Narrative Document
IRA Section 50121: Home Efficiency Rebates

Contents

Introduction

This is an optional document that is not required by the ALRD. A state may use this to submit their ALRD 2 State Application.

This Narrative Document should demonstrate the state's ability and intent to implement the program in accordance with the requirements of the ALRD and the Program Requirements document. The Narrative Document must provide a comprehensive framework and description of all aspects of the proposed rebate program(s). States may use existing programs/infrastructure to implement this work. States may not provide these funds to existing programs to implement non-rebate work.

The Narrative Document must be succinct, self-explanatory, and well-organized so that DOE reviewers can understand program design and delivery. A state must address the following in its application package and corresponding Standard Form 424 Application for Federal Assistance, Standard Form 424A Budget Information, and Budget Justification Workbook. A state may defer some responses to its State Implementation Blueprint, to be provided to DOE after award but prior to program launch. The questions are marked as such, and applicants should check the appropriate box if deferring their response. All other requirements are mandatory within the state application package. If there is no box offering the "Defer response to state Implementation Blueprint" option, then it is required as part of the application package.

Identify whether the application is for a Quick Start program.

☐Yes, this is for a Quick Start Program.
☒No, this is not for a Quick Start Program.

Home Efficiency Rebates State Programs (50121)

Use of Funds and Rebate Eligibility

Section 3.1.1: Use of Funds

1. Provide which types of allowable costs the state proposes within each category of administrative funds and rebate funds and within those categories:
   Note: These responses should correspond with the Standard Form 424, Standard Form 424A, and Budget Justification Workbook.

   Response: Missouri plans to use **administrative funds** to cover the following types of activities, for a total estimated administrative fund cost of $15,073,451.03 (see also 1.a below):

   - Program planning and design: $918,905.71
     - The state will contract with an organization with expertise in designing and delivering efficiency programs, with proven success in market uptake, sound installations, income verification, and delivering benefits to low-income households. Depending on the prime implementation contractor's experience reaching disadvantaged communities, subcontractors may be involved.
   - State program staff: $247,851.08
     - The state plans to pay for portions of the work of several staff members who split their time between the Home Efficiency Rebates Program (Section 50121), Home Electrification and Appliance Rebates Program (Section 50122), and other tasks for the state. Administrative funds will offset costs of supporting multiple staff as they perform work specific to the oversight or implementation of these awards. Our accounting systems can separately track these different funding sources and internal policies are in place to ensure the time is accurately tracked.
   - Development of tools and systems for program administration, including websites, applications, rebate processing, and reporting: $1,925,459.32
     - The state plans to procure a program implementation contractor which, either on its own or through subcontractors, will develop user interfaces and systems for contractors and/or others to use to apply for rebates, submit required documentation, verify income, and perform other tasks. Additionally, the state plans to require the implementation contractor or other qualified entity to connect rebate systems to the USDOE Rebate Tracking and Reporting Tool application programming interface (API) for real-time reservations and redemptions and to support required data reporting to USDOE.
   - Program evaluation and consumer satisfaction surveys: $129,877.89
     - The state will require the implementation contractor to conduct surveys to address the required customer satisfaction questions included in the program requirements.
   - Program monitoring and audits: $129,877.89
     - In addition to state staff monitoring program delivery and overseeing the implementation contractor(s)/program partners, the state may require outside assistance to respond to state or federal inquiries. The implementation contractor(s)/program partners and other providers (e.g., income verification services) will also be required to fulfill data reporting and analysis per the contract(s).
   - Consumer protection functions including resolution procedures, data review, contractor management, installation standards, and continuous improvement: $649,389.43

    - In response to findings from periodic assessments of program performance (as well as any identified problems that arise throughout implementation), the state or its implementation contractor(s)/program partners will institute changes to address deficiencies in program delivery or design.
    - The state will develop consumer protection guides that will be provided to all rebate applicants as one part of the consumer protection strategy.
    - The state will also either create a separate hotline and email inbox or dedicate state/implementation contractor staff to respond to consumer questions and/or complaints.
    - State staff will fulfill contractor management needs with regular reviews of program implementer/other contractor data submissions. Such costs may be included under state program staff costs.
- Marketing, education, and outreach, including the funding of local governments and place-based organizations to assist with these activities: $1,298,778.85
    - The state held three public feedback sessions to better understand community interests and solicit public feedback, which will be used to inform program design.
    - The state may conduct separate outreach to retailers, product manufacturers, and distributors.
    - The state will require the implementation contractor to develop marketing and education information for homeowners, tenants, retailers, contractors, and others as needed and provide a distribution plan for disseminating information.
- Implementation contract cost not including rebates and costs for activities directly related to delivery of rebates: $9,123,921.44
    - The implementation contractor(s)/program partners will use administrative funds for data review and reporting and to fulfill other programmatic management requirements.
    - These costs may also address state oversight of the implementation contractor(s)/program partners, contract management, and data review and reporting. However, we anticipate that these costs will be included as part of state program staff costs (see above).
    - These costs include the incentives to be paid to contractors and aggregators. We do not have sufficient information at this time to separately project the cost of these incentives.
- Technical assistance: $649,389.43
    - Depending on availability of resources, the state and/or its implementation contractor(s)/program partners may provide technical assistance either directly or through specialized organizations to assist entities focused on serving disadvantaged communities and/or other priorities.

The state certifies that costs will not be duplicated on the Home Electrification and Appliance Rebates award (Section 50122) or other awards and are not duplicative of costs captured in the Indirect Rates.

a. Provide the total amount of estimated administrative funds to be expended annually:

   See the table below for administrative cost estimates by budget tranche. We will provide additional details and, as needed, revisions as part of our Implementation Blueprint.

Budget Period	Approximate Dates	Administrative Costs
Early Administrative Funds/Tranche 1	07/01/2024 – 06/14/2026	$5,189,745.51
Tranche 2	06/15/2026 – 10/20/2028	$3,953,438.81
Tranche 3	10/23/2028 – 04/24/2030	$3,294,568.51
Tranche 4	04/25/2030 – 09/30/2031	$2,635,698.20

b. Provide the total amount of estimated project-related costs as a portion of the rebate funds to be expended annually:

The state does not intend to use any rebate funds for project-related costs. The state intends to determine if rebate funds may be required to support home energy audits or assessments for low-income households, and will clearly outline that as part of the Implementation Blueprint.

2. If requesting additional funds for project-related activities, describe and justify each activity and associated budget in the budget justification worksheet as well as below.

The state does not intend to use any rebate funds for project-related costs. The state intends to determine if rebate funds may be required to support home energy audits or assessments for low-income households, and will clearly outline that as part of the Implementation Blueprint.

3. Describe how the state will manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.

Response:

Budgeting and Forecasting Tools

To ensure that rebate minimums and administrative maximums are adhered to throughout the program, the state will utilize a combination of budgeting and forecasting tools. The state plans to use the USDOE Rebate Tracking and Reporting Tool, which offers an API that can be integrated with the state or implementation contractor's/program partners' systems. This integration will minimize data entry errors, reduce administrative costs, and ensure data consistency by adhering to USDOE/Pacific Northwest National Laboratory (PNNL) data specifications. The system will assign rebate amounts to products based on the applicant's income level (e.g., below 80% Area Median Income (AMI)) and the modeled savings associated with allowable improvements.

Process Controls and Systems

The state will implement process controls to track administrative costs and rebate funds expended. The state will utilize the USDOE Rebate Tracking and Reporting Tool's database that contains all previously issued rebates to individual residential dwellings, ensuring that rebates are not duplicated for the same address. The system will also track the amount of rebate funds committed to date and only approve new requests if sufficient funds remain. When a household receives its final invoice and the rebate is issued, the amount will be updated via connection to the USDOE Rebate Tracking and Reporting Tool. The state will monitor these rebate amounts relative to administrative spending forecasts.

The state system that interacts with the implementation contractor's/program partners' system(s) and/or the USDOE Tracking and Reporting Tool will include its own process controls to ensure that the state adheres to its own funding limits and set-asides. This will include assuring that higher administrative spending in any particular year is offset by lower administrative spending in subsequent years.

Administrative Efficiencies and Accounting Practices

To reduce the costs of administration and project-related activities, the state intends to incorporate systems that use "smart" technology to automatically read uploaded documents for income verification and/or other purposes. For example, the state aims to use a system (if not cost-prohibitive) that accurately reads the household's information on enrollment cards from various categorically eligible programs, including address.

The state will closely track and report spending both within this category as well as funds that are provided as rebates and as incentives to contractors/program partners. The state will also follow Generally Accepted Accounting Principles (GAAP) and conduct desk monitoring as it receives invoices. The state will reimburse the implementation contractor/program partners for necessary and allowable costs incurred specifically for the proper and efficient performance of the subgrant award, as outlined in 2 CFR Part 200 and USDOE regulations.

By implementing these budgeting and forecasting tools, process controls, and accounting practices, the state will effectively manage and ensure that rebate minimums and administrative maximums are adhered to over the duration of the program.

4. Confirm that the state will have a process for handling returns of rebated items as applicable in the Consumer Protection Plan.
   ☒Yes, the state confirms the above statement.

Section 3.1.2: Rebate Conditions and Levels

5. Provide the maximum rebate amounts that will be offered within the allowances of the Home Efficiency Rebates requirements.

   Note: States may increase the maximum rebate amounts available for low-income households, but states cannot set lower rebates than specified in Section 3.1.2.

   Response: For households with incomes greater than 80% AMI, our state will provide rebates for the lesser of 100% of project costs or (a) $8,495 for projects expected to achieve at least 20% energy savings, or (b) $16,990 for projects expected to achieve at least 35% energy savings. This proposal is contingent on additional analysis conducted to support Implementation Blueprint development. See our response to Question #13 for additional information on rebate maximums available to households with incomes less than 80% AMI.

6. Identify the allowable project costs for determining rebate levels when based on project cost.
   ☐Defer response to State Implementation Blueprint.

Response: When the rebate is based on total project costs, the state will allow the following project costs if documented on the invoice:

- Labor costs
- Equipment and material costs
- Permitting fees
- Certification fees (for certification of homes or mechanical system sizing and commissioning, if applicable and required by local jurisdiction, the state, or USDOE)

We confirm that these costs do not duplicate allowable project-related costs and are aligned with the Budget Justification Workbook.

Allowable project costs include all energy efficiency improvements (equipment and installation/labor) associated with the anticipated energy savings. For households with incomes less than 80% AMI, allowable project costs may also include related project costs (e.g., home assessments, energy audits, and project quality assurance) given that low-income households may not be able to pay for these additional requirements and may not have access to other programmatic resources to cover these costs.

The state will provide additional details in the State Implementation Blueprint.

7. List the documentation requirements related to project costs from homeowners, contractors, and/or aggregators.
   ☒Defer response to State Implementation Blueprint.

8. Describe how homeowners and multifamily building owners will be informed of additional program funding available from non-federal funds and grants.
   ☒Defer response to State Implementation Blueprint.

9. Provide the date after which upgrade projects must be completed for the purposes of being eligible for a rebate under the state program.
   ☒Defer response to State Implementation Blueprint.

10. Identify whether, for low-income multifamily buildings, the state will calculate the “per dwelling unit” rebate amount at the less than 80% AMI amount for all units or based on the ratio of LMI to non-LMI units.
    ☐At the less than 80% AMI amount for all units
    ☒Based on the ratio of LMI to non-LMI units

11. Describe how the state plans to value energy savings based on time, location, or greenhouse gas emissions. The application must demonstrate a strategy for either prioritizing, or requiring in program rules:
    a. Retrofits that will have a disproportionate benefit based on the time or location of energy savings; or
    b. A targeted approach to prioritize reduction in greenhouse gas emissions.

    Valuing savings as part of this plan does not replace or count towards the requirements to demonstrate a minimum percentage energy savings for the household on a modeled

or measured basis.
☒Defer response to State Implementation Blueprint.

12. Describe how the state plans to ensure and verify ENERGY STAR certification at the time of installation for heating, cooling, and water heating products.

Response: Ensuring any qualifying equipment is ENERGY STAR®-certified begins with clear education and training of implementers and contractors/program partners on the program requirements. Using ENERGY STAR®-certified equipment whenever applicable will be a stated requirement in our trade ally/program partner participation agreements and/or contracts.

The state also plans to ensure that program partners, major distributors, and/or retailers understand the rebate requirements and ask them to refer to the Environmental Protection Agency's (EPA) Qualified Products Lists on a regular basis or, preferably, to have an automated method of keeping the information up to date through a link to EPA's Qualified Products Lists, if available.

The state will require installers to include geo-coded installation photos of equipment installed, including photos of data plates, photos of the installed equipment model numbers (including indoor and outdoor units for split systems), and AHRI certification numbers for all heating, cooling, and water heating projects.

Additionally, the program will conduct desk reviews of a sample of the projects to verify photos match the submitted model numbers. The equipment will then be validated by crosschecking the collected model/AHRI numbers against the ENERGY STAR® Certified Product Data Set or AHRI directory. Upon review, if an installer installs equipment that is not ENERGY STAR®-certified, they will receive a warning notice. If they install non-qualifying equipment a second time, the state will remove the installer from the qualified contractor list or work with program partners on other remedies.

13. A state interested in offering higher rebates amounts than those listed in Tables 2 and 3 for low-income households must describe (in the below box) the state approach for balancing higher rebate amounts (serving fewer households) with the required allocation to serve low-income households and must propose the maximum rebate amount that would be available to low-income households both in terms of percentage of project cost and dollar amount for low-income households. Please provide the amounts below or check N/A if not applicable.
☐N/A. State will use the maximum rebates listed in Tables 2 and 3.

The state proposes to increase allowable rebates for low-income households, subject to USDOE approval of this proposal. For projects in low-income single family and multifamily buildings with modeled savings between 20% to 34%, the state plans to allow the lesser of the following per home or unit:

- % of project cost: 100%
- $ amount for low-income household: $8,495

For projects in low-income single family and multifamily buildings with modeled savings of at least 35%, the state plans to allow the less of the following per home or unit:

- % of project cost: 100%
- $ amount for low-income household: $16,990

Our rationale for offering higher rebate amounts is that households with incomes below 80% AMI will not be able to afford additional costs. Based on feedback from Community Action Agencies, the IRA-suggested rebate limits are too low to cover the costs of projects that must reach at least 20% energy savings; if we do not cover 100% of project costs, low-income households may not participate in the program. Coverage of 100% of project costs is also consistent with the level of service offered by the Weatherization Assistance Program. Additionally, covering 100% of project costs protects low-income consumers from paying out-of-pocket costs if they use the Home Energy Rebates Program instead of Weatherization Assistance Program funds.

To avoid placing additional burdens on low-income households, we propose the allow rebates to cover the lesser of 100% of project costs or $8,495 for households that are projected to achieve at least 20% energy savings. For projects that are expected to achieve at least 35% energy savings, we will provide rebates that cover the lesser of 100% of project costs or $16,990. The $8,945 project cost cap is consistent with the Average Cost Per Unit in the Weatherization Assistance Program, and $16,990 represents twice that amount.

Contractors and the selected program implementer/program partners will be required to consider options for braiding the rebates with other allowable incentives. In situations where braiding is available, the rebates would not need to cover 100% of project costs.

If every Home Efficiency Rebates Program-funded project receives reimbursement at the $16,990 cap, the program would serve approximately 47% as many households compared to the default maximum rebate of $8,000. The state does not expect this outcome since non-low-income households will also be eligible for rebates and not all homes may achieve 35% or greater energy savings.

Home Efficiency Rebates should cover all project costs for low-income households since such homes may have high potential for energy and cost savings. Raising the rebate limit for these households will make the program a viable option for households that might otherwise be unable to undertake whole-home efficiency projects.

14. Provide details on what portion(s) of the total rebate will be provided to the homeowner/building owner compared with the contractor/aggregator.
☒Defer response to State Implementation Blueprint.

    a. Describe what caps the state will place on contractor/aggregators in terms of savings exceeding the amount associated with the rebate provided to the homeowner (e.g., allowable percentage above the rebate provided to homeowner).
    ☒Defer response to State Implementation Blueprint.

15. Describe what systems will be put into place to reserve funds for each measured project, given the need to remit payment to the contractor/aggregator after 9-12 months of usage data post-energy upgrade is available.
☐Defer response to State Implementation Blueprint.

N/A

16. For the measured program path, describe how the state will calculate rebate levels based on average home energy usage in the state.[1]
☐Defer response to State Implementation Blueprint.

N/A

17. For the measured program path, within what timeframe will the state provide rebates to eligible rebate recipients?
☐ Defer response to State Implementation Blueprint.

N/A

Section 3.1.3: Low-Income Homes

18. What portion of the rebate funds will the state reserve for low-income households and multi-family households?

Response: The state plans to allocate a minimum of 50% of rebate funds to low-income households (i.e., households with less than 80% of AMI). This is greater than the percentage of low-income households in our state, which is 40.2% per USDOE.

The state plans to allocate a minimum of 30% of rebate funds to low-income multifamily buildings.

19. Describe how the state will define household income for verification purposes (e.g., using prior year income).

Response: For households that provide income information, the state will request documentation providing the income of all adult occupants over the past 12 months OR information from prior tax year earnings. If the income requirements of identified federal programs fall below 80% AMI, applicants enrolled in a program that qualifies them as categorically eligible do not need to provide this income information. We will provide additional details and, as needed, revisions as part of our Implementation Blueprint.

20. For single-family households, describe what combination of methods will be used for claimants to be able to establish their household income for income qualifications. States may select the following options;
   - ☒Documentation of household income (for example, 1040)
   - ☒Documentation of enrollment in a pre-qualifying program
   - ☐Self-attestation of income level
   - ☐Self-attestation of enrollment in a pre-qualifying program

Response: The state will recognize any of the following documentation for income to establish that a household is eligible: 1040 from prior year, W2 forms, other applicable tax documents, and wage statements/payroll.

[1] Per statute, the measured energy saving of the home or portfolio of homes must achieve 15% savings, but the calculation of the rebate is based on a 20% reduction of average energy use of a home in the state.

The state also plans to offer categorical eligibility for households that can show enrollment in one of the following programs listed in Tables A-3 and A-4 in the Appendix to USDOE's sample narrative responses:

- Low Income Home Energy Assistance Program (LIHEAP) – in Missouri, LIHEAP-eligible homes can qualify if they have an income at or below 60% of State Median Income. The state will only allow categorical eligibility under LIHEAP for IRA rebates for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 60% of State Median Income, as determined through a methodology similar to the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory.
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Weatherization Assistance Program (WAP) – the state will only allow categorical eligibility under WAP for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 200% of the Federal Poverty Level, as described in the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory. The state will ensure that these types of households are aware of and offered access to WAP prior to receiving any upgrades under the Home Efficiency Rebates.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – the state will only allow categorical eligibility under WIC for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 185% of the Federal Poverty Level, as described in the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory.
- Verified government or non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or households – the state will address the ability to use ALICE to qualify for the higher level of rebates in its Implementation Blueprint.
- Public Housing (housing owned and operated by Public Housing Authorities)

We will provide additional details and, as needed, revisions as part of our Implementation Blueprint.

21. For multifamily buildings, describe what combination of methods will be used to verify that at least 50% of dwelling units consist of households with incomes less than 80% AMI.
☐Defer response to State Implementation Blueprint.

Response: To qualify for low-income rebate amounts, multifamily building owners will be required to demonstrate that at least 50% of dwelling units consist of households with incomes less than 80% AMI through either of the following methods:

(1) Provide documentation (as described in the response to question #20) demonstrating that at

least 50% of households either have incomes below 80% AMI or are enrolled in any of the following programs:

- Low Income Home Energy Assistance Program (LIHEAP) – in Missouri, LIHEAP-eligible homes can qualify if they have an income at or below 60% of State Median Income. The state will only allow categorical eligibility under LIHEAP for IRA rebates for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 60% of State Median Income, as determined through a methodology similar to the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory.
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Head Start
- Lifeline Support for Affordable Communications (Lifeline)
- Food Distribution Program on Indian Reservations (FDPIR)
- National School Lunch Program – Free (NSLP)
- Housing Improvement Program (HIP)
- Housing Opportunities for Persons with AIDS
- Supplemental Security Income (SSI)
- Weatherization Assistance Program (WAP) – the state will only allow categorical eligibility under WAP for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 200% of the Federal Poverty Level, as described in the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory. If applicable, the state will ensure that these types of households are aware of and offered access to WAP prior to receiving any upgrades under the Home Efficiency Rebates.
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – the state will only allow categorical eligibility under WIC for certain household sizes within any geographic area. These household sizes will correspond to instances in which 80% of AMI is less than 185% of the Federal Poverty Level, as described in the "AMI/FPL Comparison Tool" from the Pacific Northwest National Laboratory.
- Verified government or non-profit program serving Asset Limited Income Constrained Employed (ALICE) persons or household – the state will address the ability to use ALICE to qualify for the higher level of rebates in its Implementation Blueprint.

OR

(2) Provide documentation that demonstrates that one of the following categories applies to 50% of the units in the multifamily building:

- Public Housing (housing owned and operated by Public Housing Authorities)
- Privately owned multifamily buildings receiving project-based assistance (i.e., Section 8, Section 202, and Section 811)
- Privately owned multifamily buildings that house residents receiving tenant-based assistance
- Section 42 Low Income Housing Tax Credit (LIHTC)

We will provide additional details and, as needed, revisions as part of our Implementation Blueprint.

22. Please confirm the following:

- Claimant will be required to note the number of individuals who occupy the dwelling unit.
  ☒Yes, the state confirms the above statement.

- Claimant will be required to sign a statement attesting to the validity of all information provided (e.g., enrollment documents, household income, number of full-time occupants) irrespective of the method of income qualification (e.g., categorical eligibility, self-attestation).
  ☒Yes, the state confirms the above statement.

- State's intake system for users to provide income information will display the 80% AMI value for that household's ZIP code and household size to assist the household in comparing its income with those levels prior to signing statements regarding their income.
  ☒Yes, the state confirms the above statement.

23. Describe how the 80% AMI levels for each location will be kept up to date (use DOE-provided API, other) and linked to DOE systems. Confirm that these levels will correspond to (a) the address of the home at which rebates will be applied and (b) the applicable number of household occupants.
    ☒Defer response to State Implementation Blueprint.

24. Confirm that the state will:
    - Review information provided to support income eligibility for all applicants applying for higher income-based rebate levels.
      ☒Yes, the state confirms the above statement.

    - Take steps to verify income eligibility for all applications (100%) that use self-attestation to support income eligibility (e.g., confirm enrollment in at least one program that the applicant asserted enrollment in; confirm household income via IVES or other methods as applicable).
      ☐Yes, the state confirms the above statement.

      N/A, the state will not be allowing self-attestation.

    a. After 6 months and not longer than 1 year after program launch, report to DOE the percentage and number of applicants that received rebates but were subsequently found to not meet eligibility requirements.
       ☒Yes, the state confirms the above statement.

    b. Work with the state's DOE project officer to institute additional safeguards or determine if a lesser level of review for applicants using self-attestation is justified depending on the percentage/number of rebates issued without meeting eligibility requirements.
       ☐Yes, the state confirms the above statement.

       N/A, the state will not be allowing self-attestation.

If applicable, propose the types of information that the state will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).
☒N/A. The state will not reduce this requirement.

25. Provide additional information as needed to demonstrate that the proposed approaches for income verification will address all types of households; not create undue burden for claimants; and include safeguards to minimize error and abuse in the process of verifying income.

    Response: By offering a variety of methods to demonstrate eligibility, including a wide range of programs recognized as providing categorical eligibility, those in the lowest income brackets will have a range of options to demonstrate their eligibility.

    As a safeguard to discourage applicants from falsifying income information, all households, when submitting income verification information, will be required to sign an attestation as well as confirm that they understand program rules such as the following:

    > *If the information provided is invalid and warrants you ineligible for this rebate, the rebate reservation, if not processed, will be canceled. If the rebate has already been applied to a purchase or service, the Missouri Department of Natural Resources reserves the right to refer the applicant's case to the Attorney General for collection of rebated amounts, as well as civil and/or criminal proceedings, if warranted. The Missouri Department of Natural Resources also reserves the right to preclude the applicant's participation in future Inflation Reduction Act Home Energy Rebates Programs implemented by the Missouri Department of Natural Resources.*

    The state will train its staff, as well as ensure the implementation contractor/program partner staff receive training, on eligibility requirements and income verification processes. The state will integrate income validation into an electronic rebate processing system to automate verification when possible.

    To further minimize error in this process, the state will conduct a review of each applicant household's income information prior to issuing a rebate coupon and giving the go-ahead to begin work. This delayed approval is workable given the complexity of whole-home retrofits. Furthermore, the state will encourage applicants to provide income information as soon as possible through electronic means so that review can be concurrent with other steps such as the contractor/program partner creating a scope of work. Applicants will be notified of household eligibility status (i.e., whether they qualify as below 80% AMI) as expeditiously as possible. The state will endeavor to lower burdens on households that wish to benefit from rebates, with additional details regarding the income verification process and associated safeguards to follow in our Implementation Blueprint.

26. Describe how the state will verify (confirm legitimacy) of income information for all claimants (e.g., verification within 2 days through IRS, cross-check with enrollment databases of approved programs, calls to employers). If applicable, propose the types of information that the state will provide to DOE to warrant reducing this requirement (e.g., allowing implementers to verify income of a subset of claimants through random sampling).

☐N/A. The state will not reduce this requirement.
☒Defer response to State Implementation Blueprint.

27. Describe how the state will resolve instances when rebates are provided to those who have falsified their incomes.
☒Defer response to State Implementation Blueprint.

28. If proposing to allow self-attestation as a means for initial income qualification, provide a detailed description of how and when this approach will be used. Include statements, language, and detailed information regarding follow-up steps that will be used for this process. Additional topics to address include:
    - Describe how those applying for rebates will be warned of potential liability associated with falsifying information.
    - Explain how signed statements of self-attestation will be securely stored.
    - Identify what level of falsified attestations will signal that the system needs to shut down either permanently or be restarted only after sufficient improvements are made.

☐Defer response to State Implementation Blueprint.
☒N/A. The state has chosen not to allow self-attestation.

29. Describe how the state program will verify applicant information provided to substantiate income eligibility, including systems that will be used to verify, where applicable, that at least one member of a household has been enrolled in a program included within the Federal Programs Approved for Categorical Eligibility document or other state-proposed approved by DOE within the prior 12 months.
☒Defer response to State Implementation Blueprint.

30. If applicable, identify the federal or other programs by which the state plans to allow categorical eligibility.
☒N/A. The state will not propose additional federal or other programs to be considered for categorical eligibility.

Please see the responses to Question #20 and Question #21.

31. If applicable, propose any additional federal or other programs to be considered for categorical eligibility. For any programs not already approved, describe how the program's eligibility aligns with the Section 50121 income requirements.
☒N/A. The state will not propose additional federal or other programs to be considered for categorical eligibility.
☐Defer response to State Implementation Blueprint.

32. Identify whether the state requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period (e.g., proof of enrollment within the past 12 months).
☐Yes, the state requests authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period.
☒N/A. The state does not request authorization to allow use of categorical eligibility determinations based on program participation outside of a one-year period.

If yes, explain the state's proposal and describe the rationale.
☐Defer response to State Implementation Blueprint.

33. Identify whether the state requests authorization to allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document [Federal Programs Approved for Categorical Eligibility](). For each deviation requested, propose and provide documentation to justify the requested change. Documentation must demonstrate that the state imposes income requirements equivalent to or less than 80% AMI.
☒Defer response to State Implementation Blueprint.
☐N/A. The state will not allow categorical eligibility for a program in a way that is not consistent with the "level of categorical eligibility" listed in the document Federal Programs Approved for Categorical Eligibility.

34. Provide a brief description of the procedures and penalties the state will provide to ensure that renters are not subject to unjustified rent increases.

Response: For all tenant-occupied properties that receive higher rebate amounts available only to households with incomes less than 80% AMI, the state 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 improvements, with the exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
- The owner agrees that if the property is sold within two years of receipt of the rebates, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.
- The owner will provide written notice to tenants explaining their rights and the building owner's obligations (e.g., add an addendum to the lease and post the information in a common area).
- In the event the owner does not comply, the Missouri Department of Natural Resources reserves the right to refer the case to the Attorney General for collection of rebated amounts, as well as civil and/or criminal proceedings, if warranted. The Missouri Department of Natural Resources also reserves the right to preclude the building owner's participation in future Inflation Reduction Act Home Energy Rebates Programs implemented by the Missouri Department of Natural Resources.
- The state will provide contact information for tenants to notify the state of breaches to this agreement. The state will also include this information in the consumer education campaign, so tenants are aware of their rights under the applicable state law.

35. Explain how the state will identify eligible contractors or aggregators and what tools will be used to pay the $200 disadvantaged community incentive.
☒Defer response to State Implementation Blueprint.

Section 3.1.4: Community Benefits Plan

36. Describe how the state program will define a disadvantaged community.

If not using the default disadvantaged community definition (low-income households located in a disadvantaged community identified by the CEJST), a state must explain how the proposed definition will meet the following three criteria as described in DOE J40 implementation guidance:[2]

- The communities of concern identified by the state tool or definition must conform to the definition of communities established in U.S. Office of Management and Budget (OMB) guidance:
    - a group of individuals living in geographic proximity to one another that experiences common conditions.
    - a geographically dispersed set of individuals (such as migrant workers or Native Americans) that experiences common conditions.
- The state tool or definition must consider two or more of the following indicators when identifying communities that should be classified as disadvantaged for the purposes of directing federal investments under Justice40:
    - Low income, high and/or persistent poverty
    - High unemployment and underemployment
    - Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
    - Linguistic isolation
    - High housing cost burden and substandard housing
    - Distressed neighborhoods
    - High transportation cost burden and/or low transportation access
    - Disproportionate environmental stressor burden and high cumulative impacts
    - Limited water and sanitation access and affordability
    - Disproportionate impacts from climate change
    - High energy cost burden and low energy access
    - Jobs lost through the energy transition
    - Access to healthcare
- The communities of concern identified by the state tool or definition must be currently mapped in software or must be easily overlayed in GIS so that communities can be easily identified by stakeholders.

Response: The state will use the USDOE-provided definition of disadvantaged communities and use the federally-issued CEJST to identify disadvantaged communities (available here: Explore the map - Climate & Economic Justice Screening Tool (geoplatform.gov)).

Section 3.1.5: Processing and Delivering Rebate Funds to Eligible Rebate Recipients

37. Describe what types of systems will be put into place to allow effective processing of rebates.
    ☒Defer response to State Implementation Blueprint.

38. Describe how the state will ensure processing of rebates within required timeframes (e.g., through a processing company, through program implementers, or other entities or methods). Include information on corrective actions that the state will implement in the event of lengthier processing times.

[2] See pages 8-9 of https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf for more details.

☒Defer response to State Implementation Blueprint.

39. Describe how the proposed processing system will be integrated with a system for processing rebates under Section 50122. Note if the state plans to use separate systems.
☒Defer response to State Implementation Blueprint.
☐N/A. The state is not planning to run 50122.

40. If the state does NOT intend to use a federally provided web-based tool to determine whether a home is in a disadvantaged community, confirm that the state will provide the ZIP codes or a preferred more granular geography (e.g., census tract) with all disadvantaged communities as defined by the state to the DOE system.
☐Yes, the state confirms the above statement.
☒N/A. The state will use a DOE-provided web-based tool to determine whether a home is in a disadvantaged community.

41. Confirm that the state system will link to DOE-provided systems via Application Programming Interface (API).
☒Yes, the state confirms the above statement.

Section 3.1.6: Data Collection and Evaluation

42. Confirm that the state will submit a Privacy and Security Risk Assessment in the State Implementation Blueprint.
☐Yes, the state confirms the above statement and will include it with this narrative document.
☒Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

43. Explain how data will be protected, specifically addressing security measures and privacy measures.
☒Defer response to State Implementation Blueprint.

44. Provide documentation of the processes to monitor, identify, and address security and privacy threats.
☒Defer response to State Implementation Blueprint.

45. Confirm that the state will require billing data release and describe how the state will gain access to billing data for program requirements and program evaluation.
☒Yes, the state confirms the above statement.
☐Defer response to State Implementation Blueprint.

Response: When feasible, the state's implementation contractor will partner and work directly with utilities to ensure USDOE will have access to billing/usage data when requested for evaluation purposes. However, our office does not have an existing system to access utility bill data. Due to the number of utilities and potential differences in their operational capabilities, the implementation contractor may be unable to directly obtain customer data from every utility. Security and regulatory concerns may also preclude direct access. If the implementation contractor cannot directly obtain these data, the homeowner or building owner will be required to provide the data directly to the implementer. We will address the exact methods by which the implementation contractor will access these data in our Implementation Blueprint.

For all projects that apply for a 50121 Home Efficiency Rebate, the state will request that the homeowner or building owner sign a statement that:

1. Gives the implementation contractor permission to collect 12 months of all energy utility billing data prior to the upgrade as well as 12 months of all energy utility billing data after the upgrade; or,
2. Confirms the homeowner or building owner will directly provide energy utility billing data if the implementation contractor is not able to get the records directly from the utility.

46. Confirm that the state will collect the required data and cooperate in program evaluation processes as listed in section 3.1.6.3.
☒Yes, the state confirms the above statement.

47. Confirm if the state is planning to conduct its own evaluation, and if so, what type(s) of evaluations.
☐Yes, the state is planning to conduct its own evaluation. (Describe types of evaluations).

If yes, confirm that the state will:

- Cooperate with DOE to meet all the requirements listed in Section 3.1.6.3.
☐Yes, the state confirms the above statement.
- Submit an evaluation plan for DOE review within three months of program launch.
☐Yes, the state confirms the above statement.
- Provide results to DOE.
☐Yes, the state confirms the above statement.

☒N/A. The state does not plan to conduct its own evaluation.

48. If the state plans to conduct evaluations on its programs, describe the evaluation objectives, high level work plan, and timing of the evaluations and whether the state would request to be excluded from DOE-led evaluations.
☐Defer response to State Implementation Blueprint.
☒N/A. The state does not plan to conduct its own evaluation.

Consumer Experience

Section 3.2.1: Education and Outreach Strategy

49. Confirm that the state will develop and submit an Education and Outreach Strategy consistent with Section 3.2.1.
☐Yes, the state confirms the above statement and will include it with this narrative document.
☒Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

Section 3.2.2: Home Assessments

50. Describe the processes and procedures for conducting home assessments that meet

program requirements.
☒Defer response to State Implementation Blueprint.

51. Describe how home assessment data and results will be verified for accuracy.
☒Defer response to State Implementation Blueprint.

52. Describe what processes will be put in place for home assessments for multifamily buildings, including for energy used by common areas.
☒Defer response to State Implementation Blueprint.

Section 3.2.3: Access to Residential Utility Data

53. Confirm that the state will develop and submit a Utility Data Access Plan consistent with the program requirements in Section 3.2.3.
☐Yes, the state confirms the above statement and will include the plan with this narrative document.
☒Yes, the state confirms the above statement but defers a response to State Implementation Blueprint.

Section 3.2.4: Project-Specific Energy Savings Calculations

54. Confirm if the state will implement the modeled path, measured path, or both.
☒The state will implement the modeled program path.
☐The state will implement the measured program path.
☐The state will implement both the modeled and measured program paths.

Section 3.2.4.1: Calculating Modeled Energy Savings

55. Identify what factors the state will use to calculate kWh equivalent, consistent with Section 3.2.4.1.
☒Defer response to State Implementation Blueprint.
☐N/A. The state is not implementing the modeled program path.

56. Describe the energy savings objectives and overall approach for estimating energy savings for the modeled program path.
☐N/A. The state is not implementing the modeled program path.

Response:

Objectives:

- Maximize energy savings through targeting home characteristics and high energy bills.
- Prioritize envelope upgrades and air sealing.
- Target measures that also improve health, comfort, and safety.
- Educate consumers on how various upgrades impact energy savings and their energy bills.

To ensure that consumers are aware of how various upgrades impact their home, the state will work to ensure that building owners receive appropriate advice regarding the types of improvements that make sense for their homes, including how different measures will affect utility bills, comfort, indoor air quality, and moisture. The state will require contractors/program partners to provide an estimated range of energy savings and utility bill impacts in the information that they provide to residents or building owners prior to beginning the work so that beneficiaries have a better idea of potential impacts. To ensure transparency and improve the level of accuracy in contractor/program partner modeling, the state will require contractors/program partners to include their underlying assumptions regarding occupancy and occupant behavior (e.g., set points) as well as other conditions. The state may also require contractors/program partners to run their models using standardized assumptions that the state will provide.

The state's overall approach for estimating energy savings for the modeled program path is to have qualified assessors inspect participant homes and utilize BPI-2400-consistent software for single-family homes, as approved by USDOE, to model the energy savings from the retrofit with bill calibration consistent with BPI-2400 processes. For single-family modeled exceptions, the state will require use of the Home Energy Score modeling approach.

Multifamily building assessments will incorporate a similar approach using ASHRAE Standard 140.2007-tested software and will use a tool listed on USDOE's qualified software list, per Option 1 in the Multifamily Guidance document.

The state's implementation contractor will also compare contractors'/program partners' energy models with the results obtained from running the modeling inputs through the standardized Home Energy Scoring Tool (which already applies conservative assumptions regarding occupancy, occupant behavior, air leakage, etc.) or other approved tool identified in our Implementation Blueprint.

57. Describe which upgrades may be included in the modeled savings estimate, including at least one major upgrade as defined in Section 2.1, including a brief description of if the state will or will not require the installation of envelope prior to other upgrades.
☒Defer response to State Implementation Blueprint.
☐N/A. The state is not implementing the modeled program path.

58. Identify which modeling tools the state proposes to authorize for its program. Identify whether any proposed tools have not yet received DOE approval.
☒Defer response to State Implementation Blueprint.
☐N/A. The state is not implementing the modeled program path.

59. Describe how the state will monitor the energy savings reliability of models and tools for the modeled program path.
☒Defer response to State Implementation Blueprint.
☐N/A. The state is not implementing the modeled program path.

60. If the state plans to allow modeling for homes for which BPI-2400 is not applicable or that are not eligible for BPI-2400, request alternative modeled path(s) by:
    - Detailing for which exceptions the state plans to apply the alternative approach (e.g., multifamily, lack of delivered fuel bills, etc.).
    - Providing a detailed description of the method(s) that the state will use to estimate energy savings for each exception and how the state will ensure consistency between the alternative method and the results of BPI-2400 such as a realization rate adjustment to be used in reported savings estimates.

- Commit to carrying out evaluations upon thresholds listed in Section 3.2.4.1.
- Describe how the state will use any evaluation results or new information to update and adjust its alternate savings modeling method.

☒Defer response to State Implementation Blueprint.

☐N/A. The state will not allow modeling for homes for which BPI-2400 is not applicable or that are not eligible for BPI-2400.

61. For multifamily, describe the methods used for modeling energy savings for multifamily buildings, including energy used in common areas.
    ☒Defer response to State Implementation Blueprint.
    ☐N/A. The state is not implementing the modeled program path.

Section 3.2.4.2: Calculating Measured Energy Savings

62. Describe the energy savings objectives and overall approach for estimating and measuring energy savings at the home and if applicable, portfolio of homes.
    ☒N/A. The state is not implementing the measured program path.

63. Identify what factors the state will use to calculate kWh equivalent, consistent with Section 3.2.4.2.
    ☐Defer response to State Implementation Blueprint.
    ☒N/A. The state is not implementing the measured program path.

64. List the open-source advanced M&V software(s) the state requests to use and confirm that each meets program requirements.
    ☐Defer response to State Implementation Blueprint.
    ☒N/A. The state is not implementing the measured program path.

65. Describe how the state will monitor and ensure that aggregator portfolios meet the program requirements and minimum savings thresholds for the measured program path.
    ☐Defer response to State Implementation Blueprint.
    ☒N/A. The state is not implementing the measured program path.

66. If measuring energy savings within a period of less than 12 months, describe how the state will define and enforce the inclusion of peak seasons.
    ☐Defer response to State Implementation Blueprint.
    ☒N/A. The state will measure energy savings over at least 1 year or the state is not using the measured savings approach.

67. Describe the state's processes for measuring savings for multifamily buildings, including for energy used by common areas.
    ☐Defer response to State Implementation Blueprint.
    ☒N/A. The state is not implementing the measured program path.

Section 3.2.5: Consumer Protection through Quality Assurance

68. Certify that the state will prepare and implement a Consumer Protection Plan in accordance with the requirements (Section 3.2.5) and that the state rebate program will

not launch until receiving DOE approval.
☒Yes, the state confirms the above statement.

Section 3.2.6: Post-Installation Certificate

69. Describe how each of the certification requirements (Section 3.2.6) will be met for single-family homes.
☒Defer response to State Implementation Blueprint.

70. Describe how each of the certification requirements (Section 3.2.6) will be met for multifamily buildings.
☒Defer response to State Implementation Blueprint.

71. Identify which third-party certificate(s) the state program will offer to homeowners that receive a rebated home energy upgrade.
☒Defer response to State Implementation Blueprint.

Maximizing Rebate Impact

Section 3.3.1: Supporting the Clean Energy Economy Through Market Transformation

72. Certify that the state will develop and implement a Market Transformation Plan within the first year after receiving the financial assistance award.
☒Yes, the state confirms the above statement and will provide the Market Transformation Plan within the first year after receiving the financial assistance award.

Section 3.3.2: Integrating with Other Programs

73. Identify whether the state plans to take proactive steps to encourage integration with other programs. If so, identify with which programs the state will actively seek to integrate. The state may include letters of support or other indicators of commitment from existing program partners. Applications should identify whether programs will be integrated in any or the following areas:
    - Integration into existing program administration, website, materials.
    - Adoption of existing program standards, QA, workforce standards, or other practices.
    - Braiding or co-funding of upgrades within individual households.
    - Other integration elements, as applicable.

    ☐N/A. The state does not plan to integrate the rebates into any existing programs.

    Response: The state plans to integrate the Home Efficiency Rebates with the following programs, as well as any other applicable programs:

    - To the extent feasible given restrictions in combining federal grants and rebates, as one portion of our rebates, the state plans to leverage the federally funded WAP and use the Home Efficiency Rebates to ensure that low-income households served by WAP can also benefit from equipment improvements that are typically beyond the scope of weatherization services.
    - As one method for delivering these rebates, the state plans to leverage utilities' existing demand-side management programs to the extent doing so is not prohibited by the Missouri Public Service Commission. These non-federally funded programs may already have

consumer education and marketing materials, qualified contractor networks, and contractor training resources for delivering whole-home retrofits and are therefore potentially well-suited to deliver the Home Efficiency Rebates as well. The state will engage with utilities to explore co-marketing opportunities, align workforce standards and qualifications for contractor enrollment, and (when higher than ENERGY STAR®) align equipment standards and minimum efficiency rebates as well.

By integrating the 50121 Home Efficiency Rebates with these and other programs, the state will build on existing consumer education materials, quality assurance activities, and workforce qualifications. In addition, consumers will have the opportunity to save additional money on Home Efficiency Rebates-funded improvements. WAP has well-established quality assurance efforts which can be carried out in concert with the QA needed for ensuring effective use of the Home Efficiency Rebates. The utility programs may have contractor networks and marketing infrastructure that the state can potentially leverage for training, contractor qualification, measure co-delivery, and consumer outreach.

Regardless of whether the state can fully integrate home energy rebates into existing programs, the state will ensure that any program co-funding or braiding complies with all USDOE requirements.

Missouri's Environmental Improvement and Energy Resources Authority (EIERA) is developing a simple, one-stop shop platform for announcing and financing energy infrastructure projects and building relationships with customers and vendors to further streamline the investment process of various infrastructure funds leveraged through EIERA. DE will collaborate with EIERA with the intention to weave Missouri's IRA programs into/through this platform if practicable and feasible.

The state's Implementation Blueprint will provide additional details.

74. Describe how the state program will support households, contractors, aggregators, and other stakeholders in understanding how the state program may leverage other program resources.
☒Defer response to State Implementation Blueprint.

75. Describe the method(s) the state will use to ensure the total combination of all immediate upfront funding sources (federal grants, federal loans, and non-federal funding) provided to a project does not exceed the total project cost.
☒Defer response to State Implementation Blueprint.

76. Describe how the state program will support contractors and retailers in preparing acceptable invoices that may be kept as program records.
☒Defer response to State Implementation Blueprint.

77. Describe how the state implementer(s) will produce invoice documentation in a timely manner upon request in the event of an audit by DOE, the DOE's Inspector General, a state's inspector general, or another entity.
☒Defer response to State Implementation Blueprint.

78. Describe how the state will ensure rebate recipients will be made aware of the portion of the funding received from the DOE Home Efficiency Rebates.

☒Defer response to State Implementation Blueprint.

Section 3.3.3: Quick Starts

79. Identify whether the application is for a Quick Start program. For Quick Start programs, identify the timeline for program launch.
    ☐Yes, this is for a Quick Start Program (provide timeline below).
    ☒No, this is not for a Quick Start Program.

Please add your name, title, signature, and date.

Nora Maxwell

Name (printed)

Manager, State Energy Program

Organization and Title

Signature

11/20/2024

Date