

## Category 2: Program Elements

### **Company Characteristics**

PLS, inc., dba Pearl Certification  
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### **17. An overview of your approach to equity, diversity, inclusion, and accessibility (DEIA).**

*Addressed in Question 23 below*

### **18. Description of Program Offerings and Resources**

- **Renew Missouri Homes**: The program provides a set of resources to help Missourians to create more comfortable, efficient, and sustainable homes. The program, offered by Pearl in partnership with the non-profit Renew Missouri, offers homeowners a Missouri Home Energy Certification (MHEC) created by the Missouri Dept. of Natural Resources that uses Pearl's Certification, Home Energy Score, and HERS as scoring engines;
- **EEtility/PAYS**: Pearl has partnered with EEtility to deliver Pearl Certifications to all customers who participate in a Pay As You Save programs with utilities in Missouri, Virginia, Arkansas, North Carolina and Georgia. Certifications are hand delivered to homeowners, who are mostly income qualified families.
- **NYSERDA**: Pearl worked under contract on a home energy labeling pilot, and has been selected as a vendor to provide services to support energy efficiency program delivery;

Pearl has launched several DEIA-related initiatives, including:

- **Low-Income Electrification Certification**: Pearl is finalizing the details of a contract to certify homes owned by low-income owners that have been improved through an all-electric program run by a major midwestern utility;
- **Chicago Low-Income Home Fair Valuation**: Pearl has partnered with Elevate to ensure that homeowners of color that were upgraded with ARRA stimulus funds are certified, connected with low-income homeowners of color with real estate agents of who represent their communities and appraisers who will value the home fairly;
- **Contractor of Color training**: A pilot program, in partnership with **Elevate**, to train contractors of color to meet high quality work standards.

### **Program Elements**

#### **19. Program Elements Details**

Section 50121 of the Inflation Reduction Act states that for HOMES rebates, States must submit a plan that includes, among other things, *"quality monitoring to ensure that each home energy*

*efficiency retrofit for which a rebate is provided is documented in a certificate that is provided by the contractor and certified by a third party to the homeowner; and details the work performed, the equipment and materials installed, and the projected energy savings or energy generation to support accurate valuation of the retrofit.”*

Pearl’s Certification Reports are a perfect fit for this statutory requirement: they can help states certify rebated projects in a way that not only meets the requirement, but also creates value for the owners of the improved homes and drives long-term market transformation.

Pearl’s response to the NASEO RFI describes the Certification Reports in more detail, and summarizes three other program elements that states may find valuable.

### **Home Certification**

Pearl’s Certification Report details the equipment and materials installed during a retrofit, shows the projected energy savings or energy generation, and supports accurate valuation of the retrofit (as per statutory requirements). Details of the rebate-supported installation are provided in a BPI-2101-compliant certification that provides the homeowner with a full understanding of the benefits of the upgrade. The Certification Report also includes other information about the home’s energy efficient and high-performing features.

The Certification Report is based on years of engagement with homeowners and real estate professionals. Its language and visual materials are designed to engage and educate homeowners and buyers, so that they understand the benefits of energy efficient features.<sup>1</sup> Homeowners can opt to have their home listed on [Pearl’s Registry](#).

A Home Energy Score is included in the report whenever sufficient data is available. In these cases, the Home Energy Score becomes the source of the home’s energy consumption and savings estimates (see below).

The Certification Report is designed to help real estate agents showcase the home at time of sale. Additional materials that help the agent during the sales process include:

- Marketing materials that can be used by real estate agents to showcase the home;
- MLS Listing Report for real estate agents to ensure accurate representation of the home’s high-performing features.

The Certification Report also includes special sections designed to make it easy for appraisers to attribute value to the home’s energy efficient and high-performing features. These include:

- Estimate of the cash flows from energy efficiency improvements that enable the appraiser to determine the value of these features;
- The Appraisal Institute Green and Energy Efficient Addendum, which lists the homes in a format the appraiser can use;

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<sup>1</sup> As opposed to being exposed only to technical specifications that energy professionals understand, but that do not speak to homeowners.

An overview of the Pearl Certification report, supporting materials, and guidance for using it in the real estate sale, can be found [here](#).

Pearl is training national networks of real estate brokerages and appraisers to ensure accurate valuation of homes with renewables and energy efficient features.

The Pearl Certification Report and supporting materials, and the network of trained real estate professionals, support accurate (higher) valuations for energy efficient homes. Studies conducted by third parties have found that homes that have a Pearl Certification Report consistently receive a price premium at time of sale (see studies [here](#) and [here](#)).

The Certification Reports and supporting infrastructure have the potential to transform the market by creating consumer awareness and demand for energy efficient, high-performing homes. When certified homes regularly command a price premium, and homeowners are aware that this is true, they have a powerful new incentive to make energy efficiency improvements.<sup>2</sup> This sets in motion a virtuous cycle in which energy efficient home sales premiums drive awareness of the value of energy efficiency, which drives more efficiency upgrades, which further enhances the visibility of the value of efficient homes and accelerates change. (See Pearl's white papers on [certification](#) and [market transformation](#))

### **Implementation and Pricing**

Pearl's Certification Reports and supporting materials are fully developed and currently used in the market. We specialize in data collection; have completed data integrations with many software tools, such as common energy efficiency modeling software; and are currently beginning data integrations with several implementers.<sup>3</sup> We do not foresee significant difficulties in setting up standard data integrations or data transfer systems that will enable provision of certifications for IRA rebate programs.

Pearl will work with states to make sure that the certifications are affordable for programs because we believe they will support very important public policy goals, including market transformation and wealth building in low-income communities. Given the importance of IRA rebates for low-income households, we are particularly committed to ensuring that low-income homes can be certified. We are aware that programs may be experiencing cost constraints, and will work with states and implementers to ensure that the certification cost is affordable.

### **Homeowner Education and Engagement**

Pearl created [Green Door](#) to provide homeowners with a one-stop-shop to help them understand energy efficiency, electrification, and home performance, and to find everything they needed to improve their home and ensure that it is accurately valued at time of sale. These resources include:

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<sup>2</sup> That is, increased equity becomes a benefit in addition to comfort, bill savings, etc.

<sup>3</sup> An example of a recent programmatic data set-up: we are currently developing a no-cost data transfer system with a utility to certify work conducted through an electrification retrofit program.

- Education about energy efficient and electrification features in engaging languages;
- Maintenance widget to help maintain an energy efficient and/or electrified home;
- Resources to help homeowners understand how to pay for energy efficiency and electrification improvements, including available rebates and tax incentives;
- Easy-to-use contractor search features;
- Tools to find qualified real estate agents who can receive a plug-and-play marketing package to market and sell the home;
- Document storage for Certification Reports and other key documents.

Pearl's Green Door services also include ongoing homeowner engagement and education, so that when a homeowner needs to replace equipment or make a major improvement, they will know where to find the resources to choose and install the high-efficiency option. Pearl offers a [Green Door account](#), free of charge, to any homeowner.

### **Contractor Quality Assurance**

Pearl has developed a national network of high-quality contractors that provide energy efficiency and home performance improvements, as well as solar installations, for homeowners across the U.S. The qualifications for the network were designed to identify the best contractors in a market, and the [quality assurance \(QA\) system](#) was designed for and approved by DOE's Home Performance with ENERGY STAR program. This system may be of interest to states or implementers that want to establish a high bar for contractor quality and/or implementing a low-cost, but effective, QA system. (See white paper on contractor credentialing and QA [here](#).)

### **Modeling Software**

Pearl is building software that can be used by contractors to participate in both the HOMES and the HEERA programs. It provides a simple interface that contractors can use to collect all necessary information to determine customer eligibility and HOMES-compliant modeled energy savings for modeled or measured pathways, and conduct a BPI-2400-compliant calibration. The tool will allow contractors to ensure program compliance and offer the homeowner the best rebate package possible that meets their needs. The tool is designed to be easy and quick to use for a range of contractors, not just those with deep modeling expertise.

## **21. Suggested RFP Language**

Third party certifications should meet statutory requirements for HOMES, and include:

- Direct engagement with the real estate industry.
- Estimated cash flows for efficiency and renewable features
- The ability to incorporate other labels, like HES, ENERGY STAR, and others so that those assets are included in the valuation of the home
- Clear quality assurance measures to ensure the certifications are accurate
- Easy reporting to the state and DOE, as needed.

Third party certifications should be expanded to HEER rebates.

### **Category 3: Indication of Vendor Interest**

#### **22. Company Characteristics**

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

Pearl has a deep commitment to DEIA. Our founding principles are rooted in making value visible for all homeowners, especially those in underserved communities. A key motivator to pursue our B Corp status is rooted in our commitment to making environmental justice central and indispensable to climate mitigation.

Pearl's mission to improve the performance of the U.S. housing stock is particularly important for low-income households, who likely live in inefficient, uncomfortable, and unhealthy homes. Pearl's contractor network and tools help homeowners make energy efficiency improvements. Our certification reports help homeowners get fair value for their homes, which is a particularly important form of wealth-building strategy for low-income homeowners. Pearl Certified homes command a 3% to 5.5% premium. This increase is particularly important for lower-income households; a modest increase in equity can enable a better home purchase, or enable other crucial purchases.

#### **Company Summary**

#### **25. Description of Program Offerings and Resources**

Pearl Certification began operations in 2017 with the goal of scaling residential energy efficiency. Pearl's founders played leadership roles in public policy and program management during the 2009 American Recovery and Relief Act (ARRA) implementation, and had seen the demand for energy efficiency dry up once program subsidy funds were expended. Pearl was designed to create a long-lasting, powerful demand for energy efficiency and other high-performing features like renewables, by ensuring that homeowners fully understand their value, and that they are properly valued at time of home sale or refinance. Pearl's mission is to permanently transform the market for residential energy upgrades.

Because Pearl was founded to scale up energy efficiency without the need for public subsidies, for its first five years of operations it focused almost exclusively on the private market. By 2021 it was clear that Pearl had succeeded at developing a model that engages contractors and builders, the real estate community, and homeowners in the work of improving the efficiency and performance of U.S. homes. In effect, Pearl has created a market-based home performance program that functions without public support or subsidies. (See Market Transformation white paper [here](#)).

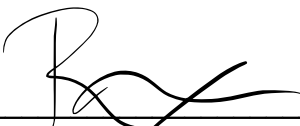
Pearl now seeks to share this experience with the public sector, because we believe that there are many aspects of our work that could support more cost-effective development of public programs, and because we believe that by partnering with the public sector we can help to grow and scale the homeowner demand for energy efficiency even faster.

Pearl is committed to working with implementer partners to support their efforts to build a network of contractors who can deliver improvements eligible for rebates. We're working closely with several implementers to integrate our solutions into their offerings as appropriate.

Pearl can ensure you meet this statutory requirement AND set the stage for long standing change in your communities, bringing equity to homes that deserve it. As of May 2023, Pearl Certification has issued over 140,000 certifications in 46 states. Our ability to motivate contractors to install high efficiency products at or above industry standards, to incentivize homeowners to choose these improvements, and ultimately tie these improvements to home value make Pearl Certification the premier third-party certification services provider.

Pearl Certification 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.

Signed,

A handwritten signature in black ink, appearing to read 'R. LeBaron', is written over a horizontal line.

Robin LeBaron, President and Co-Founder  
Pearl Certification