback system will comply with all relevant State laws regarding consumer rights and data protection. All feedback channels will meet the Americans with Disabilities Act (ADA) accessibility standards. NCDEQ will also work to accommodate requests to translate the CPP into other languages, as possible. Consumers may also request hard copies of online documents through the U.S. mail or speak to a program representative via the program's call center.

The program implementer will analyze information from stakeholder conversations, community-community based organization ("CBO") outreach and input, and additional feedback received to understand customer preferences and identify customer groupings or segments that share similar experiences. This analysis will include recognizing patterns and commonalities in the feedback. Leveraging the analysis, the program implementer can develop targeted strategies to address the unique concerns of each group, thereby improving overall satisfaction and allowing the program to be responsive to the diverse needs of its participants.

A. Feedback Channels

Consumers can ask general questions about the State program or submit a complaint, concern, or comment regarding program services through the following feedback channels that are to be established by the program implementer:

- Webform: A submission form through the program technology, which will include fields for detailed descriptions and consumer contact information.
- Consumer Hotline: A toll-free number that consumers can call to log voicemail messages with complaints or concerns. Consumers will be notified that all voicemails will be recorded, and contact information stored for processing.
- Email: A dedicated email address for consumers to submit questions or feedback.
- Paper Form: Consumers can request a paper copy through the U.S. mail which would include a prepaid postage return envelope for their survey submission.

B. Response Protocol

The webform, consumer hotline, and email feedback channels will send an automated acknowledgement for received feedback to inform consumers that their input has been

logged and is under review. Consumers who provide feedback via consumer hotline will be notified that the contact information they provide will be recorded and stored for processing, as well as for sending an automated acknowledgement reply. In addition to acknowledging the receipt of the feedback, the program implementer will review the received feedback and respond to consumer program inquiries within ten (10) business days of a received complaint with information or instruction requested. Feedback submitted via paper submissions or U.S. mail may take up to ten (10) business days postmarked by the implementer to review feedback and provide response. To perform a robust review and response to the feedback, as outlined in more detail below, the program implementer may also contact the consumer as necessary to clarify or ask questions about their feedback.

The program implementer will regularly review consumer feedback and customer satisfaction survey responses for negative comments and address issues cited accordingly. The program implementer will classify feedback into categories (e.g., application issues, service complaints, etc.) and assign urgency levels based on the severity of the complaint and potential impact on the consumer and program. NCDEQ, in collaboration with the program implementer, will outline the definition of 'severity' based on program parameters and will be informed by State and federal laws. Complaints that pertain to health and safety or to malfunctioning or faulty appliance or appliance installation will be assigned the greatest urgency and will be prioritized to receive a response within 2 business days. Feedback assigned greater urgency levels or impact to the consumer and program will be shared with NCDEQ through email communications and phone calls. Consumer responses to the programs may be subject to public record requests, in accordance with the North Carolina Public Records Law. NCDEQ and the program implementer will adhere to North Carolina's General Statutes Chapter 132 when disclosing consumer responses under public record. To protect program participants and prevent any potential backlash or intimidation for submitted feedback, the program implementer will conduct the following procedures:

- Personal Identifiable Information Redaction: During the initial review of the feedback received, the program implementer will review and redact any content, inclusive of personal identifiable information (PII) as defined by North Carolina's General Statutes Chapter 132, that could lead to re-victimization and harassment of the program participant prior to sharing the consumer's feedback with the affected contractor.
 - Transparent Procedures: The program implementer will clearly communicate the feedback process to consumers, including how their information will be used, who will have access to it, what steps will be taken once feedback is submitted, and typical response timeframes.
- Staff Training: The program implementer will conduct regular training for all consumer feedback staff on how to manage consumer feedback appropriately, focusing on respect, confidentiality, and non-retaliation.

The program implementer will provide regular feedback reports to NCDEQ. Affected contractors will be informed of feedback and potential implications within the timeframe appropriate to the feedback's categorization assignment and urgency level.

The conflict resolution procedure will be initiated by the program implementer for complaints submitted through the consumer feedback channels requiring further investigation, conflict resolution, and remediation, such as potential contractor unfair business practices or inappropriate behavior toward the consumer. The conflict resolution procedure will be expressly outlined in the Contractor Participation Agreement between the contractor and NCDEQ's implementer. NCDEQ will work with the program implementer to establish standard timeframes for resolutions based on the nature of the feedback and develop clear procedures for escalating issues to higher-level implementer management for review. Pending the severity and/or volume of the comments, the Contractor Participation Agreement will provide that a contractor may be placed on a performance plan, be removed from the Qualified Contractor List (the list of contractors that meet the required qualifications to provide services under the IRA Section 50121 programs and have signed, and continue to comply with, the Contractor Participation Agreement), or receive additional Quality Assurance (QA)/Quality Control (QC) training until their performance is satisfactory. The Qualified Contractor List, developed and maintained by the program implementer, will include only competent and compliant contractors, licensed in accord with State law, who can participate in this program. Please see the Section 2 for further detail on remediation and penalties.

C. Customer Relationship Management

A customer relationship management (CRM) tool will be integrated within the program technology platform to be developed by the program implementer. This tool integration will be used to record and track consumer feedback and include, at a minimum, the following features and functionalities:

- Feedback Capture: Seamless integration and analysis of the various feedback channels detailed in Section B above. Relevant information will be captured such as the name of the program participant submitting feedback, names and organizations referenced within feedback, associated application number, contact information, and location, as well as any submitted documentation related to the issue, including photographs and document uploads.
- Case Management: Each piece of feedback will create a "ticket" to be tracked from initiation to resolution. If the feedback is associated with an application that has been submitted, that feedback will be tagged to that application.
- Automation Tools: Automated workflows with notifications and queues will assign cases to appropriate program implementer staff based on the category and type of feedback, associated urgency level, or other rules. The program implementer will assign cases a priority rank based on the impact and urgency of the feedback. Program implementer staff will review and address cases accordingly.

- Integration Capabilities: Systems integration will include email platforms, call center software, and data analytics tools.

D. Customer Satisfaction Survey

The State understands the importance of consumer feedback and will require its program implementer to provide consumers with an option to complete a customer satisfaction survey at least three (3) months and no more than six (6) months after the project's completion date. This approach allows for ongoing engagement with consumers and gathers valuable insights to assess and enhance service delivery. As part of the application process, the State, through its program implementer, will inform program participants that they will receive a survey at least three (3) months and no more than six (6) months after project completion and ask participants how they wish to receive the survey (via an email invitation or text message invitation to an online survey form, by a phone call, or by receiving a survey through the U. S. mail, which would include a prepaid postage return envelope for their survey submission). The survey will be inclusive of, and not limited to, the questions listed in Appendix B of the [Home Energy Rebates Program Requirements & Application Instructions](#). Additional questions may cover various aspects of the project, including satisfaction with the outcome, program outreach efforts, communication with program staff, contractor satisfaction, project timeliness, and overall program experience. Survey completion reminders may be sent for a higher response rate. No additional attempts for survey collection will be made once the survey response window closes six (6) months after project completion.

E. Multifamily Buildings

NCDEQ will require a consumer feedback process that is specific for multifamily buildings to collect consumer feedback on their experience with the program, provide the consumer the ability to file complaints, concerns, and report issues directly and efficiently. The process will be further developed and managed by the program implementer to develop a discrete consumer feedback process and corresponding directions for those households who reside in a multifamily building, but who are not the direct program participant. Those indirect participant households may have feedback related to quality assurance and, and it is important to NCDEQ that those participants should be provided with the opportunity to convey feedback, raise complaints, and complete surveys to inform programmatic improvements.

F. Continuous Improvement

Consumer feedback will follow improvement processes as indicated in the Continuous Improvement section within this document to continually incorporate feedback into the program's design. North Carolina will review its Consumer Protection Plan at least every two years, adjust based on lessons learned, and communicate changes to contractors, aggregators, third-party inspectors, and DOE. North Carolina will provide DOE with

information regarding the State's monitoring, review, and revision of the plan based on program performance.

2. Resolution Procedures

A. Resolution Procedure of Recorded Conflicts and Disputes

Consistent with the requirements outlined throughout Section A, the program implementer will develop a conflict resolution procedure designed to resolve disputes between homeowners/building owners and contractors/entity representatives. The procedure will encompass protocols for a timely response, identification of responsible parties, investigation, comprehensive documentation of the procedure conducted, remediation, corrective action, and addressing systemic issues. NCDEQ is in the process of engaging a program implementer and intends for them to finalize the procedure within at least 90 days after NCDEQ begins accepting applications. For transparency, the defined conflict resolution procedure and Contractor Participation Agreements must be acknowledged and agreed upon by all parties prior to commencement of engagement in the scope of work related to the conflict. Additionally, the conflict resolution procedure will be available on the programs' websites. The resolution procedure will include, but not be limited to, the following activities:

- Initial Complaint Submission: Consumer will be able to submit complaints via webform, consumer hotline, U.S. mail, or email and upload any documents or photographic evidence to support their complaint.
- Acknowledgement of Complaint: The webform, consumer hotline, and email channels will send an automated acknowledgement for received complaints to inform consumers that their input has been logged and is under review. Consumers who provide feedback via consumer hotline will be notified that the contact information they provide will be recorded and stored for processing, as well as for sending an automated acknowledgement reply. Complaints submitted via paper submissions or U.S. mail may take up to seven (7) business days to confirm receipt and processing.
- Initial Assessment and Escalation: The program implementer will conduct a preliminary review of the complaint to determine its validity and classify its severity ("Initial Assessment"). Once the complaint is deemed valid and its level of severity assessed, the program implementer will notify the consumer who submitted the complaint and the party against which the complaint has been submitted (hereinafter, "parties").
- Mediation and Conflict Resolution: The program implementer will notify all involved parties of the reported conflict and the steps that will be taken to manage the dispute. Notification will be communicated through office channels, such as email or written notice, ensuring all parties are informed within ten (10) business days after the Initial Assessment, or within 24 hours if program implementer determines that the concern is urgent. The party against which the complaint has been submitted will also be given the opportunity to provide a response and any relevant supporting documentation or evidence. After review of the circumstances, which

may include a site visit if requested by the consumer or otherwise determined to be necessary by the program implementer, responses of the parties, and any supporting documentation or evidence, the program implementer will act as a mediator between the parties to achieve resolution of the complaint.

- Investigation: For complaints that are not resolved through mediation between the parties, or complaints containing allegations of program fraud or abuse, the program implementer will conduct an investigation to ascertain whether the claims in the complaint warrant further action.
- Documentation and Corrective Actions: The program implementer will develop a resolution plan template to formally document conflicts or disputes between homeowners/building owners and contractors/eligible entity representatives. The form will include, but not be limited to, the identification of responsible parties, a description of the incident including the date and project address, the resolution tactics inclusive of corrective actions taken, and timelines for implementation. In addition to an explanation of the conflict resolution procedures, a pro forma resolution plan template shall also be included in the Contractor Participant Agreement to provide notice to participating contractors of the conflict resolution plan procedures.
- Follow-up and Case Closure: The program implementer will monitor the implementation of corrective actions, such as additional work the contractor must carry out for the consumer to resolve a quality issue associated with the initial installation. After corrective actions are completed, the program implementer will conduct a follow-up with the homeowner or building owner to confirm resolution is satisfactory. The dispute will be formally closed in the program technology platform after corrective actions are verified.
- System Issue Identification and Management: On no less than a semi-annual basis, the program implementer will compile data from conflict resolution reports to identify common themes or recurring issues, including total number of complaints filed against a contractor. Themes will be analyzed to determine persistent problems or weaknesses in the current system. Recommendations for programmatic changes may include policy revisions, new procedures, or training programs to address gaps and improve the conflict resolution process. Affected stakeholders can expect clear communication about findings of the systemic review and reasons for proposed changes.
- Documentation: All disputes and their resolutions will be documented in the program technology platform. Documentation will include details of the complaint, the resolution process with dates of actions taken, outcome, and any follow-up corrective actions.

B. Remediation Process for Inspection Deficiencies

The program implementer will develop a comprehensive remediation process designed to address deficiencies detected through inspections (e.g., safety hazards, improper installation, cosmetic issues). The standard remediation process will also be applied to each Contractor Participation Agreement. The remediation process will include, but not be limited to, the following activities:

- Detection and Documentation of Deficiencies: Any deficiencies, fraud, or unfair practices identified during inspections will be documented in detail by the inspector using a standardized form developed by the program implementer to document the deficiency. The form will include the nature of the deficiency, the parties involved, and the context of the inspection. To address and prevent unfair business practices, the program implementer will conduct regular audits and inspections to identify and mitigate discriminatory policies (e.g., racial discrimination) and predatory actions (e.g., price gouging). In addition, the program implementer will provide trainings and educational materials to contractors on fair business practices and anti-discrimination laws. NCDEQ, through the program implementer, will develop clear policies and procedures to prevent and address unfair practices, along with the program's consumer feedback system, to maintain timely and effective resolution of complaints.
- Immediate Notification: The responsible party (e.g., contractor, installer) will be notified of the deficiency within three (3) business days, or within 24 hours if the concern is urgent. Consumers who submit feedback through the consumer feedback system containing complaints and/or allegations of fraud, abuse, or unfair business practices will be provided notification of the remediation process. A notification, detailing the deficiency and the potential consequences will be issued in writing.
- Remediation and Penalization: Any consumer adversely impacted by deficiencies or unfair practices, as identified, and verified through the program implementer's investigation, will be made whole by the contractor through timely repair or replacement of the efficiency upgrade. A determination of whether a consumer's claim requires remediation, based on program protocols, will be made by the program implementer. The contractor who performed the original installation will be responsible for ensuring the timely repair or replacement, as agreed upon within the Contractor Participation Agreement. If the program implementer determines that timely repair or replacement of the installation is insufficient to satisfy a customer's complaint, the program implementer may seek appropriate financial compensation for the customer from the contractor. Pending the severity and/or volume of the complaints, the Contractor Participation Agreement will provide that a contractor may be placed on a performance plan, be removed from the Qualified Contractor List, or receive additional QA/QC training until their performance is

satisfactory. Any remedial or punitive actions taken will follow a pre-defined set of protocols as follows:

- A record of deficiency.
 - An assessment of the level of severity regarding the issue related to the project inspection.
 - Determination of remedial or punitive action in accordance with the severity of deficiency by the appropriate parties.
 - Formal communication to the responsible parties.
 - Fulfillment of remedial or punitive action, including the program implementer's verification that the responsible party complied with the remedial and/or punitive actions.
 - If remedial actions prove insufficient, the program implementer may report the contractor to the North Carolina Department of Justice (NCDOJ) Consumer Protection Division and/or their licensing board.
- QC Inspections Documentation: The program implementer will maintain records on QC inspections of the remediation process. The program implementer will retain records in accordance with the State of North Carolina Retention Schedule, which is aligned with the 2 Codified Federal Regulations (CFR) 200.334 standard record retention policy of three (3) years from the submission date of NCDEQ's Inflation Reduction Act (IRA) Section 50121 program final expenditure report. The program implementer will document the results of the follow-up inspections and close out the deficiency report upon satisfactory resolution. As part of the implementer's commitment to data retention for their QA activities, all records related to QC inspections, including documentation of the remediation process and follow-up inspections, will be securely stored and maintained. Data will be readily available and can be shared with the U.S. Department of Energy (DOE) upon request.
- Contractual and Consumer Protection Clauses: The program implementer will adhere to the following DOE requirements related to contractual agreements.
 - Contracts associated with the IRA Section 50121 program cannot contain clauses that mandate arbitration, ensuring that consumers have the right to seek judicial review if needed.
 - The program implementer will include provisions in contracts associated with the IRA Section 50121 program so that consumer protections are maintained even if the contract is assigned to a third-party creditor, safeguarding consumer rights throughout the lifecycle of the contract.
- Reporting and Continuous Improvement: The program implementer will regularly report on the outcomes of remediation efforts to NCDEQ, including the effectiveness of penalties and consumer restitution measures. Trends in deficiencies will be analyzed to identify and address systemic issues within the program. Critical feedback and program updates, with all PII removed, may be made publicly available on the program's website.

3. Data Review

The program implementer will develop and document business processes and procedures to secure and accurately retain data points for all applications, inclusive of denied projects (“stale” applications) that do not receive a rebate. The data will be held within the program technology platform until decommissioning or until an agreed upon removal of “stale” applications. The program technology platform and data storage processes will be compliant with all relevant federal and State policies, including the State of North Carolina Retention Schedule.

These documents will specify the responsible parties and expectations for how and when the implementer will conduct data reviews and enforce compliance with program requirements. The program implementer will also limit access to confidential data to those positions with a demonstrated need for access for purposes of review, QC, program integrity, compliance, reporting responsibilities, dispute resolution, and complaint investigation. Documents will be reviewed and approved by NCDEQ. The program implementer will leverage the program technology platform to include validation controls (e.g., data entry checks, real-time error notifications, mandatory field validations) and efficient automation features (e.g., report generation, scheduled data backups, workflow automation) where applicable. The program implementer will develop the following documentation:

- Flow Diagram: Visual representation of the process flow, indicating decision points, stakeholders involved, and sequence of actions. The program implementer will clearly map out the data review process against the rebate project lifecycle from start to finish and highlight critical points where data validation, QA/QC, and compliance checks occur.
- Trackability Matrix: Detailed matrix that outlines the technology needs and data collection, storage, review, monitoring, and reporting requirements for the program technology platform. The trackability matrix captures key data points, responsible parties, data security measures, data validation methods, and compliance enforcement mechanisms.
- Risk Matrix & Profiles: Detailed matrix that catalogs associated risks for applicants, applications, contractors, retailers, and other program participants based on the information gathered during the application process and the development of the Qualified Contractor List, including contractor training and engagement. The matrix and profiles will help guide the program implementor in where to apply higher levels of scrutiny during audit and review procedures.

The program implementer will conduct data or file review of all projects that verify data validation controls, home assessment data, scope of work requirements, installation address verification, income category verification, and post-installation certificate receipt.

A. Data Validation Controls

NCDEQ will work with the program implementer to incorporate smart technology data validation features into the program technology platform to further enhance data review effectiveness, such as exception handling and file processing alerts. Digital platform requirements may include:

- Validation Features: Built-in validation for all data entries to minimize errors and maintain data integrity.
 - Document Uploads: Secure and compliant mechanisms for uploading, securing, and retaining required program documentation.
 - Real-Time Data Checks: Capability to perform real-time checks against entered data to catch discrepancies early.
- Audit Trail Features: Comprehensive logging of all data entries, changes, and reviews for auditing purposes.

The program implementer will develop an exhaustive list of requirements that the tool must meet. The implementer will also outline business procedures to address data exceptions and train the appropriate staff on timely and compliant resolution, data review, documentation, and reporting activities.

B. Home Assessment Data

As part of the rebate application process, the program implementer will review every home assessment conducted to confirm data captured is complete and accurate. For additional QA/QC, the program implementer will sample a minimum of ten percent of completed home assessments and employ a risk-based monitoring approach, guided by the risk matrix, for quarterly data audits. The State will institute multiple checks to ensure home assessment accuracy, including: 1) building checks into the technology system that can conduct data validation to identify assessments that are missing information or appear to have data entry errors; and 2) training application reviewers to review home assessments for accuracy. As part of the review process, the program implementer will be required to thoroughly document home assessment reviews and retain all captured documentation in the technology system. As a result, data will be quickly accessible to the program implementer and available when requested by DOE for reviews and for ongoing DOE monitoring and reporting. The program implementer will be committed to regularly reassessing and monitoring the sampling rate of projects and the proposed risk-based sampling approach to ensure optimal effectiveness. Feedback from the sampling process will be communicated promptly to contractors, enabling them to address any identified issues and improve their data capture processes. This ongoing reassessment and feedback loop will help maintain high standards of data accuracy and completeness throughout the program. This will ensure all required data listed in Section 3.2.2 of the of the [Program Requirements and Application Instructions](#) is accurately captured by the contractor. The data review process will cover:

- Data collection consistent with Section 2.2 of the [Data & Tools Requirements Guide](#).
- Estimated total project cost.
- Identification of the tool or software used to produce the energy cost estimate.
- Written acknowledgement from the consumer of the estimated impact on household energy costs and consumption.
- Written acknowledgement of non-rebate covered costs by the consumer.
- Estimated post-retrofit energy consumption.
- Estimated energy savings attributable to the project.
- Datapoints as required per the State's requirements to retain data in Section 3.2.5 of the [Data & Tools Requirements Guide](#).

The program implementer will adhere to the standardized data specifications and guidelines within the [IRA Home Energy Rebates: Data and Tools Requirements Guide](#) for data captured within the assessment. NCDEQ will work with the program implementer to establish specific processes for multifamily buildings, including assessments for common areas and individual units, considering the unique challenges and configurations of these properties. Home energy assessment data for large multifamily buildings will be consistent with Building Sync.

C. Scope of Work Requirements

The program implementer will develop a standardized scope of work template consistent with program requirements to ensure all necessary information is captured and program requirements are met. The scope of work template will be developed so that each project captures and reports data in a clear and consistent way that allows for data to be easily pulled and reviewed. The program implementer will establish a specific set of chronological steps in the scope of work template to capture the details and performance requirements for each project (e.g., equipment to be installed, timeline for completion, final deliverables). The template will help delineate expectation between the program participant and contractor to enhance the consistency of the program implementer's reviews. The program implementer will establish a process for any necessary work changes to the scope of work template. As part of the rebate application process, the program implementer will review all scope of work documentation to verify data captured is complete and accurate. For additional QA/QC, the program implementer will sample a minimum of ten percent of invoices and employ a risk-based monitoring approach, guided by the risk matrix, for quarterly data audits to review the invoices of costs for work performed to confirm the invoices are sufficiently detailed and the rebates are consistent with current program measures and equipment eligibility requirements (e.g., equipment types and model numbers listed on the invoice are eligible for rebates under the program). Invoices will also be reviewed to verify that contractor costs are not artificially inflated compared with market averages.

The program implementer's methodology for reviewing invoices will include assessing the potential negative on-bill impact for consumers. The program implementer and technical reviewers' staff will review the initial home assessment findings and compare the assessor's

recommendations for energy conservation measures against equipment impact to confirm there are no negative impacts prior to installation. The program implementer will also analyze the cost implications of the installed equipment on consumers' utility bills to detect any adverse financial effects. Recognizing that various equipment types may have distinct operational costs and energy efficiency outcomes, the program implementer may consider differentiating between equipment types when assessing bill impacts.

Should a contractor be found to not have provided sufficient documentation to verify the project scope associated with the rebate, the program implementer will initiate an investigation to determine why the project scope was provided incorrectly and determine the appropriate steps for resolving the applicant's status in the program.

If it is determined that there is an error with the scope of work from the contractor:

1. The program implementer will reach out to the contractor to request additional documentation to support the scope of work. If the contractor is able to provide sufficient documentation upon request, then the investigation will be resolved.
2. If it is determined the contractor made a mistake that cannot be redeemed with additional documentation, the implementer will work with NCDEQ to determine next steps to resolve the situation, such as requiring contractor participation in additional training; reassessing the contractor's status in the contractor network (if there are multiple offenses); or, in certain cases, recouping any misappropriated funds.
3. If it is determined the contractor did not make a mistake, but deliberately provided falsified documentation, the contractor will be responsible to return the amount of the rebate to NCDEQ (for return to program funds) and the contractor's status on the Qualified Contractor list will be reviewed.
4. For all other complaints, the implementor will review the complaint and work with DEQ to provide an appropriate response.

D. Installation Address Verification

As part of the rebate application process, the program implementer will verify every installation address through geo-locational data, GPS, or photo/image locational meta data. If unavailable, the program implementer will require additional proof of address through documentation such as utility bill submission. The program implementer will verify the address listed on the submitted documentation matches the installation address associated with the received rebate. NCDEQ will require contractor acknowledgement that installation was performed at the claimed installation address via a signed and dated installation confirmation document.

If the contractor submits documentation that does not prove the installation was performed at the appropriate address, the contractor will be asked to resubmit documentation that demonstrates the project was performed at the correct address and will not be issued

reimbursement until that documentation is provided. Contractors will be reconsidered for reimbursement once they provide corrected documentation.

Should a contractor be found to not have provided documentation to verify the correct installation address associated with the rebate, the program implementer will initiate an investigation to determine why the address was provided incorrectly, and the process for resolving the contractor's status in the program.

If it is determined that the mistake is due to contractor error:

1. The program implementer will reach out to the contractor to request additional documentation that demonstrates the project was performed at the correct address. Payment will not be issued until that documentation is provided. Contractors will be reconsidered for reimbursement once they provide corrected documentation.
2. If it is determined the contractor made a mistake that cannot be rectified with additional documentation, the implementer will work with NCDEQ to determine next steps.
3. NCDEQ will require contractors that do not submit sufficient and/or compliant documentation to complete additional training on program requirements, which will cover the processes above and penalties for lack of compliance. Should contractors make ongoing infractions of this nature, NCDEQ may determine they are no longer eligible to participate in the program and remove them from the qualified contractor list.
4. For all other complaints, the implementor will review the complaint and work with DEQ to provide an appropriate response.

If it is determined the contractor did not make a mistake, but deliberately provided falsified documentation, the contractor will be responsible to return the amount of the rebate to NCDEQ (for return to program funds) and the contractor's status on the Qualified Contractor list will be reviewed.

If it is determined that the mistake is due to an application reviewer or system error:

1. The program implementer will review the application to determine what documentation is missing or was not reviewed accurately to confirm installation at the applicant's address for the program.
2. If it is determined additional documentation is needed, the program implementer will reach out to the homeowner, building owner, tenant or contractor to collect outstanding documentation.
3. If it is determined that it was a system error or an application reviewer mistake, then NCDEQ will work with the implementer to determine next steps to recoup any misappropriated funds.
4. For all other complaints, the implementor will review the complaint and work with DEQ to provide an appropriate response.

For additional QA/QC, the program implementer will sample a minimum of ten percent of all claims submitted and employ a risk-based monitoring approach, guided by the risk matrix, for quarterly data audits. Through this quality assurance process, the program implementer will verify what equipment was installed and where it was installed.

NCDEQ will also maintain a record of households who are disqualified from applying for and receiving future benefits, which will be cross-referenced using names and addresses during review of future applications. If an applicant who previously documentation attempts to re-apply, then they will automatically be flagged by the program technology system, validated by application reviewers, and subsequently rejected for benefits.

E. Income Category Verification

As part of the rebate application process, the program implementer will review income verification documentation for every application to determine whether the homeowner's income aligns with the appropriate income eligibility category (e.g., low- or moderate-income). The homeowner's income eligibility will be determined by whether their income is below certain thresholds (e.g., 150% area median income (AMI) or 80% AMI) or they are enrolled in existing federal assistance programs within statutory limits, such as Low Income Home Energy Assistance Program (LIHEAP), Low Income Energy Assistance Program (LIEAP), and the Weatherization Assistance Program (WAP).

Applicants who claim to be enrolled in existing federal assistance programs within statutory limits approved for categorical eligibility will be required to upload a copy of their award letter demonstrating enrollment in the program(s). When possible, state agencies will provide verification of enrollment with the associated programs to further validate enrollment. NCDEQ is working to establish data-sharing agreements with state agencies, such as the NC Department of Health and Human Services (DHHS) that manage categorically eligible programs and obtain data to further validate an applicant's categorical eligibility.

NCDEQ will accept a variety of documentation types from applicants to verify income (as long as they derive from an official source). NCDEQ's program implementer will confirm the validity of income information that is submitted as they are reviewing applications. Applicants with no income or who are unemployed must describe how they pay for their necessities and attest to their lack of income via a Verification of No/Low Income form. NCDEQ intends to work with the program implementer to establish interfaces with federal databases (e.g., State Online Query (SOLQ), Beneficiary and Earnings Data Exchange (BENDEX), etc.) to further validate applicants' income. Additionally, eligibility specialists reviewing applications will complete training to ensure they are able to successfully conduct income verification.

NCDEQ will confirm that all applicants provide the income and/or categorical eligibility verification documentation required by the 50121 guidance. NCDEQ will delegate the income collection and information/data storage to the program implementer. As a

safeguard to discourage applicants from falsifying income information, all applicants will be required to sign a statement attesting to the accuracy of all submitted information, including income information.

Once income eligibility is confirmed, the application data, including the verified income category, will be securely stored in the program database. For additional QA/QC, the program implementer will sample a minimum of ten percent of projects submitted and employ a risk-based monitoring approach, guided by the risk matrix, for quarterly data audits to verify that the rebate amount provided aligns with the homeowner's verified income category according to program income and rebate amount thresholds. The program implementer will also conduct a periodic (e.g., annual) audit of associated rebate dollar allocations to verify accuracy of number and amounts of rebate coupons produced. NCDEQ will provide trainings and educational materials on the audit process to relevant personnel, so they are familiar with the audit process.

For multifamily homes, the program implementer will confirm eligibility as follows:

- Option 1: Review documentation as described above for single family income verification to confirm at least 50% of households have income below 80% AMI or are enrolled in the approved categorically eligible programs.
- Option 2: Review submitted documentation proving that at least 50% of the units fall under one of the eligible housing categories. Acceptable documents may include contracts with Public Housing Authorities, Section 8, Section 202, Section 811 agreements, or certifications of Low Income Housing Tax Credit (LIHTC) status. The program implementer will verify the completeness and validity of the submitted documents.

Should an applicant be found to not have been qualified for the program during sampling, the program implementer will initiate an investigation to determine why the applicant was not qualified and the process for resolving the applicant's status in the program.

If it is determined that the applicant deliberately provided fraudulent documentation that led to them incorrectly receiving benefits, the following process will be implemented.

1. Inform the homeowner, building owner or tenant that of the investigation findings and that they must refund the rebate amount to NCDEQ (to go back into the program funds).
2. Inform the homeowner, building owner, or tenant that they will be barred from applying for future benefits under the 50121 or 50122 programs.

Inform the contractor/ eligible entity representative that it is the homeowner or tenant or building owner's responsibility to pay back the implementer for the applied rebate.
3. Homeowners, building owners, and tenants will have the ability to appeal if they believe the investigation findings are incorrect.

If it is determined that the mistake is due to an application reviewer or system error:

5. The program implementer will review the application to determine what documentation is missing or was not reviewed accurately to determine the applicant's eligibility for the program.
6. If it is determined additional documentation is needed, the program implementer will reach out to the homeowner, building owner, tenant or contractor to collect outstanding documentation.
7. If it is determined that it was a system error or an application reviewer mistake, then NCDEQ will work with the implementer to determine next steps to recoup any misappropriated funds.

If it is determined that the mistake is due to contractor error:

5. The program implementer will reach out to the contractor to request additional documentation to support the applicant's eligibility.
6. If it is determined the contractor made a mistake that cannot be redeemed with additional documentation, the implementer will work with NCDEQ to determine next steps to recoup any misappropriated funds.
7. If it is determined the contractor did not make a mistake, but deliberately provided falsified documentation, the contractor will be responsible to return the amount of the rebate to NCDEQ (for return to program funds) and the contractor's status on the Qualified Contractor list will be reviewed.

NCDEQ will maintain a record of households who are disqualified from applying for and receiving future benefits, which will be cross-referenced using names and addresses during review of future applications. If an applicant who previously falsified income attempts to re-apply, then they will automatically be flagged by the program technology system, validated by application reviewers, and subsequently rejected for benefits.

F. Post Installation Certificate Receipt

The program implementer will confirm consumer receipt of the post installation certificate by obtaining data such as email send confirmation, home/building owner signature, and/or a photographic proof of certificate. Documentation will be stored within the program technology platform.

G. Data Retention

The program implementer will maintain the integrity and availability of critical data points, such as the listed bullets below. In doing so, the program implementer will leverage the program technology platform for contractors to upload the required documents and photos directly. The platform may automate an initial review to verify that submissions meet minimum criteria (e.g., resolution of photos, completeness of forms). The program implementer will explore secure cloud storage solution with backup capabilities to store

the data in accordance with the State of North Carolina Retention Schedule, which is aligned with the 2 CFR 200.334 standard record retention policy of three (3) years from the submission date of NCDEQ's Inflation Reduction Act (IRA) Section 50121 program final expenditure report. To assure and document safety and quality control for each project, the program implementer will retain:

- Post-Installation Photos: The program implementer will retain photos of rebated home improvements and appliances post installation. The associated EnergyGuide label and serial/model numbers for installed appliances and technologies must also be captured. Photos will be tagged with metadata such as date, location, and installation details. Please see Section 6 for further information regarding post-installation validation processes and procedures.
- Proof of Combustion Safety Testing: The state will require testing sign off on proof of combustion safety testing by a qualified contractor to be in accordance with North Carolina State Building Code: Fuel Gas Code 406.3.3 Appliance and Equipment Disconnection that states: 'Where the piping system is connected to appliances or equipment designed for operating pressures of less than the test pressure, such appliances or equipment shall be isolated from the piping system by disconnecting them and capping the outlet(s) or the gas line if no further connections to the line are needed.' Combustion safety testing will be required when major atmospherically venting combustion appliances (HVAC and/or water heaters) remain in place after heat pumps, heat pump water heaters, air sealing, and insulation that has an air sealing effect has been installed. The program implementer will retain proof of combustion safety testing in accordance with the standard record retention policy.
- Proof of Commissioning Testing: The program implementer will require submission of commissioning testing proof in all homes where heating, ventilation, and air conditioning (HVAC) systems are installed. For each project, the contractor must provide documented proof of testing and results signed by the homeowner or building owner as required by the program. The program implementer will investigate commissioning systems and tools that may be utilized by participating contractors. The program implementer will specify documentation requirements, including test procedures, results, and technician certifications. The required commissioning documentation will include completed Functional Performance Test forms signed by the commissioning agent. These forms will detail the specific items tested, such as the installed system's ability to meet temperature setpoints, off-season setpoint testing, and alarm functionality. Additionally, the documentation will include detailed test procedures, complying with industry standards and program requirements. Documented test results will provide a comprehensive record of all tests conducted, including pass/fail status, corrective actions taken, the date of testing, and technician details, including their certifications and qualifications.

H. Documentation of QC Inspections

The program implementer will accurately maintain comprehensive records of all QC inspections in accordance with the State of North Carolina Retention Schedule, which is

aligned with the 2 CFR 200.334 standard record retention policy of three (3) years from the submission date of NCDEQ's Inflation Reduction Act (IRA) Section 50121 program final expenditure report. Documentation of QC inspections will include the following:

- Sampling Rates: Defined frequency and criteria for QC inspections across different stages of the review process.
 - Findings: Standardized format for recording the findings of each inspection, including details such as date, reviewer, and detailed descriptions of any issues found.
 - Corrective Actions: Documented corrective actions taken in response to QC findings, including the specifics such as the nature of the corrective action, who performed it, and verification of the date it was completed. The program implementer will develop detailed procedures for corrective actions, including timelines for procedures such as the initial notification, corrective action plan submission, implementation period, progress updates, completion verification, and follow-up. Procedures will also include additional scrutiny and review of new contractors, confirming prompt resolution of any QC findings and maintaining compliance with program standards.
- Verification of Conformance: Documented follow-up inspection or verification process, confirming that the issue has been resolved and that the solution conforms to the initial requirements.

I. Contractor and Retailer Quality Control

To maintain and document QC for contractors and retailers, the program implementer will conduct data audits on the first five home assessments completed by each newly onboarded qualified contractor. Home assessment data will be reviewed, as described above in Section 3.B, and findings documented in the program technology platform within one month of the assessment.

J. Personnel Training and Credentials

The program implementer will be responsible for conducting the data/file review. The program implementer will establish minimum qualifications for the positions that will be tasked with data review, QC, program integrity, compliance, and reporting responsibilities, including academic qualifications, required trainings, prerequisite certifications, and minimum number of years of experience. Contractors must meet the required licenses, as required by the State, to install the specific measures offered within the scope of work (e.g., HVAC license for HVAC installation). NCDEQ will provide the program implementer with example organizations and minimum industry standards for training and qualifications deemed acceptable. For example, acceptable certifications and qualifications may include:

- Association of Energy Engineers (AEE) Certified Energy Manager (CEM).
- Certified Measurement & Verification Professional (CMVP) from the AEE or other recognized bodies.

- Building Performance Institute (BPI) Certification
- Professional Engineer (PE) License.
- Minimum academic qualifications, such as a bachelor's degree in engineering, environmental science, or a related field.
- Required trainings related to energy efficiency, HVAC systems, and data validation.
- Relevant experience in energy management, HVAC systems, or program implementation.

4. Onsite Inspections

The program implementer will define and document a process for coordination of independent onsite post-install inspections with a third-party inspector, such as local building inspectors and relevant contractors. The program implementer will also provide instructions within the inspection process for inspecting multi-family buildings. At a minimum, the program implementer will require an independent onsite post-install inspection on the first five projects of new contractors or contracting organizations. After the initial five projects are inspected, the program implementer will require at a minimum that ten percent of projects thereafter for each contractor or contracting organization receives an onsite post-install inspection, provided no issues are found. The program implementer may increase the minimum post-install inspection requirement depending on the inspection results and inspection QC fundings during the lifetime of the program. The program implementer may also require additional inspections for specific contractors according to the results of the first five inspections completed for the contractor.

A. Inspection Process

An inspector will contact the homeowner to conduct an independent onsite post-install inspections within seven (7) business days of the completion of the installation. For project efficiency and consumer satisfaction purposes, the installation inspector will coordinate with the project contractor to schedule the inspection to occur immediately at the culmination of the installation where possible. The inspection will not take longer than one (1) hour. When a separate inspection time is required, the Inspector will coordinate with the home/building owner/manager to conduct the inspection at an appropriate time for the household to avoid imposition and an unsatisfactory consumer experience. Any issues found during the inspection process will be recorded by the inspector within the standardized inspection report and will be processed according to the appropriate action as specified in Section 2.

The program implementer will develop a selection process utilizing the technology platform that allows for diversity in the projects that are selected for inspection and randomness in the choice of sites of each contractor. The program implementer will retain and secure records of the projects inspected, including the storage of all related documentation and pictures in accordance with the State of North Carolina Retention Schedule, which is aligned with the 2 CFR 200.334 standard record retention policy of minimum of three (3) years from the date of submission of NCDEQ's Inflation Reduction Act (IRA) Section 50121 program final expenditure report.

The program implementer will develop a list of required certifications that inspectors must possess or obtain to participate in the program. This list will include minimum standard accredited certifications such as BPI, Quality Control, Certified Building Safety Inspector (BSI), or a Certified Code Enforcement Official (CEO) and adhere to the appropriate federal and State home/building regulations. NCDEQ recognizes the importance of accredited

certifications and trainings in maintaining high standards of home energy efficiency and safety. NCDEQ will work with the program implementer to align required qualifications with the trainings offered under North Carolina's IRA Section 50123, the State-Based Home Energy Efficiency Contractor Training Grant Program.

The onsite inspection protocol will be developed by the program implementer in coordination with State inspection agencies and will include at a minimum the following:

- A visual inspection of the site and work conditions.
- Standardized documentation of inspection and results, as required for proof within Section 3.
- Verification that the installed measures match the contracted scope of work and any change orders have been appropriately documented.
- Verification that diagnostic test results are accurate (may be directly observed if the inspector is present at the time of contractor testing or repeated by the inspector). Maintain compliance with E-Sign or prohibit the use of electronic devices and signatures to enter into the contract if not E-Sign compliant.

NCDEQ does not intend to allow for virtual inspections. During the life of the program, NCDEQ and the program implementer will assess whether to allow for virtual inspections for program efficiency purposes. If the decision is made to allow for post-install virtual inspections, the program implementer will develop a virtual inspection protocol to comply with program requirements, which will be published in an updated Consumer Protection Plan.

B. Multifamily-Specific Process:

NCDEQ will require an onsite inspection process that is specific to multifamily buildings so that the building owner and the tenant are aware of the protocols and expectations for the onsite inspections. The process will be further developed and managed by the program implementer. Additionally, if NCDEQ makes the decision to allow for post-install virtual inspections, the program implementer will develop protocols specific to multifamily buildings to comply with the program requirements, which will be published in an updated Consumer Protection Plan.

5. Contractors and Other Partners

The program implementer will develop a Qualified Contractor List and collaborate with other State government organizations such as the North Carolina State Board of Examiners of Electrical Contractors, the North Carolina State Board of Examiners of Plumbing, Heating and Fire Sprinkler Contractors, and the North Carolina Licensing Board of General Contractors (for work of \$40,000 or more), to inform this list. Contractors on this list may include, but are not limited to installers, energy auditors, consultants, engineers, appliance service providers, and inspectors.

A. Qualifications for Contractor List

To qualify for entry into the contractor list, the program implementer will develop a list of required qualifications that contractors must meet for program participation, including State licensing, insurance, certifications, trainings, and labor standards. The program implementer will engage with contractor entities to inform the development of required contractor qualifications, as contractor entities may already have comprehensive vetting processes that could be leveraged to confirm contractors are highly qualified, hold active certifications, and offer consumers reputable services. A contractor will not be eligible to participate in the program if they are not on the qualified contractor list.

Additionally, contractors must demonstrate credentials specific to the home performance industry, such as recognized organizations like BPI or the Residential Energy Services Network (RESNET). The program implementer will also emphasize the importance of customer service by requiring contractors to adhere to established customer service standards so that consumers receive high-quality, reliable, and respectful service. The program implementer will require contractors to provide valid proof of credentials, including evidence of their commitment to customer service, which will be reviewed by the program implementer.

Finally, prior to a contractor being added to the Qualified Contractor List, the contractor must sign a Contractor Participation Agreement, to be developed by the program implementer with NCDEQ consultation, which includes established Terms and Conditions of the Consumer Protection Plan described herein. This agreement will explicitly include the contractor's compliance with the program's QA/QC process. The QA/QC process will be clearly distinguished for the different types of program participants, such as retailers, distributors, and contractors, so that each type of participant understands how to comply with QA/QC consistent with their role in program delivery. For contractors, the QA/QC process will include adherence to installation standards, participation in onsite inspections, and submission to periodic audits to verify compliance with program requirements. Contractors must also agree to promptly address any deficiencies identified during QA/QC reviews without unnecessary delay. For retailers and distributors, the QA/QC process will focus on verifying that products sold under the program meet specified energy efficiency standards, that accurate records of sales and inventory are maintained, and that product

warranties are communicated and adhered to. Retailers and distributors must also agree to participate in periodic audits and provide documentation as requested by the program implementer.

The Contractor Participation Agreement will also include how the program implementer may remove a contractor from the Qualified Contractor List if it determines there is good cause to do so after its investigation of a complaint of fraud or unfair business practices involving the contractor or upon notification of fraud or unfair business practices by the contractor from other North Carolina state agencies. Other circumstances justifying delisting, such as failure to comply with QA/QC requirements or repeated consumer complaints will be outlined in more detail within the agreement.

B. Contractor Training and Outreach

The program implementer will develop a comprehensive list of trainings and certification programs that contractors can complete to qualify for entry into the contractor list. In developing a comprehensive Qualified Contractor List, the program implementer will work to integrate with the implementer for North Carolina's IRA Section 50123, the State-Based Home Energy Efficiency Contractor Training Grant Program. The program implementer will conduct outreach to contractors who have completed the training under an IRA Section 50123 funded initiative to apply for entry into the Qualified Contractor List.

Contractors trained under the State-Based Home Energy Efficiency Contractor Training Grant Program will be offered a range of services designed to enhance their professional capabilities and market competitiveness. Services may include advanced training programs, certification assistance, business development workshops, networking opportunities, mentorship programs, and access to repository of resources. The program implementer will engage with contractors trained under the State-Based Home Energy Efficiency Contractor Training Grant Program through multiple channels to provide effective communication and encourage participation. Channels may include emails, phone calls, mailings, engagement sessions, and the program's website where contractors can access training materials, register for events, and connect with mentors.

As part of the program implementer's education and outreach plan, the program implementer will educate contractors and building owners to prioritize investment in envelope improvements (e.g., air sealing, insulation) that have the greatest impact such as air-sealing and insulation to reduce air leaks, thus reducing costs. These materials and communications will reference the DOE Better Buildings Solution Center and will be included as content and activities within the Education and Outreach Plan. Additionally, the program implementer will develop a plan for contractors to explicitly communicate the benefits of envelope improvements to each building owner for each individual project, including:

- **Communication Materials:** Development of project-specific materials that outline the benefits of envelope improvements, including potential energy savings, cost reductions, and enhanced comfort.
- **One-on-One Consultations:** Contractors may conduct personalized consultations with building owners upon request to discuss the specific benefits of envelope improvements for their property.
- **Demonstration of Benefits:** Use of case studies and examples from the DOE Better Buildings Solution Center to demonstrate the real-world impact of envelope improvements.

The program implementer will train contractors on the importance of educating consumers as part of their onboarding to the Qualified Contractor List. The program implementer will also share communication materials and case studies with participating community organizations and contractor network groups to expand reach across networks.

The Implementer will also actively perform outreach to contractors and contracting firms, including those that are minority, woman, disabled or veteran owned businesses, to apply for the Qualified Contractor List. The implementer will include plans to offer assistance related to training or certification needs in partnership with IRA Section 50123, and include apprenticeship programs for workforce development, especially in rural and low-income communities.

C. Qualified Contractor List Integrity

The program implementer will perform due diligence on the contractors on the Qualified Contractor List throughout the lifetime of the program to prevent the listing of fraudulent or illegitimate entities. The program implementer will inquire with the applicable licensing agency of the contractor to confirm that the contractor is properly licensed and that there are no pending complaints or open investigations against the contractor. The program implementer will also inquire with the NCDOJ Consumer Protection Division as necessary to verify there are no pending complaints against contractors on the Qualified Contractor List. Qualified Contractor List integrity maintenance will also include, but not be limited to, investigating, and verifying consumer complaints, and checking against business databases or matching the business credentials against North Carolina business entity lists or other available public records, such as the Do Not Pay List or SAM.gov, to verify that the business addresses are legitimate and that the requisite certifications and licenses have been maintained. After its investigation if a program implementer believes that a contractor has engaged in potentially fraudulent or illegitimate activity, the program implementer will delist the contractor and report the contractor to the appropriate licensing agency and the Consumer Protection Division of the NCDOJ. If contractors are flagged through this verification process, then NCDEQ will give contractors the opportunity to remedy the situation. Contractors must provide the mitigation efforts in place for preventing issues in

the future. Once NCDEQ reviews and understands these mitigation and remediation efforts to be sufficient, NCDEQ may reinstate the contractor.

The program implementer will delist contractors, who no longer meet the minimum requirements and standards in accordance with the associated programs. This includes but is not limited to contractors that have received complaints, and/or negative feedback as detailed in Section 1. The program implementer will delist contractors and retailers if they fail to comply with the processes defined with the Section 2 no more than two (2) times. Contractors may be delisted after one failure to comply according to the severity of the issue or noncompliance found. For example, in instances where the program implementer finds fraudulent behavior on the part of the contractor after a detailed investigation and has informed NCDEQ, the contractor will be delisted. The program implementer will subsequently remove the contractor from all associated listings on all digital channels and printed materials. If the program implementer removes a contractor from the list for fraudulent behavior, the program implementer will report this activity to the appropriate licensing agency and the Consumer Protection Division of the NCDOJ. Once removed from the Qualified Contractor List, the contractor will no longer be allowed to tout or promote the ability to work on behalf of the IRA Section 50121 and 50122 programs.

D. Access to Qualified Contractor List

The program implementer will publicly post the Qualified Contractor List on the program's website, which will be established and published by the program implementer. The program implementer will also provide a hard copy to program participants upon request. When a resident submits an application, they will be directed to the listing of the Qualified Contractor List. The lists will include a description of how consumers applying for rebates can use the list to access a Qualified Contractor. The program implementer will incorporate the Qualified Contractor List into the prepared program collateral and update as contractors are removed or added. The program implementer will also perform regular reviews of the Qualified Contractor List to maintain accuracy. The approved contractor lists will serve as a resource for customers, and not a recommendation from NCDEQ, the program implementer, or any utility to advocate for a specific firm, service provider, or business entity. Consumers can use the consumer feedback channels to request information related to the Qualified Contractor List.

E. Energy Savings Calculations

The program implementer will inform contractors of the required software technology authorized for use by DOE that will be used to determine and document weather-normalized energy use of a home or portfolio of homes before and after the implementation of home energy upgrades. The program implementer will educate contractors on these tools and train them on proper use by hosting in-person events, webinar, and/or video style training series. The program implementer will establish clear protocols for addressing instances in which a contractor used methods that are not

allowable. The program implementer will outline responsible parties and timeframes and include processes for initial identification, corrective action plan, training and re-education, implementation and monitoring, follow-up, and disciplinary actions as necessary.

6. Installation

A. Installation Requirements

NCDEQ will require the program implementer to work with building inspectors to verify installation compliance with local and State laws, permits, codes, and industry and manufacturers' standards. Installers will be required to obtain the appropriate applicable permits as they pertain to the scope of work. Installation compliance will be enforced through post-install inspections as described in Section 4.A. The implementer will make publicly available information and resources for installers and consumers to confirm minimum quality installation standards are being met for rebated technologies. NCDEQ will require the program implementer to have qualified contractors utilize the PNNL QI Tool workflows.

The program implementer will instruct contractors to prioritize and integrate improvements that have the most significant impacts on greenhouse gas reductions and/or grid reliability, and/or that make an outsized impact in low-income, disadvantaged communities into their scopes of work where feasible and sensible (e.g., improvement measure does not go against NCDEQ priorities or programmatic goals to an outsized degree). The implementer will offer technical assistance and training as applicable for installers to compliantly carry out installations and will provide consumers and installers resources to promote use of standardized and sequenced procedures for contractors and installers as guidance for building their scopes of work.

B. Installation Standards

To enforce installation standards, including a quality assurance process that allows the implementer to verify and document whether installation standards have been met, the installer shall provide when the project is complete, at a minimum, evidence of the following: documentation that equipment used on the project is ENERGY STAR compliant including make/model number and/or spec sheets for the equipment, geo-coded photos of the equipment installed with make/model ENERGY STAR certified label that matches the invoice and spec sheet, and the address of the installation. The implementer will sample ten percent of installation documentation on a quarterly basis for quality assurance purposes. The implementer will also integrate a risk-based approach to reviewing installation documentation according to the risk profile of the inspector who completed the installation.

C. Sales and Contract Language

The program implementer will provide a contract template for installers and contractors to use. Installers and contractors will be required to provide program implementers with their standard contract agreements for review if they do not use the contract template that will be provided by the program implementer to align required sales and contract language. At a minimum, the contractors will be required to include Terms & Conditions language in

their contracts that will be the program standard. The approved templates, guidelines, and outreach and marketing (sales) content for contractors to use will be made publicly available or can be requested via email. Contractors must provide the implementers with collateral samples for review to maintain compliance where co-branding exists with the NCDEQ Home Energy Rebates program.

D. Returns

There may be instances where the homeowner requests a return for a rebated item. Returns will only be approved for equipment exchange, while the equipment is under warranty and meets the eligible criteria for a return. Acceptable reasons for return include:

- Defective Equipment: Equipment fails to operate as specified or breaks down within the warranty timeframe for the piece of equipment.
- Damage During Delivery: Equipment is damaged in transit or with significant aesthetic damage.
- Product Recalls: Equipment that has been recalled by the manufacturer due to safety issues or widespread defects.
- Incorrect Equipment Delivered: If equipment delivered is different from what was specified in the project scope or approved for rebate.

Unacceptable reasons for return include:

- Product Preference: Customer prefers a different product or brand.
- Buyer's Remorse: Customer changes their mind after the purchase without any fault in the equipment or misalignment with program specifications.
- Equipment Modified by the User: Any alternations, modifications, or tampering with the equipment done by the user after installation that is not approved by the manufacturer or the program.

The program implementer will require contractors on the Qualified Contractor List to adhere to equipment and labor warranty standards. As a contractor on the Qualified Contractor List, it will be a requirement, and outlined in the Contractor Participation Agreement, for the contractor to provide the homeowner any written warranties for labor and materials valid for a minimum of one year, in addition to the manufacturer's equipment warranty.

To request a return, the homeowner will initiate this process through the contractor. The contractor will then inform the program implementer, and on behalf of the homeowner, provide reason for return, condition of the equipment, and any supporting documentation (e.g., photos, receipts) to the program implementer. If issues occur, such as the contractor being non-responsive to the homeowner's request, the homeowner can initiate a Conflict Resolution Procedure as outlined in Section 2.

Once the return request is submitted, the program implementer will verify the eligibility of the equipment for return based on the established eligibility criteria and notify the

contractor within two (2) business days. If the request is denied and the homeowner believes there is an exceptional circumstance, (e.g., unforeseen health related impacts) the homeowner may submit an appeal for return in a process determined by the program implementer.

Once the return is approved, the contractor will work with the homeowner and manufacturer or retailer to confirm return and re-installation project scope. The new project scope will include the logistics for the return, re-installation, and signed agreement between the contractor and the homeowner. The contractor will return and replace the equipment and submit additional documentation to the program implementer to confirm replacement. As part of the re-installation process, it will be required that the contractor removes the piece of equipment that is being replaced and provide documentation of removal to the program implementer. The program implementer may request documentation that includes photo proof of return to retailer/manufacturer or removal of equipment to the local solid waste facility.

Once the return and replacement are complete, the program implementer will conduct a follow-up with the homeowner to confirm the return process was satisfactory and complete with the opportunity for the homeowner to provide additional feedback. NCDEQ will handle extenuating circumstances, particularly those that impact consumer or resident health and safety, on a case-by-case basis.

E. If Financing is Involved

The program implementer will complete a credit worthiness assessment on the borrower that does not include projected savings from an energy report to confirm the ability to repay by the agreed upon terms in the event expected savings does not materialize. Creditworthiness may be determined, but is not limited to, proof of income, assets, employment, credit history and monthly expenses.

The program implementer will provide clear examples of accepted written disclosure language regarding a 7-day waiting (or cooling off) period. The program implementer will also provide clear explanation to consumers of the 7-day waiting period between the disclosure and the contract signing. The program implementer will include language that explicitly waves the waiting period only if a personal emergency has occurred for the homeowner. The program implementer will also specify to consumers that in the event of a personal emergency, the homeowner will be required to, in their own handwriting or as transcribed and signed by the homeowner in wet ink signature, describe the nature of the emergency and the need for emergency work, as well as their understanding that they are waiving the waiting period. The lender will seek the program implementer's approval concerning the waiver. The requisite 3-day right to cancel will not apply in emergency circumstances wherein the waiting period is waived. In non-emergency situations, the program implementer will require lenders to abide by, and alert consumers of the 3-day right to cancel after the contract has been signed (such that the work is not done during

that period). Right to cancel language will be clearly displayed on the contractual form, near the lender signature location.

NCDEQ will require the program implementer to strictly adhere to this assessment methodology, as failure to do so could result in significant penalties for the implementor. These penalties may include legal liabilities or the revocation of program implementation privileges, as noncompliance with creditworthiness assessment standards could be viewed as a violation of consumer protection laws and financial regulations.

7. Continuous Improvement

The program implementer will leverage ongoing insights throughout the duration of the program to allow for continuous improvements to mitigate for fraud, waste and abuse and protect customer satisfaction through program integrity.

A. Unfair Business Practices

The program implementer will establish a system for preventing unfair business practices and improving poor program function through programmatic adjustments and process improvements. The program implementer will use the guidelines and requirements from the IRA Home Energy Rebates: Data & Tools Requirements Guide to inform the proactive prevention and identification of fraud, waste, or abuse. Proactive fraud mitigation measures will be established within the rebate project process to uphold program integrity, such as ensuring contractor costs are within market averages prior to project approval and implementation, as well as verifying applicants have not also applied to or are receiving rebates or grants for the same IRA Section 50121 or 50122 projects. The program implementer will collect the appropriate data to maintain compliance with established limitations on the rebate allowance per consumer. The implementer will leverage the DOE Rebate Tracking System to maintain effective issuance of rebates, eliminate or dramatically reduce the possibility of duplicating rebates, and allow effective flow of information between the consumer, the program implementer, NCDEQ, and DOE.

Consumers will be able to report alleged instances of fraud, waste, or abuse through the consumer feedback channels as detailed in Sections 1 and 2.

To further support these efforts, the program implementer will establish a repository of common fraud schemes detailing various tactics such as false claims, duplicate submissions, and inflated costs. This repository will be used to train program implementer staff and contractors on identifying and preventing such schemes. NCDEQ and the program implementer will regularly update the repository and integrate it into the program's operational procedures. The program implementer will also develop a structured process to progressively discipline and de-list contractors if fraud, waste, or abuse is not addressed, including an initial warning, probationary period, suspension, and de-listing."

B. Leveraging Automation and Data Security

NCDEQ will develop and utilize a program technology platform that leverages Application Programming Interface (APIs) where available, automated secure data file transfers, and error handling alert mechanisms where applicable to maintain consistency, data accuracy, and error mitigation. The technology platform will be detailed in the Utility Data Access Plan and the Privacy and Security Risk Assessment. Additionally, the program technology platform will incorporate fraud prevention capabilities such as tracking systems, user changes through system audit trails, and capturing key data fields to determine eligibility,

while also conducting investigations into suspicious activity. The implementer's technology platform must be cloud based and must be FedRAMP authorized. The technology platform will analyze data procured from consumer feedback efforts to identify problem areas with program reporting. This system will also provide insight into the realization of benefits throughout the program life.

The program implementer will verify third party entities, software vendors, and contractors meet the specified qualifications in accordance with the data collection, review, and reporting work they will perform. Third parties and contractors will also be required to submit a plan for responding to incidents, which will include, but not be limited to, securing data, updating data privacy and security risks and preventative measures, investigating the cause and scope of any breaches, and possible notifications to affected persons, government officials and others. Third parties will also be required to provide proof of Substantial Cyber Security Insurance and Liability Insurance. Additional considerations will be given to B-Corp accredited entities. Further information regarding data privacy and security risks and mitigation measures can be found in the Data Privacy and Security Risk Assessment.

C. Program Measurement, Evaluation, and Improvement

The program implementer will develop program performance targets and measurement methods to report against program improvement metrics, such as the number of open tickets and tickets successfully resolved, application processing time, data errors, customer feedback, and other relevant performance metrics for assessing the accuracy and effectiveness of the program, consumer protection policies, and program technology platform.

The measurement and evaluation strategies will play a crucial role in assessing the effectiveness of NCDEQ's program design; the customer and contractor experience; consumer protection policies; and helping mitigate fraud, waste, and abuse. By monitoring KPIs and conducting regular data reviews, the program implementer can identify areas to strengthen consumer protection activities, any anomalies and discrepancies that may indicate fraudulent activities or inefficiencies, and other program issues that need to be addressed. This proactive approach allows for timely intervention and corrective actions, thereby safeguarding the program's integrity and resources.

To ensure continuous improvement, the program implementer will report to NCDEQ, review, and act upon the findings of the evaluation on a determined cadence, approved by NCDEQ, such as on a semi-annual basis. The frequency determined will allow for timely updates with the capacity to implement meaningful changes.

The findings from these evaluations will be used to continuously improve the QA systems themselves. The program implementer will analyze findings within the Data Review and Consumer Feedback categories of this plan and report on them monthly. This monthly

analysis will encourage continuous program improvement by providing regular insights into the program's performance and areas needing attention.

Program improvements will be prioritized and aggregated for action based on defined assessment criteria developed by the program implementer in collaboration with NCDEQ. Criteria will help in identifying the most critical areas for improvement and allow for resources to be allocated effectively. NCDEQ will provide quarterly updates to DOE on program improvement activities conducted and any programmatic adjustments or corrective action plans. This structured approach will allow for improvements to be systematically managed and the program to evolve in alignment with State goals and QA standards.

As part of NCDEQ's demonstrated commitment to continuous improvement throughout the program lifecycle, NCDEQ will review the Consumer Protection Plan every two (2) years. This review aims to continuously improve the CPP, addressing emerging issues and enhancing efficacy as new information or stakeholder feedback becomes available. The program implementer will review feedback collected through the program's webform, consumer hotline, dedicated email address, and paper submissions, as well as public commentary shared through the program's engagement/listening sessions. To facilitate continuous improvement and stakeholder engagement, the program implementer will establish robust communication channels for engaging and sharing best practices with program participants, including DOE. These channels may include:

- Online Portal: A dedicated online portal within the program technology platform where program participants can access program updates, submit feedback, and view performance reports.
- Program Website: Regular announcements uploaded to program website to keep the public informed about program developments, success stories, and upcoming changes.

D. Budget and Financial Performance

The program implementer will manage and maintain that program rebate requirements and targets are adhered to throughout the program by using a combination of budget forecast and financial tracking tools, process controls, and accounting practices, including the DOE Rebate Tracking System and the accompanying coupon feature. The program implementer and NCDEQ will use financial tracking tools tailored to the program to frequently review line-item spending against the anticipated expenditures for that time period. The program budget forecast will also account for the program period of performance, NCDEQ-determined allocations to low-income single and multi-family households, and the funding tranche requirements to confirm that the documentation requirements are also being met within the anticipated timeline to continue receiving funds at the forecasted spending rate. Additionally, the State will work with program stakeholders to ensure the program meets Justice40 requirements and prioritizes disadvantaged

communities for program participation, as detailed in the Community Benefits Plan and Education and Outreach Plan.

The program implementer will review financial spending monthly to assess any line-item under or overspending that should be addressed across administrative and rebate funds and will communicate these results to NCDEQ immediately. Any spending issues identified will be immediately communicated with NCDEQ, as well as with program staff to gain further insight into the reason the spending varies from the forecast, and programmatic adjustments will be made accordingly to address the issue and realign spending with the forecast, avoiding risks to rebate minimum and administrative maximum spending. NCDEQ will hire full-time positions to help manage the Home Energy Rebates program. NCDEQ will assign the Program Assistant role the responsibility of governing and monitoring the program's budget and financial performance to confirm that funds are being used efficiently and effectively. The Program Assistant will work collaboratively with NCDEQ's Financial Service Division and the State Energy Office's Budget Officer. NCDEQ, through the program implementer, will proactively communicate program limits and budgets to consumers ahead of time and at regular intervals throughout the project lifespan to give direction on how market actors and customers can continue to be supported and what actions will no longer be available when program funds are exhausted.

NCDEQ and the program implementer will follow Generally Accepted Accounting Principles (GAAP) and conduct program audits every 5 years. In compliance with North Carolina general statutes, NCDEQ performs all accounting functions cash-basis throughout the year in compliance with governmental GAAP. At year end, NCDEQ transitions to modified accrual basis governmental GAAP for the statewide preparation of financial statements and schedule of State and federal awards. The North Carolina Office of State Controller monitors and oversees this process. NCDEQ utilizes its Financial Services Division, legal staff members, and internal auditors to assure that financial protocols and federal requirements are followed, including any on-site verifications that need to take place to confirm compliance.

8. Low-Income, Renter-Occupied Buildings and Homes

A. Tenant Protections

NCDEQ acknowledges that the implementation of the Consumer Protection Plan necessitates tailored processes for multifamily buildings compared to single-family homes. Moreover, NCDEQ is aware that the Consumer Protection Plan must also account for the varying circumstances between low-income, renter-occupied multifamily buildings or single-family homes versus owner-occupied dwellings. NCDEQ will work with the program implementer to develop distinct and robust processes and protections for low-income renters. This will include clear guidelines and procedures that reflect the different ownership and occupancy structures so both renters and owners are adequately protected and informed.

In relation to rebates allocated to low-income renter-occupied units, NCDEQ recognizes the importance of distinguishing affordability restrictions and other tenant protections within its Consumer Protection Plans. For all tenant-occupied properties that receive higher rebate amounts available only to households with incomes less than 80% AMI, NCDEQ will require the building owner to sign a statement acknowledging the following:

- The owner agrees to rent the dwelling unit to a low-income tenant.
- The owner agrees not to evict a tenant to obtain higher rent tenants based upon the improvements.
- The owner agrees not to increase the rent of any tenant of the building as a result of the energy efficiency improvements with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs for a two-year period after the upgrades on the unit are completed.
- The owner agrees that if the property is sold within two (2) years of receipt of the rebates, the owner must include the language of the aforementioned conditions in the purchase agreement with the new owner. The owner must communicate to any prospective new owners in writing these terms and that the aforementioned conditions will apply to them as the new owner.
- The owner will provide written notice to tenants in tenant's primary language explaining their rights and the building owner's obligations listed above (e.g., add an addendum to the lease) before the project is installed.
- Owners who fail to comply with these requirements must refund the rebate amount to the implementer.

As a means of enforcement, NCDEQ will provide contact information for tenants to notify the NCDEQ of breaches to this agreement. NCDEQ will also include this information in the consumer education campaign, so tenants are aware of their rights and building owners are aware of their obligations under the applicable state law. If a breach to the agreement is reported, it will go through the proper response protocol process outlined in Section 1B.

If a breach is found to be true, owners that failed to comply with the requirements must refund the rebate amount to NCDEQ to be rolled back into the program funds.

As described in Section 3B, NCDEQ understands that additional requirements should be outlined for multifamily buildings, particularly concerning central systems and energy used by common areas. NCDEQ will work with the program implementer to develop requirements that address how building-wide equipment, such as ventilation and hot water systems, which benefit individual renters but are not installed within renter-occupied units, will be managed.