

Powering the Way

Implementation Options for Home Energy Performance-Based
Whole-House Rebate Program (HOMES) and High-Efficiency
Electric Home Rebate Program (HEEHR)



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to navigate a complex world

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National Association of State Energy Officials (NASEO) Request for Information (RFI)

Dear Ms. Koewler and NASEO Members,

Guidehouse appreciates the opportunity to provide the National Association of State Energy Officials (NASEO) with information and ideas to support NASEO members with the implementation of the Inflation Reduction Act (IRA) Home Energy Performance-Based Whole-House Rebate Program (HOMES) and the High-Efficiency Electric Home Rebate Program (HEEHR). Our response includes recommendations for program design, technical assistance, program administration, consumer engagement, and eligibility verification.

As NASEO members work to implement HOMES and HEEHR, Guidehouse offers:

- Experience in supporting numerous states, localities, and counties over many years,
- Expertise in the capabilities necessary to design, implement, and operate large scale community and consumer focused programs,
- Experts in grants management and energy programs along with other consumer focused programs, and
- Flexibility to scale and manage the staff needed to support the magnitude of applications and engagements with consumers and stakeholders.

Our team has the experience and capabilities to support NASEO members from the development of their strategy through to the execution of their programs, including consumer outreach and engagement of external partners, such as community-based organizations, retailers, and financial partners. Our team has successfully supported our state and local clients to adapt to changing federal program requirements and temporary staffing surges driven by program needs.

Guidehouse is a leading global provider of consulting services to the public sector and commercial markets, with broad capabilities in management, technology, and risk consulting. Combining our public and private sector expertise, we help clients address their most complex challenges and navigate significant regulatory pressures focusing on transformational change, business resiliency, and technology-driven innovation. Guidehouse has more than 16,500 professionals in over 50 locations globally with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies. For more information, please visit www.guidehouse.com.

Guidehouse appreciates the opportunity to respond to the NASEO RFI. We look forward to engaging the NASEO members and supporting them in implementing HOMES and HEEHR. If you have any questions, please contact Dan Hahn at dhahn@guidehouse.com or Raquel Malmberg at rmalmberg@guidehouse.com.

Sincerely,



Dan Hahn
Partner



Raquel Malmberg
Partner

we're your trusted guide



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1.0 Comprehensive Program Design

Most State Energy Offices (SEOs) have experience administering consumer-focused energy efficiency programs that reflect individual state-level policy goals, energy economies, geographies, housing needs, climates, workforces, and demographics. However, with the addition of the HOMES and HEEHR, new programmatic complexities arise with strategy, design, and implementation. SEOs should consider how best to weave these programs with existing state/federal programs (weatherization), how to ensure there is no duplication of benefits (minimize/mitigate potential fraud), how to design and implement programs without complete clarity on a measured or modeled approach (creating a multitude of implications), and how to effectively engage with consumers and aggregators while also coordinating seamlessly with administrators, financial organizations, vendors, and contractors. Guidehouse understands these complexities. We know that NASEO is working diligently to exchange strategies, share best practices, and assist SEOs in navigating these complex questions.

We, at Guidehouse, are here to help.

1.1 Your Guide to Planning, Implementing, and Administering Federal and State Programs

Guidehouse brings more than three decades of grants management experience to support federal, state, local, commercial, and private-not-for-profit entities in their administration of federally-funded grants programs. In recent years, we have supported more than 65 state and local governments, and a dozen major utility providers with their grants management services, including the recent federal legislation authorizing funding through the CARES Act, ARPA, Bipartisan Infrastructure Law (BIL), and Infrastructure Investment and Jobs Act (IIJA). Our approach to planning, implementing, and administering federal and state programs involves having access to a full suite of grants management services, national leading practices, and strategies leverage and optimize federal funds that will best position states to effectively meet the goals of their programs for market transformation and achieve community transformation.

Our team is well-versed in federal programs governing regulations and policies to help agencies navigate all phases of the grants management program lifecycle.

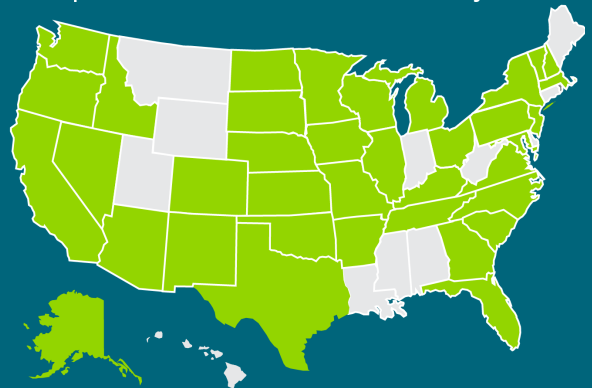
Guidehouse also offers the services of our Grants Management Community of Excellence (COE), which links our grants management team members around the country. Our COE supports state, municipal, and county governments with tracking, summarizing, and creating training as new guidance is issued by federal and state funding sources, especially the US Department of Energy (DOE). Highlights include:

- Active tracking of programs, guidance, and policies issued under the IRA, BIL, IIJA, CARES Act, and ARPA and their applicability to state and local governments,
- Access to a team of specialists with expertise and strong relationships in federal government agencies, state and local agencies, SEOs, energy providers, and utilities

- Centralized repository of resources to deploy on federal grants-related projects (e.g., tools, templates, reference guides) and
- Knowledge sharing from on-the-ground activities and decision-making from state and local governments across the country

Grants Management Experience

Perspectives from across the country



To complement our federal grants management experience, Guidehouse brings **three decades of experience** with energy efficiency and rebate programs. With over 16,500 employees, our team includes over **2,000 experts** with experience in the design, implementation, execution, and evaluation of programs, including low-income programs and whole home programs.



1.2 Program Goals

Intelligent Design

Guidehouse has designed our “program in a box” approach to support your state’s achievement in this once-in-a-generation opportunity to advance energy efficiency and electrification, particularly with disadvantaged consumers who may otherwise be left behind - either due to a lack of capital or access to contractors who can improve home efficiency. Our design for successful HOMES and HEEHR programs include the following goals:

Guidehouse’s intelligent design for successful HOMES and HEEHR programs starts with a “program in a box” design; however, we recognize that the needs of each state and the needs within the communities of each state will be different. Our intelligent design process tailors the program design to the specific needs and objectives of each state and community. There is not a “one design to fit all states model” at scale. We draw upon our experience from the 65+ state programs we have administered across the country to inform each program design.

Clear and Early Definition of Expected Outcomes

Guidehouse supports each state’s need to define their own priorities, constraints, timelines, and operating models. A key step in our process is to define expected quantifiable and qualitative program outcomes and then track them on a periodic basis so stakeholders can assess and re-define expected outcomes, as needed.

Collaboration

Successfully administering HOMES and HEEHR funding requires a network of multi-disciplinary stakeholders (e.g., administrators, utilities, Community Based Organizations, retailers, financial organizations, landlords, contractors, and developers) working together to meet the desired program outcomes. Guidehouse will work with you to identify this network and design the model for coordination to set up a successful program and contribute to a positive consumer experience.

Efficiency and Transparency

For any rebate program with upfront costs, building trust within the consumer community is critical. Guidehouse will work with you to design efficient and cost-effective processes and solutions to ensure your program meets eligibility requirements and stays within the administrative budget provided to SEOs, while maintaining the financial and reputational integrity of the program.

Flexibility

Guidehouse has supported clients on measured savings pilots, notably demand response and non-wire alternative programs, such as the Con Edison Brooklyn-Queens Demand Management Program. Our design addresses both measured and modeled savings. We are also technology agnostic and can work with any efficiency and electrification technologies that are appropriate for each specific state.

1.3 Market Transformation

We Drive Market Transformation to Achieve a Community Transformation

A transformed community is one in which households have been supported with significant investment in order to be included in a modern, clean, and efficient energy system. Furthermore, with the tools and program incentives envisioned within the IRA, the trend is moving toward a market transformation of how energy efficiency and electrification measures are delivered in the future. The combination will be demonstrated in both urban and rural communities, within which the labor force will gain valuable experience.

To support community transformation, we leverage more than 30 years of experience in grants management and working with energy efficiency rebate programs. Our program design supports both HOMES and HEEHR, and is built upon the program administration and implementation concepts that are most effective. These include:



Combined, these and other concepts work in concert to achieve the objectives of market transformation and community transformation.

Promoting Efficiency and Electrification Technologies

With input from SEOs and the program goals in mind, our experts partner with states to identify the relevant and consumer-centric technologies to meet their needs. For example, given a fixed level of incentive money for rebates, a state may wish to stretch these dollars with a program that only promotes lower-cost technologies to reach more consumers, while also considering the outcomes and implementation for the program participant.

Guidehouse leverages evaluation data from programs across the country and utilizes these detailed insights into technology-based equipment as reference points and resources when making decisions.

1.4 Market Conditions for a Successful Program

The market conditions necessary for a successful program design are listed below:

- **Supply chain:** A healthy supply chain ensures trade allies and consumers have access to relevant equipment. Guidehouse's established relationships with key industry partners (manufacturers and distributors) will help with this.
- **Utilities:** As part of the tailoring of the program for a state, some states have interest in exploring "braiding" (or stacking) of IRA rebates on top of existing utility programs for similar measures. These programs present challenges to braid with existing low-income utility rebate programs; however, with the right design, there is a significant opportunity for greater impact, faster route to consumers, and fewer barriers.
- **Trade Allies:** An active and engaged trade ally network will be critical

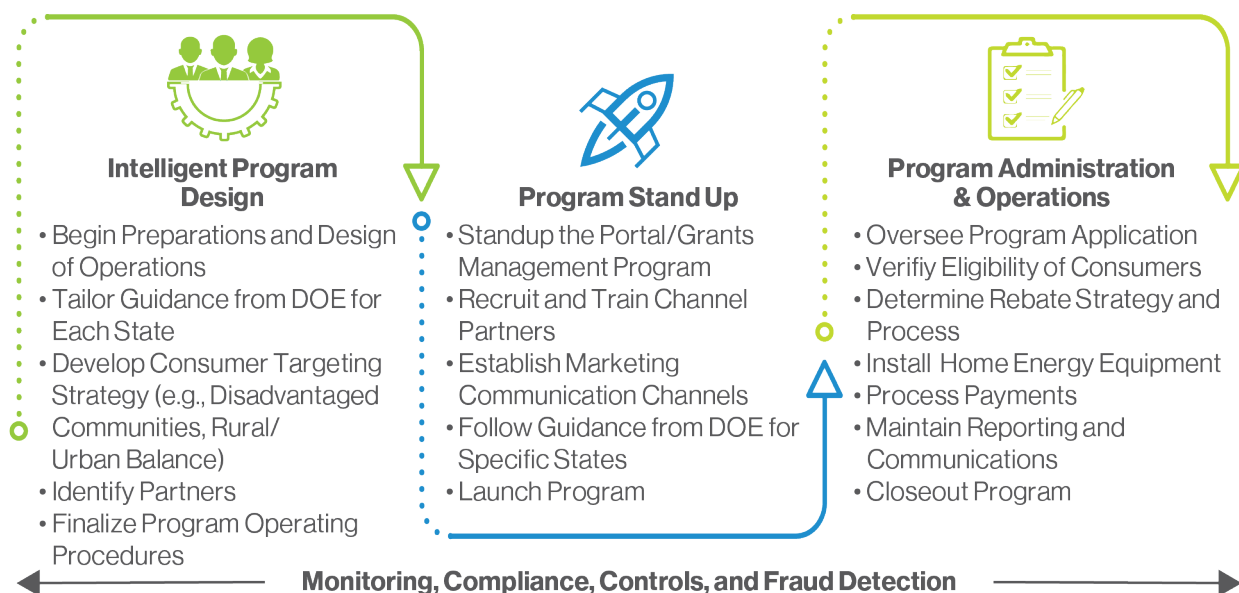
EXPERIENCE HIGHLIGHT: STATE EMERGENCY RENTAL ASSISTANCE

Delivery of +\$3.6 billion of the Emergency Rental Assistance Program (ERAP) for a state government. Guidehouse's support includes back-end project management and staffing with a team dedicated to designing, developing, and implementing policies, processes, training, and tools to manage the successful back-end operations of a more than 2,000-person temporary organization. Support also includes design and implementation of fraud prevention and detection controls utilizing manual referrals, automated flags, and fraud trends and network analysis to identify and investigate groups of potentially fraudulent applications.

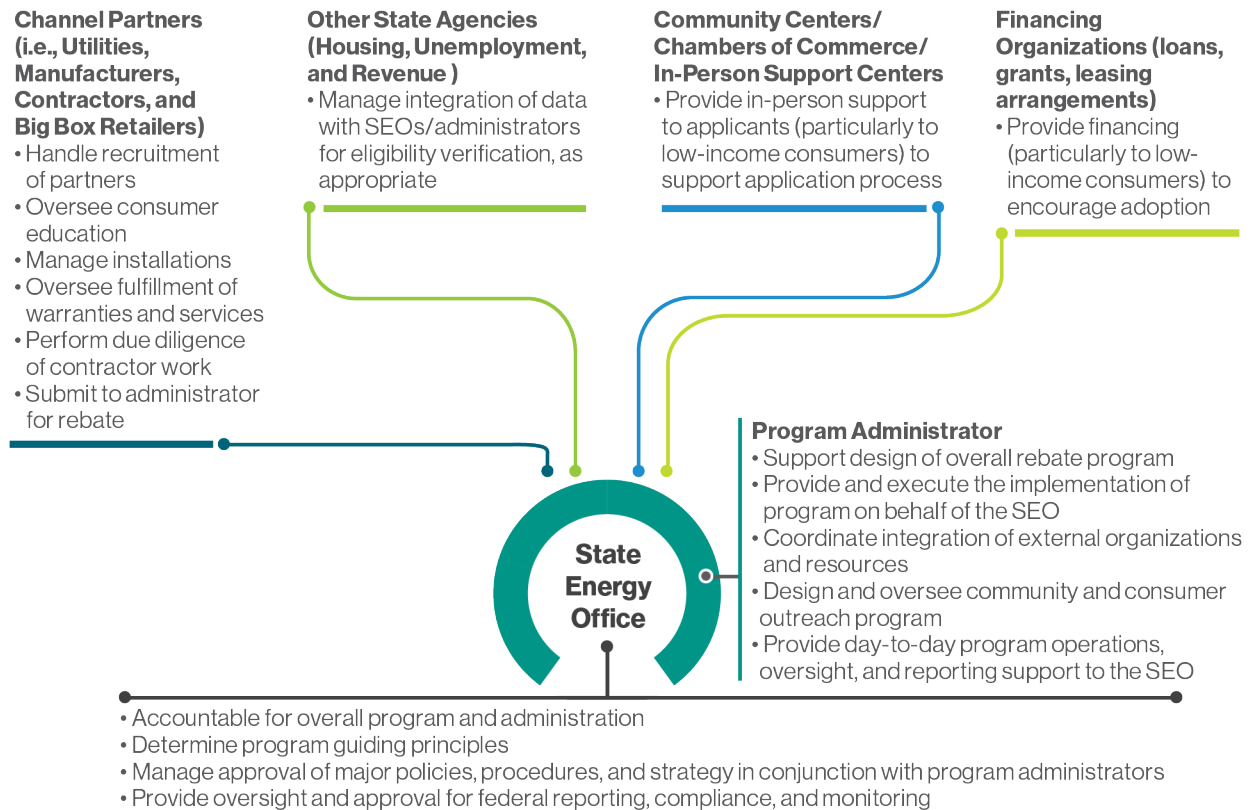
- for our program design's success. Guidehouse's program design will create a trade ally network that will be highly skilled at installing rebate measures and dispersed throughout the state to ensure access to all.
- **Stakeholder Engagement:** Early buy-in from key stakeholders such as utilities, other municipalities (i.e., city energy offices), community leaders, CBOs, and housing authorities creates a clear and efficient consumer journey. Partnering with these stakeholders will provide for a more seamless journey and provide support through advocacy and strategy in hard-to-reach communities.
- **Financing Options:** For measures that require a co-pay, financial tools need to be available to assist with the capital outlay. Whether it is financing, leasing opportunities, or more, Guidehouse has access to key financial partners that make financing options easily accessible.
- **Retail Partners:** For point-of-sale rebates, Guidehouse will coordinate with retail partners including big box stores as well as smaller retail outlets.
- **Innovative Ecosystem Partners:** There is a significant amount of innovation in the market, and Guidehouse has a history of partnering with innovative companies that can tackle aspects of the programs with unique and innovative business and financing models. Those software and service companies support innovative measured or modeled analytic capabilities.

Guidehouse also leverages applicable federal, state, and local policies to ensure programmatic success. We will work to establish internal policies that protect consumer data, personally identifiable information, and other sensitive information. Through our work with energy program design, implementation, and evaluation, our experts have built relationships across the energy industry; including utilities, appliance manufacturers and distributors, building envelope technology manufacturers, local and county governments, trade allies, telecommunication providers, big box retailers, economic development organizations, and more. Our experts also work with states to develop inspection policies that are designed to prevent fraud and ensure installations are following the proper safety and efficiency standards.

1.4 Implementation Proposal



Program Roles and Responsibilities



Guidehouse can deliver greater energy savings to typically hard-to-reach consumers through end-to-end services to provide program design support, startup services, platform integration, program launch operations, trade ally support, and program administration.

Our experts' support can cover the entire geography of a state; however, since the IRA rebates are limited, targeting geographies may be a useful approach in honing a design tailored to you. This targeting can focus on Justice40 communities, such as those with higher percentages of energy poverty, or, when paired with utility programs, could support demand response to grid flexibility, adding positive benefits back onto the local distribution system.

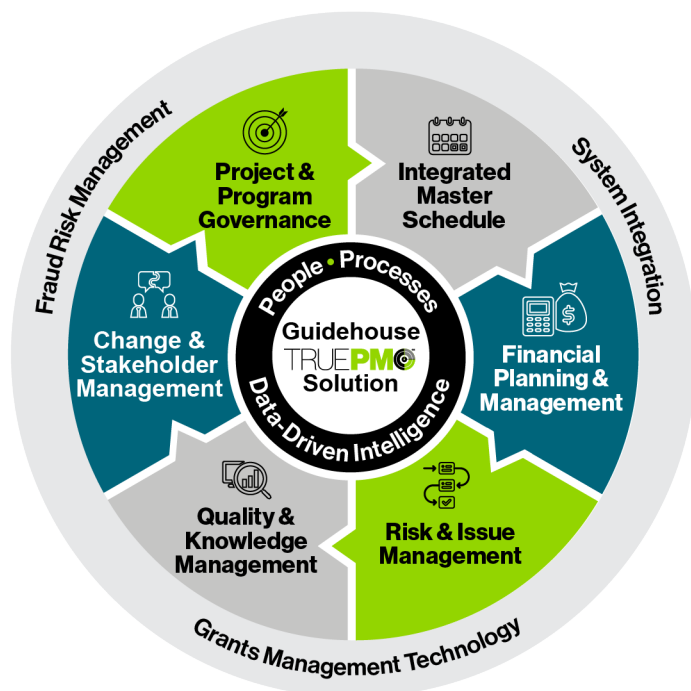
Our collaboration with SEOs enables us to impact secondary markets within the community, including:

- Economic development (regional or community)
- Job creation and workforce development
- Improved quality of life and comfort
- Strengthened relationships with community partners (CBOs, utilities, housing authorities)
- Support of state's climate goals

EXPERIENCE HIGHLIGHT: STATE GRANT PROGRAM

Guidehouse performed end-to-end administration of over \$3 billion of federal funding for various agencies across a state government. To date, over \$2.7 billion has been paid out to more than 150,000 diverse consumers. Guidehouse's support included rapidly setting up and launching consumer and review portals, and standing up a 600+ member review and call center team to support program review operations and consumer support services. An important part of administering these programs was implementing a large outreach strategy to potential applicants, which included a robust media campaign, partnering with local CBOs, and providing in-person support services.

2.0 Program Elements



Program elements that will benefit the SEOs include project management oversight, fraud risk management, and a configurable grants management platform.

2.1 Project Management Oversight Elements

Guidehouse's TruePMOSM ensures programs meet high-quality standards and are delivered on time and on budget by combining the fundamentals of project management with a focus on business transformation. Our unique integrated program management office methodology is tailored to each state's capabilities and goals to provide actionable insights and scalable technology, tools, and templates.

We quickly assess the needs of each program and create a customized structure, developing clearly defined roles, decision-making processes, and effective performance monitoring methods for core focus areas:

- **Project & Program Governance:** Upfront planning, and program design, key performance indicators, and regulatory compliance plan
- **Integrated Master Schedule:** Creating a resource loaded integrated schedule to track project schedule across stakeholders and channel partners

- **Financial Planning & Management:** Developing budgets and tracking actuals based on milestones and KPI
- **Risk & Issue Management:** Identifying potential risks upfront and monitoring and mitigating risks on an on-going basis
- **Quality & Knowledge Management:** Building and continuously improving quality controls and providing training and knowledge transfer to SEO teams
- **Change & Stakeholder Management:** Providing stakeholder appropriate information webinars and managing the education of process changes with channel partners as the programs evolve

2.2 Fraud Risk Management Program Elements

SEO's should consider incorporating a fraud risk management framework within the overall program for distribution of funds. In alignment with the Government Accountability Office's Framework for Managing Fraud Risks in Federal Programs, we recommend SEO's develop an anti-fraud strategy, define roles and responsibilities for fraud risk management, execute fraud risk assessments, and implement the fraud risk management processes, procedures, and controls. Best results are achieved by utilizing advanced technologies including data analytics, trend and network analysis to identify patterns, potential fraud behaviors, and typologies to guide and prioritize the review of potential fraud cases.

Guidehouse has extensive experience advising both the public and private sectors on a variety of fraud prevention and regulatory issues, fraud risk assessments, development, and implementation. Our experts leverage deep law enforcement, certified public accountancy, regulatory, and industry experience to apply efficient, practical, and creative approaches to develop fraud prevention, detection, and remediation solutions.



2.3 Grants Management Technology

Guidehouse's proven grants management solution is built to help streamline processes across the entire grant lifecycle to multiply the impact of awards. The cloud-based modular technology allows teams to execute a customized and flexible program to improve transparency, standardize processes, manage risks, and measure impact. Guidehouse's technology platform features:



Program designed for customized applications, along with customized webpages for consumers and subrecipients.



Seamless integration with external systems, including but not limited to financial receivable systems, electronic signature platforms, identity management software, document storage and more.



Cloud-based, mobile-ready, FedRamp-capable solution that provides secure access to encrypted data.



Support identification of eligible programs, language preferences, and common profiles across programs for consumers.



Automated identity verification, program rules enforcement, multi-factor verification, address validation, and fraud prevention.



Document management repositories at every step of the grant lifecycle, thereby keeping all the documents cataloged and easily accessible.



Management of RFP processes, project risks, meetings and issues across the grant lifecycle; as well as resource allocation, approval processes, training creation, and disbursement



Permission level-appropriate dashboards and reports across the lifecycle of the grant



AI-based predictive analytics, program reporting, and Justice40/underserved community reporting.

3.0 Indication of Vendor Interest

Guidehouse is pleased to offer its services to SEOs and is interested in participating in and responding to solicitations issued by the states to support their IRA implementation.

About Guidehouse

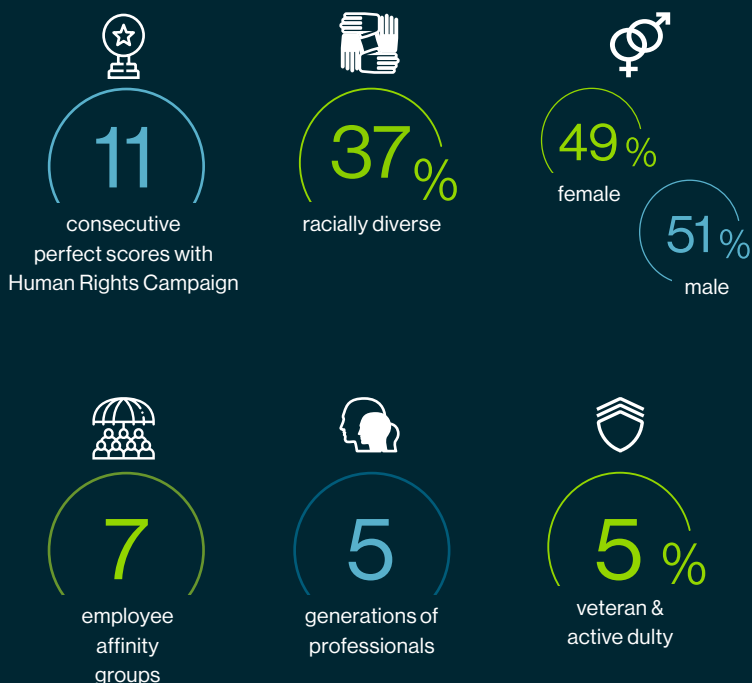
We are a leading global provider of consulting services to the public sector and commercial markets, with broad capabilities in management, technology, and risk consulting. By combining our public and private sector expertise, we help clients address their most complex challenges and navigate significant regulatory pressures focusing on transformational change, business resiliency, and technology-driven innovation. Across a range of advisory, consulting, outsourcing, and digital services, we create scalable, innovative solutions that help our clients outwit complexity and position them for future growth and success. The company has over 16,500 professionals in

over 50 locations globally.

Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies.

With over 2,000 consultants, Guidehouse's global Energy, Sustainability, and Infrastructure segment is the strongest in the industry. Combined with our knowledge and relationships with state and local government agencies, we support the creation of sustainable, resilient communities and infrastructure, and serve as a trusted advisor to utilities around the world. Guidehouse has provided grants management and compliance services, as well as fraud, waste and abuse investigations for many states. Our experts know that the effective financial management of federal and state stimulus funds can set the course for your state's home energy rebate programs, and we continue to leverage this experience to further support SEOs.

COMMITMENT TO EQUITY, DIVERSITY, INCLUSION, AND ACCESSIBILITY



YOUR GUIDES



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Guidehouse authorizes NASEO to publish and distribute this response to the NASEO RFI on its website and through other means to the states and general public. We have included no confidential or proprietary information in our response.

