



# **Contractor Participation Manual**

January 2025

# Table of Contents

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<b>Summary of Changes</b> .....	<b>4</b>
<b>Definitions</b> .....	<b>5</b>
<b>1 General Information</b> .....	<b>8</b>
1.1 Program Descriptions .....	8
<b>2 General Application Information</b> .....	<b>11</b>
2.1 Application Requirements .....	11
2.2 Application Steps .....	11
2.3 Contractor Network Application Evaluation Criteria .....	12
2.4 Terms and Conditions .....	13
2.5 Contractor Code of Conduct .....	13
<b>3 Participation Requirements</b> .....	<b>14</b>
3.1 Requirements .....	14
3.2 Certified Staff .....	14
3.3 Licensing .....	16
3.4 Permits .....	17
3.5 Codes .....	17
3.6 Product Installation "Warranties" .....	17
3.7 Contractor Health and Safety Plan .....	17
3.8 Contractor Maintenance of Traffic (MOT) Plan .....	18
3.9 Product Installation Forms and List .....	18
3.10 Product Safety Data Sheets .....	19
3.11 Warranty .....	19
<b>4 Contractor Relations with Customers</b> .....	<b>20</b>
4.1 Customer Inquiries .....	20
4.2 Customer Issues and Dispute Resolution .....	20
4.3 Generation of Customer Leads .....	20
4.4 Timely Communication .....	21
<b>5 Professional Business Conduct &amp; Practices</b> .....	<b>22</b>
5.1 Contract Compliance .....	22
5.2 Professional Conduct and Courtesy .....	22
5.3 Poor Workmanship and Past Performance .....	23
5.4 Contractor Issues and Dispute Resolution .....	23
5.5 Program Representations .....	24
5.6 Qualified Contractor .....	24
5.7 Use of Sub-Contractors .....	24
5.8 IESP Contractor Badges .....	25
5.9 Using Program Materials on Website and for Marketing .....	25
5.10 Technology Requirements .....	26
<b>6 Project Requirements</b> .....	<b>28</b>

6.1	Project Submission Requirement.....	28
6.2	Use of Project Forms .....	28
6.3	Work Order.....	29
6.4	Change Orders .....	29
6.5	Pricing - Independent Cost Estimate (ICE) .....	29
6.6	Eligible Measures.....	30
<b>7</b>	<b>Post Project Verification &amp; Quality Assurance .....</b>	<b>41</b>
<b>8</b>	<b>Contractor Payments and Reimbursement .....</b>	<b>43</b>
8.1	Project Submission Requirement.....	43
8.2	Initial Payment Processing Payee Set-Up Requirements .....	43
8.3	Project or Work Completion .....	44
8.4	Payment Processing Project Completion .....	45
8.5	Payment Terms.....	45
8.6	Invoice Documentation .....	46
8.7	QA/QC of Invoices and Supporting Documentation .....	47
8.8	Federal Rebate and Incentive Payments.....	48
8.9	Customer Contribution – Cost Share paid to Contractor .....	48
8.10	Repayment or Recapture of Program Incentives .....	48
8.11	Stop Work Order.....	49
<b>9</b>	<b>Qualified Status Classifications .....</b>	<b>50</b>
9.1	Contractor Status Classifications .....	50
9.2	Disciplinary Measures.....	50
<b>10</b>	<b>Program Changes &amp; Termination .....</b>	<b>54</b>
10.1	Program Changes.....	54
10.2	Termination Non-Compliance with Terms and Conditions .....	54
10.3	Termination – Misrepresentation.....	54
10.4	Termination – Failure to Maintain Program Standards.....	55
10.5	Termination – Poor Performance .....	55
10.6	Termination – Unresponsiveness.....	55
10.7	Termination Inappropriate or Unethical Behavior & Other Behavioral Issues.....	56

# Summary of Changes

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# Definitions

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**Applicant:** A contractor submitting an application to participate in the Indiana Energy Saver Program (IESP) Qualified Contractor Network.

**ASHRAE Level 2:** A comprehensive energy audit for multi-family structures that following the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards, including detailed analysis of energy systems and recommendations for energy-saving measures that is done by the Program to determine eligible measures for a property.

**BPI (Building Performance Institute):** A national organization providing certification, standards, and training for building science professionals focused on energy efficiency and residential building performance.

**BPI-2400 Audit:** A comprehensive energy audit for single-family properties that provides detailed analysis of energy systems that provides recommendations for energy-saving measures for a property.

**Certificate of Completion:** A document provided by IESP to the contractor and customer confirming that all work has been completed in accordance with the program requirements and the work order.

**Cost Share:** The portion of total project costs that exceed the maximum federal rebate amounts and is provided by the customer or otherwise made available by a third-party to IESP before construction approval. The Cost Share plus the federal rebate amount is paid to the contractor for the approved work.

**Customer:** An Indiana homeowner, property owner, landlord, or public entity who participates in the Indiana Energy Saver program.

**Desk Review:** A Quality Assurance (QA) process where program staff evaluate submitted project documentation, such as photos and compliance forms, to verify installed measures and adherence to program requirements.

**Disadvantaged Community (DAC):** The federal government identifies a community as disadvantaged if it is in a census tract that is (1) at or above the threshold for one or more categorical burdens, and (2) at or above the threshold for an associated socioeconomic burden. More information on the identified burdens and methodology can be viewed [here](#). Disadvantaged communities (DACs) can be viewed using the [Climate and Economic Justice Screening Tool \(CEJST\)](#).

**DOE:** The United States Department of Energy, the federal agency that oversees and administers the funding for the Home Energy Rebate Program across all participating states.

**Energy Audit:** An evaluation conducted by IESP staff in accordance with the policies and procedures detailed in the IESP Residential Energy Assessment Manual to determine energy savings potential and scope of work for a property.

**Field Inspection:** On-site evaluation conducted by a certified inspector (e.g., BPI or ASHRAE Level 2) to verify proper installation, combustion safety, and absence of health and safety issues.

**IESP (Indiana Energy Saver Program):** A federally funded program, also known as the Home Energy Rebate Programs, made available through the Indiana Office of Energy Development (OED) to install energy efficiency upgrades and high-efficiency appliances in residential buildings.

**Implementation Contractor:** Organization working under contract with the Indiana Office of Energy Development (OED) to conduct program administration and implement Indiana's federally approved Home Energy Rebate programs, including functions such as application intake, customer service, qualified contractor network management, project approvals, technical support, quality assurance/control, evaluation/measurement/verification, reporting and compliance, financial rebate management/disbursement/invoicing, and installation verification. The implementation contractor is the Egis Group and includes all subcontractors of the Egis Group.

**Measure:** A single technology or energy-use practice that, once installed or operational, results in a reduction of the energy required to provide the same or greater level of service at the residence.

**Multi-Family:** Residential buildings with multiple dwelling units of 2 or more residential units, typically defined as structures housing more than one family, such as apartments.

**Notice to Proceed:** A formal approval issued by IESP that authorizes a contractor that they can start construction activities for measures identified by the program as shown in the scope of work or work order.

**OED:** Indiana Office of Energy Development.

**Post-Project Verification and Quality Assurance (QA):** Procedure conducted by IESP after all work at property has been completed that ensures compliance with DOE program requirements and verifies the quality of completed work and that installed measures are working properly.

**Program:** Refers to the Indiana Energy Saver Program (IESP).

**Program Staff:** Individuals or teams assigned by the Implementation Contractor or OED to manage the administration, oversight, and operation of the Indiana Energy Saver Program.

**Property Owner:** The individual or entity that holds legal ownership of a residential property participating in the Indiana Energy Saver Program.

**Qualified Contractor:** Qualified Contractors are independent contractors that applied to participate in the Indiana Energy Saver Program and were approved by the Implementation Contractor to install energy efficiency measures.

**Regional General Contractor (RGC):** A contractor responsible for overseeing Qualified Contractors within specific regions, ensuring compliance with program requirements and providing local support. RGCs are responsible for project oversight, coordination, and communication with multiple Qualified Contractors.

**Single Family:** Residential properties designed to house one family, including standalone houses, townhomes, or similar structures.

**Warranty:** A formal guarantee provided by the Qualified Contractor covering labor and materials for a minimum of one year from the submission of final documentation for payment. The warranty ensures compliance with program requirements and mandates that any deficiencies identified during post-project verification or through customer concerns be remedied at the contractor's expense. For installed measures, warranty coverage does not extend to customer-altered equipment after the final quality assurance inspection.

**Work Order:** the scope of work developed after the energy audit that shows the measures to be installed at the customer's property.

# 1 General Information

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This manual is intended for contractors interested in participating in the Qualified Contractor Network for the Indiana Energy Saver Program (IESP), a federally funded program that is administered by the Indiana Office of Energy Development (OED) and their implementation contractor (the Egis Group and their subcontractors).

To participate in the IESP Qualified Contractor Network, contractors must submit a Qualified Contractor Application by filling out an [application form](#), agreeing to the [Terms and Conditions](#) and the [Contractor Code of Conduct](#), and providing the required documentation and certifications for Program approval. The Qualified Contractor must also attest they have read this manual and will abide by the contents included.

This manual may be modified or changed throughout the life of the Indiana Energy Saver Program. In the event changes are made to the manual, or decisions are made that would impact the Qualified Contractor Network, the IESP will inform Qualified Contractors about the changes via email and may, depending on the changes made, require a webinar or virtual meeting to review the changes. All changes made to the Contractor Participation Manual will be listed in the most recent version of the manual available on the IESP website.

## 1.1 Program Descriptions

The objective of Home Energy Rebate Programs is to make energy efficiency upgrades and efficient home appliances more affordable for Hoosier households and to provide additional savings through reduced energy use. Households will apply for the Home Efficiency Rebate Program (HOMES) and Home Appliance Rebate Program (HEAR) through a single online application under the Indiana Energy Saver Program (IESP).

It is not Qualified Contractors' responsibility to determine household income level, energy savings, or track the rebate amounts. Qualified Contractors are expected to execute and install the identified measures listed as part of the scope of work and document the completed work. The documentation required for the installation and reporting of each rebate type and measure will be provided to the Qualified Contractor in advance. Below is a summary of the two programs included in the IESP.

### **Home Efficiency Rebate Program (HOMES)**

The Home Efficiency Rebate Program (HOMES) focuses on energy efficiency upgrades and retrofits to single-family and multi-family residential buildings. Federal law requires HOMES-funded projects to achieve a minimum 20% modeled energy savings with additional funding for projects achieving over 35% modeled energy savings.



The table below shows the rebate amounts based on the anticipated energy savings as well as the Customer’s income level. Examples of projects Qualified Contractors could undertake using HOMES program funding are listed in Section 6.6.

Single-Family		
Modeled Energy Savings**	Income Level**	Rebate Level**
20%-34%	Less than 80% AMI	Lesser of \$6,000 or 100% of project cost
	80% AMI and greater	Lesser of \$2,000 or 50% of project cost
35% or greater	Less than 80% AMI	Lesser of \$12,000 or 100% of project cost
	80% AMI and greater	Lesser of \$4,000 or 50% of project cost
Multi-Family		
Modeled Energy Savings**	Income Level**	Rebate Level**
20%-34%	A building with at least 50% of households with incomes less than 80% AMI	Lesser of \$8,000 per dwelling unit or 100% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	\$2,000 per dwelling unit up to \$200,000 per building
35% or greater	A building with at least 50% of households with incomes less than 80% AMI	Lesser of \$16,000 per dwelling unit or 100% of project cost
	A building with at least 50% of households with incomes 80% AMI and greater	\$4,000 per dwelling unit up to \$400,000 per building

\*\* As calculated and determined by Program Staff.

### **Home Appliance Rebate Program (HEAR)**

The Home Appliance Rebate (HEAR) program encourages the adoption of high-efficiency appliances and equipment for low- and moderate-income single-family or multifamily dwellings. HEAR rebates are based upon federally established maximum rebate amounts per qualified product type, income level, and household type.

Projects that Qualified Contractors will undertake using HEAR program funds could include the installation of equipment such as Energy Star-certified heat pump water heaters, heat pumps for space heating and cooling, electric stoves, and heat pump clothes dryers. It could also include insulation and air sealing, as well as electrical upgrades such as electric service load centers (i.e. electrical panel) and electric wiring. There are limits on the rebate and cost coverage the Customer can receive for qualified projects based on the product and household income levels. For additional information, See Section 6.6.

The table below lists the qualified products and building materials that could be installed using HEAR program funding.

<b>Product Rebates</b>		
<b>Upgrade Type</b>	<b>Qualified Product</b>	<b>Rebate Amount Not to Exceed</b>
Appliances	ENERGY STAR-certified Heat Pump Water Heater	\$1,750
	ENERGY STAR-certified Heat Pump for Space Heating or Cooling	\$8,000
	ENERGY STAR-certified Electric Stove, Cooktop, Range, or Oven	\$840
	ENERGY STAR-certified Heat Pump Clothes Dryer	\$840
Building Materials	Electric Load Service Center	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600
	Electric Wiring	\$2,500
<b>Maximum Rebate</b>		<b>\$14,000</b>
<b>Rebate Limitations</b>		
<b>Eligible Rebate Recipient</b>	<b>Income Level**</b>	<b>Rebate Amount Not to Exceed**</b>
Low- or Moderate-Income (LMI) Household or Eligible entity representative representing LMI household	Less than 80% AMI	100% of qualified project cost
	81%-150% AMI	50% of qualified project cost
Owner of multifamily building or Eligible entity representative representing owner of multifamily building	At Least 50% of residents with income less than 80% AMI	100% of qualified project cost
	At least 50% of residents with income of 81%-150% AMI	50% of qualified project cost

*\*\* Calculated and determined by Program Staff.*

## 2 General Application Information

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### 2.1 Application Requirements

The Applicant shall provide all required information listed in the application and application instructions when applying to participate in the Qualified Contractor Network. After approval, Qualified Contractors must notify IESP and provide updated or new information when the Qualified Contractor has changes or updates to the information previously provided.

### 2.2 Application Steps

Contractors are encouraged to fill out their Qualified Contractor Application online through the [IESP website](#) at [www.IndianaEnergySaver.com](http://www.IndianaEnergySaver.com); however, applications may be submitted via email or mail for review. The application process for the Contractor Network is a phased approach consisting of six steps, shown below. Additional detail on what is required in each step can be found on the IESP website.

- 1) Contractors shall review the IESP Contractor Program Documents made available on the IESP website to determine their interest in program participation. Contractors are encouraged to compile all necessary documentation before beginning the application process.
- 2) Contractors must submit a [Qualified Contractor Application](#) along with required documentation for consideration which includes, but is not limited to:
  - Completed Qualified Contractor Application;
  - [Documentation of three recently completed projects](#) per service that demonstrates competency in the given field of expertise, and with preference to projects that are energy efficiency related;
  - Copy of your “Doing Business As” (D/B/A) certificate (if applicable);
  - Registered Business ID – registration as a business entity in the State of Indiana;
  - Unique Entity ID from SAM.gov, if available;
  - Copy of Indiana [Division of Supplier Diversity](#) certification (if applicable);
  - [Employee roster](#) including employee names, roles, and certifications (with expiration dates) of any employees that will be performing work.
- 3) Program staff will review the Qualified Contractor Application and supporting documentation. Upon review of the application, program staff will notify the contractor of acceptance or denial. If additional information or clarification is needed, program staff will follow up via email or phone to request additional documentation or clarifications.

Program staff will review all documentation provided. Program staff will also determine if the applicant is in good standing and eligible to do work on the program by checking the federal “Do Not Pay” list, the Federal Government SAM website, <https://sam.gov/content/home>,

and the Indiana Secretary of State Business Entity Search, <https://bsd.sos.in.gov/publicbusinesssearch>. If a contractor is not registered, program staff will contact the applicant to request completion of the appropriate registrations.

- 4) Upon satisfactory review and acceptance of all required documents, Contractors will be contacted by program staff to provide a copy of their current insurance certificate (general liability, workers compensation, automobile, and errors and omissions if applicable) as required by the IESP Program Documents.
- 5) Upon receipt of all necessary insurance certificates, program staff will issue approval of the Contractor's application. The approved contractor will maintain a 'Provisional' status until the completion of five (5) projects. This status is given so the program can assess the work of the contractor, gauge customer service skills and timeliness of work among other factors.

Contractors will be issued an IESP Qualified Contractor Certificate to verify enrollment in the Indiana Energy Saver Program Qualified Contractor Network. IESP Qualified Contractor Badges will be generated for the approved employee roster and mailed directly to the address on file. Contractors will be required to possess and present the IESP Qualified Contractor Badge while working on the program.

- 6) Upon approval for network participation, Qualified Contractors will receive assignments from the Program based upon program demand and available capacity to perform the work.

Note: Program staff must conduct independent, on-site post-installation inspections of the work completed by contractors as part of the federal program requirements.

The Qualified Contractor may be notified and invited to join the inspection (unless otherwise indicated by the customer). A report of the field inspection will be provided, and the Qualified Contractor will be required to address any deficiencies noted.

## **2.3 Contractor Network Application Evaluation Criteria**

Program staff will review and evaluate all applicant documentation to determine if a contractor is approved to participate in the IESP Qualified Contractor Network. Program staff will not determine if the Contractor is eligible to be in the program until all the requested information is received. The IESP may deny or rescind approval of a Qualified Contractor Application for any reason including failure to maintain program standards, poor performance, unresponsiveness, or inappropriate behavior, as described in Chapter 9 and 10 below. The decision to approve a Qualified Contractor Application is at the Program's sole discretion.

## **2.4 Terms and Conditions**

Qualified Contractors must agree to the specific Terms and Conditions for participating in the Qualified Contractor Network. The Terms and Conditions are in effect upon notice of approval for participation in the IESP Qualified Contractor Network. Failure to comply with the terms and conditions can lead to disciplinary action or termination from the program. A copy of the Terms and Conditions can be found on the IESP Qualified Contractor page on the program website.

<https://indianaenergysaver.com/qualified-contractors/>.

## **2.5 Contractor Code of Conduct**

The Contractor Code of Conduct outlines expectations of Qualified Contractors when completing IESP projects and to ensure a smooth business relationship with the IESP. The IESP requires contractors who participate in the Qualified Contractor Network to adhere to professional business and ethical standards. Failure to comply with the Contractor's Code of Conduct can lead to disciplinary action and/or termination from the program. The Contractor Code of Conduct can be found on the IESP Qualified Contractor page on the program website.

<https://indianaenergysaver.com/qualified-contractors/>.

## 3 Participation Requirements

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By completing the Qualified Contractor Application, the applicant agrees to the Terms and Conditions, the Contractor Code of Conduct, and the following participation requirements.

### 3.1 Requirements

The Qualified Contractor shall meet the requirements outlined herein, in the Qualified Contractor Application, Terms and Conditions, Code of Conduct, and in relevant program materials.

As a minimum requirement to perform work through the IESP, the Qualified Contractor must employ staff with the required certifications outlined herein. IESP may modify or update these requirements at any time.

### 3.2 Certified Staff

Work must be completed in accordance with the requirements specified herein by individuals maintaining the proper credentials where applicable. It is the Qualified Contractor's responsibility to ensure work performed adheres to the technical standards established and maintained by the credentialing organization for each certification and program requirements outlined herein are met.

Below is a list of baseline licensing, certifications and training requirements by trade contractors will need to possess to be considered for the IESP Qualified Contractor Network.

Additional certifications will be accepted for review. Equivalent credentials not listed herein may be submitted to the Program for evaluation. Approval will be granted on a case-by-case basis.

#### **General Contractors/Carpenter/General Labor**

- General Contractor License Requirement
- Company License
- Authorized Agent

#### **Insulation and Air Sealing Installers**

- Indiana has established Weatherization competency standards known as the Indiana Skills Verification (ISV) competencies. The Building Performance Institute (BPI) in conjunction with DOE has established competency standards as well.
- Installers who will be installing Insulation and Air Sealing are required to provide one of the following credentials recognized for weatherization professionals working in Indiana:
  - ISV Energy Auditor

- ISV Retrofit Installer for Shell Professionals
- ISV Retrofit Installer for Mechanical Professionals
- ISV Crew Leader for Shell Professionals
- BPI Energy Auditor
- BPI Quality Control Inspector
- BPI Crew Leader for Shell Professionals
- BPI Healthy Home Evaluator
- Spray Polyurethane Foam Alliance (SPFA) Professional Certification Program (PCP)
- EPA LEAD Renovation, Repair, Painting (RRP) Program Certification
- Must upload certificate and/or provide certification number on IESP Contractor Employee List form as part of application.

#### **HVAC Installers**

- HVAC Installers licenses regulated by local municipality discretion including:
  - HVAC Contractor Registration
  - HVAC Contractor License
  - HVAC Qualifier License
  - North American Technician Excellence (NATE)
  - EPA 608 Certificate
- Must provide a copy of a valid license or certificate.

#### **Heat Pump HVAC Installers:**

- HVAC requirements above, plus provide proof of one of the following certifications and training:
  - U.S. DOE Energy Skilled Recognized Programs for Heat Pump Installation
  - BPI Air Conditioning & Heat Pump Professional
- Must upload certificate and/or provide BPI number on IESP Contractor Employee List form as part of application.
- Must confirm installation staff are up to date Manufacturers' or equipment specific training/certification training.
- Must agree to stay up to date with all manufacturers and/or equipment specific training.
- Agree to provide additional proof of training as requested by the Program.

### **Electricians/Electrical Installers (electrical load service center or wiring upgrades):**

- Installers must hold one of the following Licenses as required by the local authority having jurisdiction:
  - Apprentice Electrician
  - Journeyman Electrician
  - Master Electrician
- Businesses must provide a copy of their primary Master Electrician license.

### **Plumbers/Plumbing Equipment Installers**

- Installers must hold one of the following Indiana State Licenses:
  - Apprentice Plumber
  - Journeyman Plumber
  - Plumber Contractor License
- Restricted or Temporary Service licenses will not be accepted.
- Businesses must provide a copy of their Plumber Contractor license.

### **Heat Pump Water Heater Installers:**

- Plumbers Requirements above, plus:
  - Must confirm the installation staff are up to date with manufacturer training.
  - Must agree to stay up to date with all manufacturers and/or equipment specific training.
  - Agree to provide additional proof of training as requested by the Program.

### **Appliance Installers**

- Must provide copies of valid licenses and/or manufacturers certificates applicable to the appliances they wish to install.

## **3.3 Licensing**

It is the sole responsibility of the Qualified Contractor to obtain and maintain any required federal, state, county, or municipal government licenses required for installing measures and not to perform work for which they are not licensed if licensing is required. The Qualified Contractor shall provide the IESP with evidence of the current licensing as part of the Qualified Contractor Application process. Failure to comply with licensing requirements will result in disciplinary action and potential termination from the program.



### **3.4 Permits**

It is the sole responsibility of the Qualified Contractor to obtain and comply with the terms of any required permits for measures to be installed before starting work on any IESP project. The Qualified Contractor must upload or provide to IESP all applicable permits required for work on the program prior to starting work so that the permits can be maintained in the program's system of record for the address where the work is being performed. Failure to comply with permitting requirements at the local, county, or state level will result in disciplinary action or termination from the Program.

### **3.5 Codes**

All Qualified Contractors must undertake work in compliance with all applicable codes, regulations, laws, and standards in the jurisdiction where work is located.

### **3.6 Product Installation "Warranties"**

Some eligible products under IESP will require contractors to have training and or certification to install these products. Prior to installation of these products, the Qualified Contractor must provide documentation demonstrating they can install these items. While the IESP plans to inform qualified contractors when a specific product installation requires training, certifications or documentation before assigning work, if the Qualified Contractor finds additional installation requirements or documentation are needed, the Qualified Contractor must inform IESP and not initiate installation until the specific requirements are met and/or documentation is entered in the program's system of record. Failure to comply with installation requirements could result in disciplinary action or termination from the Program.

### **3.7 Contractor Health and Safety Plan**

Each Qualified Contractor must maintain a health and safety plan for contractors working on the program. Program staff may request a copy of the plan for review at any time. The Qualified Contractor has 15 days to submit a copy of the plan after the IESP has requested the document. Failure to provide a copy of the health and safety plan may result in disciplinary action or termination from the Program.

### **3.8 Contractor Maintenance of Traffic (MOT) Plan**

Qualified Contractors must utilize a maintenance of traffic plan that minimizes disruptions to the public and the Customer. All ingress and egress from properties shall be limited to existing drives and sidewalks for a project. Qualified Contractors shall to the furthest extent possible avoid impeding Customer access to their property.

Qualified Contractors shall not impede vehicular or pedestrian travel within the public right-of-way without obtaining written permission from the Local Authorities having jurisdiction and Program Staff. Such permission does not guarantee against damage or injury to property and the Qualified Contractor shall be fully liable for any and all damage or injury caused thereby.

In instances where work is occurring in or adjacent to the public right-of-way and as required by Program Staff, Qualified Contractors shall submit a site-specific maintenance of traffic plan and written permission from the Local Authorities having Jurisdiction for Program Staff review and approval prior to commencing any on-site work. The plan shall be consistent with the Manual on Uniform Traffic Control Devices, the Contractor's means and methods for performing the work, and shall meet the requirements of the Authorities having jurisdiction over the affected roadway, side-street and/or sidewalks. The Contractor is responsible for maintaining traffic control devices at all times of operation, and in cases where equipment is left overnight.

The Contractor's plan shall specifically address the maintenance of traffic regarding pedestrian, automotive, and/or other anticipated modes of traffic that could be encountered. The plan shall include a written portion detailing the plan and a sketch or plan sheet(s) detailing how MOT will be implemented. The plan shall at a minimum identify the locations for placement of equipment such as trailers, where staging will take place from, where debris loading will occur, how street, lane, and/or sidewalk closures will be implemented, as well as the type(s) and location of the signing, barricades, channelizing devices that will be used.

### **3.9 Product Installation Forms and List**

Qualified Contractors must maintain a list of materials installed using program funds at their place of business. The Qualified Contractor must also upload or provide to the IESP a list of materials installed using forms provided by the IESP. This form will be maintained in the Program's system of record for the address where the work was performed to comply with program requirements. Failure to comply with providing the forms will result in disciplinary action or termination from the Program.

### **3.10 Product Safety Data Sheets**

Qualified Contractors must maintain the Safety Data Sheets (SDS) for products and materials that were installed as part of the project. The SDS must also be made available and presented to program customers. The IESP, based on the type of item installed, may require that the Qualified Contractor to document that the SDS and how to use instructions were provided to the Customer. Failure to comply may result in disciplinary action or termination from the Program.

### **3.11 Warranty**

The Qualified Contractor shall provide the Customer with a written warranty of labor and materials valid for a minimum of one year from the date that final documentation is submitted for payment.

Equipment installed shall carry at a minimum the manufacturer's warranty, plus optional extended warranty coverage, if applicable. The Qualified Contractor must provide copies of all relevant warranties to the Customer and the IESP so that they can be included in the project file for the Customer.

If installed measures do not meet Program requirements, as identified through a Customer concern submission, or as confirmed through a Post Project Verification and Quality Assurance (QA) Field Inspection, the warranty shall, at the Qualified Contractor's expense, be extended one year from the date the Qualified Contractor completed remediation to program satisfaction for all confirmed deficiencies.

If there are questions or disagreements regarding whether a defect was caused by improper installation, a neutral third party who did not perform the quality inspection (which could include a third-party quality control inspector or the Implementation Contractor), will be asked to assist and assess the installation for compliance. If a resolution cannot be achieved by these parties or the IESP the situation may be brought to the attention of OED.

Any defects found outside the warranty period are the sole responsibility of the Customer. Warranties do not extend to measures a customer has altered after the final Post Project Verification and Quality Assurance (QA) Field Inspection. This warranty should not be considered to cover equipment failure caused by failure to perform normal maintenance, abuse or external causes beyond the control of the Qualified Contractor.

## **4 Contractor Relations with Customers**

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### **4.1 Customer Inquiries**

The IESP expects Qualified Contractors to provide a high level of professionalism when interacting with Customers and the IESP takes customer inquiries and concerns seriously. Qualified Contractors shall respond to inquiries from Customers and IESP staff in a prompt, professional, and courteous manner. IESP will pay close attention to customer service and feedback when assessing a contractor's performance and participation in the contractor network. Qualified Contractors are expected to provide prompt and accurate responses to inquiries from Customers.

### **4.2 Customer Issues and Dispute Resolution**

Qualified Contractors will be expected to remedy any issues identified during the quality assurance process or brought to the Program's attention by Customers. Qualified Contractors will be provided with training, materials, and steps to document when a customer expresses concern, complains, or disputes about work provided by the Qualified Contractor.

Qualified Contractors are expected to use the IESP-provided materials. If complaints or issues develop while working at a property, IESP expects the Qualified Contractor to proactively contact the Program about any potential issues. Failure to utilize forms provided by the IESP to address customer issues may result in disciplinary action or termination from the Program.

If Customers contact the IESP with unresolved issues, IESP staff will document the reported issue in the Customer's project file, record the issue on Qualified Contractors work order, and contact the Qualified Contractor to clarify and remedy the situation. The Contractor will be expected to address the situation in the timeframe provided by the Program.

Regardless of the nature of, or parties involved in, the dispute and any resolution, the Qualified Contractor shall defend and hold harmless the State of Indiana, the Indiana Office of Energy Development and EGIS BLN Consulting USA, L.L.C, and any Implementation Contractor and their subsidiaries, affiliates, suppliers, agents, officers, directors, employees, from any legal action arising from work associated with the Program. Failure to resolve customer issues in a timely manner and in accordance with Section 5.2 described herein, may result in disciplinary action or termination from the Program.

### **4.3 Generation of Customer Leads**

The IESP Qualified Contractor Network is designed to provide regional support to Qualified Contractors through the use of Regional General Contractors. This process will provide additional support and resources for local Qualified Contractors participating in the program. Regional General Contractors are responsible for providing Qualified Contractors with opportunities to work on IESP projects in the region

where the Qualified Contractor is located or where the Qualified Contractor has expressed an interest in doing work. When a customer applies to the program, it will have an energy audit done by the IESP. The energy audit will result in a Scope of Work. That Scope of Work will be turned into a Work Order or a Customer Lead that the IESP will send to the Regional General Contractor.

The Regional General Contractor will offer the lead to Qualified Contractor(s) based on the Work Order and their ability to do work. The IESP will monitor and oversee Regional General Contractors to ensure that Qualified Contractors are given the ability to pursue leads in a region. The Qualified Contractor can decide if they want to pursue the lead or pass on the opportunity. The Qualified Contractor will inform the Regional General Contractor of their decision to pursue or pass on the lead. If the Qualified Contractor accepts the lead, they will have up to 14 days to connect with the customer to schedule installation of the measures included in the Work Order. The Regional General Contractor will work with the Qualified Contractor to make sure all necessary permits and materials for the Work Order are in place and available before work begins. Qualified Contractors must make every reasonable effort to support the timeline provided by the Customer.

The Regional General Contractor and Qualified Contractors may encourage or inform their current customers or client base about the program, but all potential Customers must first apply through the established IESP application process. Qualified Contractors or Regional General Contractors, found to be actively discouraging Customers from participating in the Program, including suggesting changes to planned scopes of work that will increase the cost to the customer, “upselling” to add more services, or providing options for free or partially incentivized services to Customers through alternative contractors or work without prior written approval by IESP will be subject to the disciplinary measures that action or termination from the Program.

#### **4.4 Timely Communication**

Qualified Contractors will be given materials and training to document when work has been completed. The materials will include expected timeframes for Qualified Contractors to report completed work. Qualified Contractors will be provided with forms and the process to notify the IESP when work is completed. Qualified Contractors shall ensure prompt and accurate reporting of all project completions. Failure to properly notify the IESP when projects are complete or not using IESP forms and processes may result in disciplinary action or termination from the program.

## **5 Professional Business Conduct & Practices**

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Qualified Contractors are expected to represent the Program with professionalism and integrity. Once approved, Qualified Contractors agree to abide by the Contractor Code of Conduct, which highlights expected business practices and professionalism requirements. Conduct contrary to these principles may result in disciplinary action or termination from the program. In addition, Qualified Contractors must remain in full compliance with the following requirements to maintain good standing with the program.

### **5.1 Contract Compliance**

It is the sole responsibility of the Qualified Contractor to ensure all materials submitted to the Program are written in full compliance with the requirements detailed in this Contractor Participation Manual.

Contracts utilized by the Regional General Contractor will have been vetted and approved by the IESP. This includes contracts that the Regional General Contractor will have with IESP customers and contracts that the Regional General contractor will have with Qualified Contractors. Regional General Contractors must only utilize contracts and subcontracts that have been approved by IESP.

It is the sole responsibility of the Regional General Contractor to ensure all contracts submitted to the Program by the Regional General Contractor are written in full compliance with all applicable statutory or regulatory provisions. Contracts submitted by the Regional General Contractor cannot contain mandatory arbitration clauses.

IESP staff will conduct periodic reviews of contracts used by Regional General Contractors, with homeowners and Qualified Contractors to ensure contract compliance. Upon request by IESP staff, the Regional General Contractors and Qualified Contractors shall provide additional details regarding contractual terms and costs for the purposes of project review.

### **5.2 Professional Conduct and Courtesy**

The Qualified Contractor shall treat all customers fairly, provide accurate program information and deliver services in a timely, competent, professional, and reasonable manner. Unethical and unprofessional behavior will not be tolerated by the IESP. Qualified Contractors shall conduct themselves in a professional, respectful, and reasonable manner at all times when interacting with IESP customers, IESP staff, and other Qualified Contractors. Qualified Contractors shall not engage in behavior that adversely impacts or tarnishes service marks of IESP, OED, or other Qualified Contractors, and/or diminishes the profession or service in the eyes of the public.

After being admitted into the Qualified Contractor Network, contractors will be provided with training and materials outlining what IESP expects of the Qualified Contractor when interacting with customers and the expected levels of professionalism and courtesy. Training materials also include how the IESP expects Qualified Contractors to address potential customer conflicts and issues. If the Qualified Contractor cannot provide accurate information to the customer or has questions relating to requests, the Qualified Contractor shall request clarification from IESP staff and/or refer the customer to their case.

manager for clarification.

IESP staff will assess Qualified Contractors' customer interactions through customer surveys and follow-up communications. If customers report unprofessional or uncourteous behavior, IESP staff will report this information to the Qualified Contractor. Depending on the customer feedback, IESP may require corrective actions and limit future assignments until IESP determines that the Qualified Contractor can perform IESP work in a manner that meets the professionalism and courtesy standards.

Failure to maintain levels of professionalism and courtesy that IESP requires can result in disciplinary action or termination from the Program.

### **5.3 Poor Workmanship and Past Performance**

If an employee of a Qualified Contractor has exhibited poor workmanship on one or more projects, they may be prohibited from working on the IESP. After being admitted into the network, Qualified Contractors will be provided with training and materials outlining performance expectations. The federal program guidance requires an inspection of a Qualified Contractor's first five projects to confirm that the workmanship meets the specific requirements. If a Qualified Contractor's work does not meet or pass quality assurance and quality control levels, IESP staff will communicate this information to the Qualified Contractor. Depending on the deficiency, the Qualified Contractor may be required to correct the issue. In this situation, the Qualified Contractor will be provided with written instruction on the amount of time they have to address or correct the issue. Depending on the number of times deficiencies are found, IESP may require corrective actions and potentially limit future assignments until IESP is confident the work can satisfy the quality assurance and quality control requirements.

Failure to maintain consistent quality work will result in disciplinary action or termination from the Program. Program staff will notify the Qualified Contractor of any individuals prohibited from working on IESP projects.

### **5.4 Contractor Issues and Dispute Resolution**

Regional General Contractors will be expected to remedy any issues identified or brought to the Program's attention by Customers or Qualified Contractors.

If complaints or issues develop while working on the program, IESP expects the Qualified Contractors to proactively contact the Regional General Contractor to seek resolution. Regional General Contractors will be expected to address the situation in a timely manner. A Qualified Contractor may contact the IESP with unresolved issues, IESP staff will document the reported issue, and contact the Regional General Contractor to clarify and remedy the situation. The Regional General Contractor will be expected to address the situation in the timeframe provided by the Program.

A Qualified Contractor may contact the IESP if an issue with the Regional General Contractor cannot be resolved. IESP staff will document the reported issue, and contact the Regional General Contractor to clarify and determine what action is needed to remedy the situation. The Regional General Contractor will be expected to address the situation in the timeframe provided by the Program.

Regardless of the nature of, or parties involved in, the dispute and any resolution, the Regional General

Contractor and Qualified Contractors shall defend and hold harmless the State of Indiana , the Indiana Office of Energy Development and EGIS BLN Consulting USA, L.L.C, and any Implementation Contractor and their subsidiaries, affiliates, suppliers, agents, officers, directors, employees, from any legal action arising from work associated with the Program. Failure to resolve Contractor issues in a timely manner and in accordance with Section 5.2 described herein, may result in disciplinary action or termination from the Program.

## **5.5 Program Representations**

The Qualified Contractor shall not present unfair or inaccurate representations of OED, the IESP, the Implementation Contractor, other Qualified Contractors, or affiliates.

## **5.6 Qualified Contractor**

The Qualified Contractor shall accurately represent the relationship of the Qualified Contractor to the State of Indiana, OED, and Implementation Contractor. This relationship shall be upheld regardless of whether the Qualified Contractor is provisionally approved, is approved as a Qualified Contractor, or has formerly participated in the IESP Qualified Contractor Network.

## **5.7 Use of Sub-Contractors**

The Qualified Contractor Network is designed to register individual firms to participate in the IESP. The IESP recognizes it is common for firms to work together on projects with one firm acting as the prime and the other as subcontractors to ensure that projects and installed work meet industry standards. To ensure the integrity of the program, all contractors and subcontractors must apply and be approved as a Qualified Contractor before performing any IESP work.

### **Qualified Contractors acting as Subcontractors:**

Firms in the Qualified Contractor Network can work together on projects with one firm acting as the primary contractor and the other as a subcontractor. Qualified Contractors acting as a subcontractor are expected to perform the work in a manner consistent with Programs requirements as a Qualified Contractor. It is the primary Qualified Contractor's responsibility to ensure the work performed meets the program requirements. IESP will utilize its established quality assurance and post-verification techniques to gauge the work.

### **Consideration for Non-Qualified Contractors to become Qualified Contractors/Subcontractors:**

If a Qualified Contractor wants to use an additional firm(s) not included in the qualified contractor network, IESP will consider the request to add the firm(s) on a case-by-case basis. Qualified Contractors



must contact IESP staff with the request prior to inviting a subcontractor to join an IESP project. All contractors and subcontractors must apply and be approved as a Qualified Contractor before performing any IESP work.

## **5.8 IESP Contractor Badges**

Qualified Contractors are not IESP employees. Qualified Contractors may not use IESP logos without Program approval. However, Qualified Contractors and their employees are required to present their IESP Qualified Contractor Badge(s) to Customers prior to beginning work on an IESP project.

Qualified Contractors must identify themselves as representatives of the Indiana Energy Saver Program Qualified Contractor Network and offer to show the Customer their contractor badge when beginning work. This guideline maintains the integrity of the IESP brand, while providing Qualified Contractors the opportunity to leverage their relationship with the IESP to engage customers. The badge also acts as a way to minimize fraudulent behavior of non-qualified contractors acting on behalf of the program.

If a registered employee of a Qualified Contractor is no longer performing work on IESP projects or is no longer employed by the Qualified Contractor, the Qualified Contractor is required to notify IESP staff and collect and dispose of the employee's IESP Qualified Contractor Badge. Failure to inform IESP staff about changes to employees working on IESP projects may result in disciplinary actions.

If a Qualified Contractor is terminated from the Program or no longer wishes to participate in the network, the Qualified Contractor is required to return all IESP Qualified Contractor Badges.

## **5.9 Using Program Materials on Website and for Marketing**

The Program, at its discretion, may request and/or grant Qualified Contractors permission to distribute program materials. All IESP materials will be generated by IESP staff for distribution. Program marketing materials can only be utilized or distributed by Qualified Contractors who have received written permission from the IESP to disseminate these materials.

Any Qualified Contractor found providing program marketing materials to a non-qualified contractor will be subject to disciplinary action or termination from the Program.

### **1. Website and Marketing Materials**

#### **i. Website Content**

The Qualified Contractor shall avoid publishing specific IESP content including Contractor requirements or copies of IESP forms and applications to their individual company websites.

#### **ii. Media Requests**

Qualified contractors must submit a request to use any material containing the OED or IESP

logo prior to publication or distribution, including print, web, or other media. Requests shall contain a low-resolution PDF of the media and written request to the IESP staff for review. The Qualified Contractor must not publish any IESP media prior to receiving approval from IESP staff. Violation of this requirement will result in disciplinary action or termination from the Program.

If a Qualified Contractor is disqualified or terminated from the network or no longer wishes to participate in the Program, the Contractor is required to immediately inform IESP and remove all references to the IESP, including but not limited to, all program-related material, program marketing materials, and information posted to the Qualified Contractor's website.

## 5.10 Technology Requirements

### 1. Minimum Requirements

The IESP requires Qualified Contractors to meet the minimum technology requirements listed below. When a Contractor enters the Qualified Contractor Network, IESP staff will verify the Qualified Contractor can meet these requirements.

**Operating System:** The Qualified Contractor must have access to a computer with an operating system capable of running required Program software. After being accepted into the program, IESP staff will inform the Qualified Contractor of the program software requirements. Broadly, Qualified Contractors need to be able to utilize Microsoft Word, Excel, and PowerPoint, or similar products, and be able to read and use PDF documents. The system must also be capable of downloading and uploading documents either by attaching a file to emails or uploading to a cloud-based server.

**Anti-Virus and Hacking Software:** The Qualified Contractor shall ensure all computer equipment has active and operating antivirus software. The Qualified Contractor is prohibited from downloading any type of hacking tools, including but not limited to network sniffers, vulnerability scanners, or password cracking tools.

**Email Communication:** A Qualified Contractor must have an active email account(s) with the ability to receive emails from the IESP, other Contractors, and Customers. Email must be checked on a regular basis. The Qualified Contractor shall ensure any email addresses on file with IESP are current and must identify a primary point of contact.

### 2. Personal Identifiable Information (PII) in Program Communications

All Qualified Contractors and subcontractors performing work on IESP projects must comply with program policy regarding sharing, maintaining, and using personally identified information (PII) linked to IESP projects. When a Contractor enters the Qualified Contractor Network, IESP staff will provide the Qualified Contractor with requirements to safeguard PII. The Qualified Contractor must agree to these requirements as part of their participation in the network. The Qualified

Contractor will also be required to participate in web-based training on customer communication and handling PII provided by the IESP or customers. Qualified Contractors who fail to comply with the policy will be subject to disciplinary action.

## **6 Project Requirements**

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Project requirements will be provided by the Program. The requirements, scope of work, and measures to be installed will be determined based on the energy audit that is performed by the Program. The Qualified Contractor must follow the identified scope of work as provided and shown in the work order. In the event a project requires a change order or modification, the Qualified Contractor must, prior to initiating any work, contact the Regional General Contractor and submit the IESP Change Order Request Form for review and approval. The Qualified Contractor acknowledges that failure to follow all relevant project requirements and procedures may result in disciplinary action and potentially incurred costs to the Qualified Contractor.

### **6.1 Project Submission Requirement**

The Regional General Contractor and Qualified Contractor shall submit documentation as required and in accordance with the policies and procedures described herein and in future program announcements. The Regional General Contractor and Qualified Contractor shall only submit work under the business/organization name that is on file with the IESP.

### **6.2 Use of Project Forms**

The IESP has developed a series of forms that the Regional Contractor and Qualified Contractors shall use to submit documentation as required that are in the policies and procedures described in this manual and in future program announcements. Forms to be used by the Regional Contractor and Qualified Contractor include but are not limited to the following:

- Work Order Form
- Change Order Request Form
- Product Installation Forms
- Installation Documentation Forms
- Installation Complete Form
- Payment Processing Forms
- Reimbursement Request Form
- Work Order Completion Form
- Certificate of Completion Form

### **6.3 Work Order**

The Work Order is generated based on the scope of work developed after the energy audit is performed by the Program. The Qualified Contractor must follow the identified scope of work and use the specifications provided to fulfill the Work Order. Failure to follow the identified scope of work included in the Work Order may result in disciplinary action, and potentially incurred costs to the Qualified Contractor for work performed that was not agreed to by the Program.

When the scope of work has been defined, the assigned Qualified Contractor will be notified by the Regional General Contractor and will be asked to review and refine the scope of work, if needed. Once the scope of work is finalized, the Qualified Contractor will provide a written cost estimate for the project to the Regional Contractor. The IESP has the discretion to determine the final scope of work for the project.

The Qualified Contractor will be provided with all necessary forms and materials related to the Scope of Work. Failure to use IESP Scope of Work forms may result in disciplinary action.

### **6.4 Change Orders**

If a project requires a change order or modification, the Qualified Contractor must obtain approval for any change orders, prior to initiating any work. The Qualified Contractor shall initially contact the Regional General Contractor when a change order or modification is needed to discuss if the Change is necessary. If the Regional General Contractor agrees with the Qualified Contractor that a change order or modification is needed, an IESP Change Order Request Form will be developed and must be submitted to program staff for review and consideration.

Failure to follow change orders processes will result in disciplinary action, and potentially incurred costs to the qualified contractor for work performed that was not agreed to by the Program.

### **6.5 Pricing - Independent Cost Estimate (ICE)**

Costs for the project as shown in the scope of work will be determined by the IESP who will work with the Regional General Contractor and Qualified Contractor. To determine if costs are reasonable, IESP will either conduct an independent cost estimate (ICE) to validate the costs for the project or compare costs to standard pricing for the item in the project area. If a change order is needed or pricing is not set, the Qualified Contractor must inform the Regional General Contractor prior to beginning any work. Qualified Contractors who conduct work without informing the Regional General Contractor about the cost for an unpriced item will result in disciplinary action.

Qualified Contractors shall provide fair and reasonable pricing for the activities outlined in the scope of work. Depending on the products and services, IESP will need to either conduct an ICE to validate the costs for the non-priced item or compare the Qualified Contractor price to standard pricing in the area of the project location.

At any point in time, IESP reserves the right to request additional information from Qualified Contractors on pricing to determine cost reasonableness and or to obtain comparative price quotes.

## 6.6 Eligible Measures

Eligible Measures are products or materials that qualify for rebates based on federal [Home Energy Rebate Program Requirements](#).

To the greatest extent practicable, all equipment and products purchased or reimbursed with Program funds should be American made.

Contractors must ensure compliance with Health and Safety regulatory standards pertaining to the measures being installed. Proper testing should be conducted before, during and after installation.

Documentation of testing outcomes should be completed for Ambient Carbon Monoxide, Spillage, Worst Case Depressurization, Draft Pressure, Gas Leak, Ventilation, Mold & Moisture, Radon, Asbestos, Lead, Electrical safety.

### 1. Residential HVAC Equipment

#### i. Heating and Cooling Equipment

**Description:** Installation of a new efficient residential heating and/or cooling system. To be eligible, the replacement system efficiency must be higher than that of the existing system and meet code minimum.

**Eligibility:** Equipment must be ENERGY STAR certified. The space conditioning system must be properly sized. For cold climate heat pumps, performance metrics must be confirmed through ENERGY STAR cold climate heat pump controls verification procedure, ensuring performance metrics at low ambient temperatures. When ENERGY STAR certification is unavailable for central heating and cooling systems suitable for multifamily buildings, alternative equipment efficiency standards will be considered and submitted to the DOE for approval.

Heat pump systems can be installed when it is a first-time purchase of a heat pump for space conditioning and will provide the primary heating and cooling for the household. When the home has existing air conditioning and/or an existing electric furnace, boiler, or electric baseboard heating the new heat pump must provide the majority of heating and cooling needs for the home. A home may continue to use its pre-existing heating and cooling systems as backup and/or to provide secondary heating or cooling services to the home.

All residential central air conditioners and heat pumps must meet the energy conservation standards specified in the Code of Federal Regulations (CFR) at 10 CFR Part 430 as of

January 1, 2023. Key metrics include:

- Seasonal Energy Efficiency Ratio (SEER)
- Energy Efficiency Ratio (EER)
- Heating Seasonal Performance Factor (HSPF)

**Minimum Efficiency Levels:** The minimum efficiency levels for residential heat pumps and specialty AC/HP systems are determined by the US Department of Energy and apply nationwide:

- SEER2:  $\geq 15.2$
- EER2:  $\geq 12.0$
- HSPF2:  $\geq 8.1$

**Types:**

- Electric Heat Pumps:
  - Ducted and non-ducted air source heat pumps (ASHP). This measure relates to a unitary central heat pump (split or packaged) with conditioned air delivered to the home via ductwork, ductless systems.
  - Ground source heat pumps (GSHP)
  - Variable refrigerant flow heat pumps (VRF HP)
  - All materials for installation when installed with a HP, including smart thermostats and other grid-enabling technologies, pads for outdoor units, necessary ductwork, or other DOE-approved materials.
- Natural Gas or Electric HVAC:
  - Ducted and ductless heat pumps which may include air-source, water-source, ground source, variable refrigerant flow (VRF), gas absorption, and dual fuel heat pump. This measure relates to a unitary central heat pump (split or packaged) with conditioned air delivered to the home via ductwork or, ductless systems.
  - Air conditioners
  - Boiler and steam boiler
  - Forced-air furnace
  - Combined space and water heater
  - All materials for installation when installed with an HVAC system, including smart thermostats and other grid-enabling technologies, pads for outdoor units, necessary ductwork, or other DOE-approved materials can be included in the implementation cost.

**Ineligible Items:** A heat pump used to supplement an existing electric appliance for space conditioning is not eligible for a rebate.

- Room heat pumps currently do not have a heating test procedure, metric, or ENERGY STAR criterion in heating mode allowing manufacturers to certify. Therefore, models on the ENERGY STAR Qualified Products List (QPL) for Room Air Conditioners are not eligible for rebates at this time.
- Wood and/or pellet burning appliances like wood stove and masonry fireplace, which burn solid or compressed materials such as firewood, wood chips, wood pellets, and corn kernels to generate heat.
- A new system that is not used as the primary heating and cooling method and is instead used to supplement the existing system.

## 2. Residential Water Heaters

### i. Heat Pump Water Heaters (HPWH)

**Description:** A heat pump water heater provides domestic water heating by moving heat between indoor air (conditioned or unconditioned) and a storage water tank.

**Eligibility:** Equipment must be ENERGY STAR certified if available and legal for distribution in the United States at time of purchase. This system can also be installed when the purchase is a first-time purchase of a heat pump water heater (e.g., when upgrading an electric-resistance storage water heater).

Heat pump water heaters must comply with the standards outlined in the Residential Water Heating Initiative. These standards include meeting specific efficiency and performance criteria as defined by ENERGY STAR and other regulatory bodies. When ENERGY STAR certification is unavailable for central heating and cooling systems suitable for multifamily buildings, alternative equipment efficiency standards will be considered and submitted to the DOE for approval.

**Advanced Specifications:** The Advanced Water Heating Specification outlines requirements for high-efficiency models, including:

- Coefficient of Performance (COP) for heating and cooling
- Noise levels
- Maximum supply water output temperature
- Annual electric power consumption

**Types:**

- Integrated heat pump water heater operating on 120 or 240 V
- Split system heat pump water heater
- Central heat pump water heater (including all ancillary equipment i.e. fans,



blowers, pumps, storage tanks, piping, and controls)

- Only applicable to multifamily buildings when the rebate and equipment applies to multiple dwellings.
- Central systems currently do not have ENERGY STAR specifications that address their system-based efficiency. An alternative efficiency standard can be proposed for DOE review and approval.

**Ineligible Items:** Dual Fuel Replacement Models

## ii. **Water Heater (Natural Gas or Electric)**

**Description:** Water heaters heat and store water at a thermostatically controlled temperature, storage tank water heater, or to heat water but contain no more than one gallon of water per 4,000 BTU per hour of input, instantaneous water heater.

**Eligibility:** The equipment must be designed to heat water to a temperature no greater than 180°F and must use a single-phase external power supply. Storage type units are electric storage water heaters with an input of 12 kilowatts or less and a rated storage capacity between 20 and 120 gallons. Instantaneous type water heaters are units with an input of 12 kilowatts or less and a manufacturer's specified storage capacity of less than 2 gallons.

Equipment must be properly sized to meet household hot water demand. Use the Department of Energy (DOE) [Domestic Hot Water First Hour Rating Calculator](#) to estimate peak usage.

**Types:**

- Storage tank water heater
- Condensing storage water heater
- Hybrid water heater
- Tankless water heater

## 3. **Appliances**

**Eligibility:** All residential appliances must be an ENERGY STAR® certified appliance. Equipment is also eligible when the purchase is a first-time purchase of a heat pump clothes dryer, including upgrading an electric clothes dryer to a heat pump dryer; or an all-electric stove, cooktop, range, or oven for the dwelling unit. Equipment is eligible when the purchase is replacing a gas or a dual fuel gas appliance. Only one item of the below list is eligible for rebate per dwelling.

- Heat Pump Clothes Dryers or Heat Pump Washer-Dryer combination
- Residential Electric Stove

- Residential Electric Cooktop
- Residential Electric Range
- Residential Electric Oven

#### 4. Lighting

##### i. LED Fixtures

**Description:** Light emitting diode (LED) products produce light up to 90% more efficiently than incandescent light bulbs. An electrical current passes through a microchip, which illuminates the tiny light sources called LEDs, and the result is visible light. To prevent performance issues, the heat LEDs produce is absorbed into a heat sink.

**Eligibility:** In order for this measure to apply, new fixtures must be ENERGY STAR labeled based upon the v2.1 ENERGY STAR specification for luminaires or equivalent to the most recent version of ENERGY STAR specifications. Specifications are 65 lumens/watt for indoor LEDs, and 60 lumens/watt for outdoor LEDs. Eligible cases for consideration of upgrades to outdoor lighting shall only include the replacement of existing lighting fixtures that are affixed to the exterior of the dwelling and found to be contributing to the dwelling energy consumption.

**Types:**

- LED Indoor
- LED Outdoor

#### 5. Advanced Control System

**Description:** This measure characterizes the energy savings from the installation of either a control system to reduce heating and cooling consumption in a building.

**Eligibility:** The criteria for this measure are established by replacement of an existing control system, with one that has the capability to establish a schedule of time and/or temperature setpoints.

**Types:**

- Advanced thermostat
- Programmable thermostats,
- Outdoor reset controls
- Energy management systems
- Building automation systems

## 6. Weatherization

### i. Air Sealing

**Description:** Thermal shell air leaks are sealed through strategic use and location of air-tight materials. This may include sealing in the attic, crawlspace, chases, electrical and plumbing penetrations, and along the exterior walls.

**Eligibility:** Products must be ENERGY STAR certified if available at time of installation and be properly installed to qualify for rebate.

**Testing:** Air leakage testing must be conducted pre- and post- air sealing is performed to document leakage reduction.

**Types:**

- Door Sweep
- Sealing Tape
- Weatherstripping

### ii. Insulation

**Description:** Insulation is installed to maintain the temperature of the home and reduce load on the heating and cooling systems. Applied to wall, ceiling, floor insulation above an unconditioned or conditioned space, and foundation.

**Eligibility:** Products must be ENERGY STAR certified if available at time of installation and be properly installed to qualify for rebate. Must meet minimum program R-value requirements as described below.

- Attic, Ceiling, Vault Insulation
  - Attics should be insulated to the ENERGY STAR recommended levels. If no insulation is present, R-60 insulation should be added. If insulation is present additional insulation should be added until R60 insulation levels are achieved.
- Foundation Insulation
  - Spaces below ground level such as basement or crawl spaces should be insulated to the ENERGY STAR recommended levels.
    - Zones 4A and 4B: Add R10 insulative wall sheathing or R13 batt.
    - Zones 4C and 5–8: Add R15 insulative wall sheathing or R19 batt.
- Floor and Frame Floor Insulation
  - Floor insulation should be improved if the floor is located above a

vented crawl space that does not contain pipes or HVAC. Floor insulation should not be installed above a basement or if there is anything in the crawlspace that could freeze or operate less efficiently in an environment resembling the outdoors. In such an instance, it is recommended to insulate the crawl space/ basement walls and ground to keep the equipment within the conditioned space.

- Insulation should be added to the floor to meet the ENERGY STAR recommended insulation value of R19 in climate zones 4, and R30 in climate zones 5
- Wall insulation
  - Insulation should be added to the wall to meet ENERGY STAR recommendations.
- Wall Insulation (above the ground)
  - Uninsulated wood-frame wall:
    - Drill holes in the sheathing and blow insulation into the empty wall cavity before installing the new siding, and
    - Zones 4–8: Add R5 to R10 insulative wall sheathing beneath the new siding.
  - Insulated 2x4 wood-frame wall:
    - For Zones 4–8: Add R10 insulative wall sheathing beneath the new siding.

**Material Types:**

- Blanket (batts and rolls) insulation
- Loose-fill insulation
- Blown-in insulation
- Rigid board (foam or fiber) insulation
- Spray foam insulation
- Foamed-in-place insulation

**Location Types:**

- Attic, Ceiling, Vault Insulation
- Foundation Insulation
- Floor and Frame Floor Insulation
- Wall Insulation

- Wall Insulation (above the ground)

**Additional Requirements:**

- Pre-installation inspection is required to identify the following:
  - Wet or damp insulation indicating leaks
  - Moldy or rotted attic rafters or floor joists indicating moisture problems
  - Possible animal infestation
  - Kitchen, bathroom, and clothes dryer vents that exhaust moist air directly into the attic space instead of outdoors
  - A history of ice dams in the winter (an indication of serious air leaks and insulation problems)
  - Little or no attic ventilation
  - Knob and tube wiring (pre-1930), which can be a fire hazard when in contact with insulation
  - Unsealed and uninsulated recessed “can” lights, which require special care when insulating around these fixtures
  - Possible presence of Asbestos
    - Homes built before 1975 may have been insulated with vermiculite, which contains asbestos
  - Verify that the walls are dry and do not leak ground moisture before insulating a basement.
  - Capture photos and record pre-existing insulation level
- Pre-installation preparation:
  - Removal and disposal of old insulation as necessary
  - Repairs to attic, floor, and wall structure if necessary
  - Seal around lights or vents
  - Baffle installation around eave vents or other areas
- Quality check for insulation installation:
  - Insulation should be fitted and continuous with no/minimal gap especially around electrical components and tricky spaces
  - Insulation should not be too compressed

- Insulation is recommended to be products of the same R-value
- Moisture barrier/retarder or other strategies is implemented to control and maintain the relative humidity level
- Where applicable, insulation levels should meet ENERGY STAR recommendations for the applicable climate.

### iii. Duct Insulation and Sealing

**Description:** This measure describes evaluating the savings associated with performing duct sealing using mastic sealant, metal tape, AeroSeal, or injection of UL certified and low VOC for sealant to the distribution system of homes with either central air conditioning or a ducted heating system.

**Eligibility:** Products must be ENERGY STAR certified if available at time of installation and be properly installed to qualify for rebate.

**Installation:** Ducts must be sealed to BPA's Prescriptive Duct Sealing Specifications and Best Practices. Ducts in unconditioned and semi conditioned spaces are on average, R-0, R-2, R4, or R8+. Duct insulation of R4 or less should be insulated to R8.

**Testing:** Duct leakage testing must be performed pre- and post- duct sealing to document leakage reduction.

### iv. Water Heater Insulation Wrap and Pipe Insulation

**Description:** Water Heater Insulation Wrap: Wrap water heater tank with insulation wrap. Ensure that the tank insulation wrap is secured and does not spill over the upper edge of the tank where it can potentially affect proper venting. Pipe Insulation: Wrap accessible domestic hot water pipes with pipe insulation. Pipe insulation must be rated to withstand continuous operating temperatures of at least 180F.

**Domestic Hot Water Pipe Insulation:** Adds insulation to un-insulated domestic hot water pipes.

**Eligibility:** Products must be ENERGY STAR certified if available at time of installation, and properly installed to qualify for rebate. Must meet minimum program R-value requirements of R3.

## 7. Miscellaneous

### i. Ventilation

**Description:** This measure will capture the savings from the installation of a new exhaust or air circulation fans, needed for continuous mechanical ventilation due to reduced air-infiltration from a tighter building shell. This measure assumes fan capacities between 10

and 200 CFM rated at a sound level of maximum 2.0 sones at 0.1 inches of water column static pressure.

**Eligibility:** Ventilation products must be ENERGY STAR certified and installed in dwellings that also receive air sealing services or otherwise low air leakage rates (ACH50, per International Energy Conservation Code IECC). All eligible installations shall be sized to provide the mechanical ventilation rate indicated by ASHRAE 62.2.

**Types:**

- Range hoods and in-line (single and multi-port)
  - Ineligible if exhaust air is recirculated into the dwelling.
- Utility room fans
- Bathroom fans
- Ceiling Fan
- Whole Home Fan

**ii. Electric Load Service Center**

**Description:** Any improvement, upgrade or replacement to the capacity of the electrical load service center. Upgrades to the electric load service center allow for qualified energy efficiency improvements when the existing system is at capacity.

**Eligibility:** Electric code service center upgrades must comply with the National Electric Code (NEC).

**iii. Electric Wiring**

**Description:** Home electrical wiring may need to be upgraded before qualified energy efficiency improvements projects can be installed.

**Eligibility:** Wiring upgrades must comply with the National Electric Code (NEC).

**iv. Tier 1 Advanced Power Strip**

**Description:** Multi-plug surge protector power strips with the ability to automatically disconnect specific connected loads depending upon the power draw of a control load, also plugged into the strip.

**Eligibility:** Equipment must be ENERGY STAR certified if available and legal for distribution in the United States at time of purchase. Equipment is also eligible when the purchase is a first-time purchase of a tier 1 advanced power strip.

**v. Low Flow Faucet Aerator**

**Description:** This measure relates to the installation of a low flow faucet aerator in a household kitchen or bath faucet fixture.

**Eligibility:** To qualify for this measure the installed equipment must be a low flow faucet aerator, for bathrooms rated at 1.5 gallons per minute (GPM) or less, or for kitchens rated at 2.2 GPM or less.

**Types:**

- Kitchen Aerator
- Bathroom Aerator

**vi. Showerheads**

**Description:** This measure relates to the installation of a low flow showerhead in a household.

**Eligibility:** To qualify for this measure the installed equipment must be a low flow showerhead rated at least 0.5 gallons per minute (GPM) less than the existing showerhead.



## 7 Post Project Verification & Quality Assurance

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Post Project Verification and Quality Assurance are important to ensuring quality installation of eligible products and materials under the IESP. Components of the IESP Site inspection activities are necessary to verify Qualified Contractor's compliance with Program requirements including, without limitation, to confirm eligibility, installation and operability of products, measures, safety, quality of work, accuracy of documentation and invoices, and customer satisfaction.

The goals of the post project verification and Quality Assurance (QA) processes are:

1. To verify completed projects meet all Program requirements while maintaining healthy and safe living conditions for the occupants;
2. To identify Qualified Contractors who regularly provide effective, high-quality services to Customers; and
3. To enable early detection of performance and compliance issues, at both the individual contractor and Program-wide levels, to support prompt resolution, identify needs for development or delivery of training, and ensure market confidence.

Qualified Contractors who cannot regularly meet the standards of the Program are subject to probation, suspension, and termination from the Program.

The QA process for the Program includes an administrative desk review and QA field inspections.

**Desk Review:** Will verify the installed project measures meets specified criteria as outlined in the Work Order. This includes, but is not limited to, a review of photos taken by the Qualified Contractor, pre- and post-installation, completion and submittal of IESP Project Complete Checklist, Customer Participation Agreement, verifying customer information, equipment pricing and specifications, energy savings, etc.

**Field Inspection:** A BPI-2400, or when required, ASHRAE Level 2-certified quality control inspector will verify the field conditions match the Regional General Contractor's written contract and energy modeling conditions and will confirm installation combustion safety testing. This includes verifying the identified measures listed in the scope of work were installed and confirming no health and safety issues are present in the home.

The Program QA and verification policy and procedures documents are in the applicable inspection manual, and any updates will be issued to the QA contact for all Qualified Contractors as necessary to comply with changing standards or meet the goals of the Program. Qualified Contractors shall be responsible for reviewing all revisions to the QA policy documents, BPI standards, and other industry technical standards.

The Qualified Contractor shall not inhibit or discourage customers from participating in the verification QA process and shall make a good faith effort to facilitate this process. The Program goal is to conduct QA field inspections within 90 days from the signing of the Work Order Completion Form. Additionally, projects completed for more than one year may be subject to inspection if the situation warrants.

If requested, Qualified Contractor shall cooperate and participate in required Site inspections before, during, and/or after Site installation. The Qualified Contractor shall provide project-related information to program staff upon request. This information may include, but is not limited to, approved modeling software files, contracts, pictures, and installed product information.

**Remediation:** Qualified Contractors are responsible for resolving all inspection, customer service, workmanship and warranty issues in a timely manner. Any deficiency issues related to workmanship and/or quality of installed products, equipment, and materials shall be resolved by the Qualified Contractor in the timeframe provided by the Program. Qualified Contractor shall notify IESP of all issues discovered under this Section and submit a written report within forty-eight (48) hours of attempted resolution.

**Recycling/Hazardous Material:** Qualified Contractor shall assume full responsibility for removal of old equipment from the Customer facility and for sorting, storage, recycling and proper disposal of equipment and waste material in compliance with all applicable laws and regulations in the prevailing local jurisdiction.

## **8 Contractor Payments and Reimbursement**

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The IESP finance team is responsible for overseeing payments and reimbursements for the Program. This includes ensuring invoices and supporting documentation provided by Qualified Contractors and Regional General Contractors comply with IESP and federal requirements. Regional General Contractors and Qualified Contractors must utilize forms, invoices and processes provided by the IESP to request reimbursement.

Regional General Contractors will be reimbursed by the IESP finance team for completed projects. Qualified Contractors will be reimbursed by their Regional General Contractor. Inaccurate or incomplete forms will be returned to the Regional General Contractor or Qualified Contractor for correction before payment is made.

### **8.1 Project Submission Requirement**

The Regional General Contractor and Qualified Contractor shall submit documentation as required and in accordance with the policies and procedures described in this section of the Contractor manual and in future Program Announcements.

Invoices submitted by Regional General Contractors for reimbursement may only list the firm's name on file with IESP. The Regional General Contractor shall only submit an invoice for reimbursement to IESP after issuing payment to the Qualified Contractor for the completed work. Reimbursement requests may, at the direction of the IESP finance team, be submitted individually, per property, or combined into batches.

Qualified Contractors will submit reimbursement requests to Regional General Contractors for completed work using IESP supplied forms. Qualified Contractors must submit reimbursement requests for each work order and cannot roll-up or batch reimbursement requests.

### **8.2 Initial Payment Processing Payee Set-Up Requirements**

Following the application process, the selected Regional General Contractors will be required to provide the IESP finance team with information to register them in the financial payment system.

#### Regional General Contractor Set-Up Requirements:

The IESP finance team requires the following documentation from the Regional General Contractors prior to submitting Invoices for payment:

1. Completed Payee Information Form

The Regional General Contractor will be provided with a Payee Information Form following the Regional General Contractor Application process. The selected Regional General Contractors will be reimbursed

by ACH. Under limited circumstances, reimbursement may be made by check.

- i. For ACH payments, the Payee will receive payments directly deposited into the bank account as provided in the Payee Information Form.
- ii. If it is determined that a Check payment method must be utilized, a physical check will be mailed to the mailing address provided on the Payee Information Form.

## 2. Contractor's W-9 Form

To ensure the payee information is correct, the Regional General Contractor will be required to submit their current IRS W-9 form in conjunction with the Payee Information Form for the first reimbursement request. The W-9 form must match the payee's tax information as filed with the IRS. This information will be utilized to match the payee's information with the IRS prior to making payments.

### Qualified Contractor Set-Up Requirements:

Regional General Contractors are responsible for collecting payment information from the Qualified Contractor. The Regional General Contractor will coordinate with the Qualified Contractor to collect supporting documentation needed to process payments. The assigned identification number for each Qualified Contractor must be recorded on all reimbursement requests.

To ensure payee information is correct, the Qualified Contractor will be required to submit their current IRS W-9 form to the Regional General Contractor for the first reimbursement request. The W-9 form must match the Qualified Contractor's tax information as filed with the IRS. This information will be utilized by the Regional General Contractor to match the payee's information with the IRS prior to making payments.

## **8.3 Project or Work Completion**

Reimbursements from the Program will only be provided for the full completion of the Work Order, and as determined to be complete by IESP staff.

For single-family properties and multi-family buildings with 1 residential units, a project will not be considered complete until all measures listed on the Work Order form are completed with proper documentation and there is no outstanding work for the property.

For multi-family properties with 2 or more residential units, IESP will coordinate with the Regional General Contractor and Qualified Contractor(s) in advance to determine the reimbursement schedule in accordance with federal requirements.

### Project Completion for Qualified Contractors:

Qualified Contractors cannot seek reimbursement for completed work until the Customer signs the Installation Complete Form, attesting to the installation of the measures listed in the Work Order. As part of the reimbursement process, the Regional General Contractor will verify receipt of the supporting documentation for the installed measures of the Work Order before approving payment.

#### Project Completion for Regional General Contractors:

Regional General Contractors cannot seek reimbursement for completed work until the project passes the post-installation verification and quality assurance inspection performed by IESP staff and the Work Order Completion Form is signed off by the Customer and/or IESP Staff.

### **8.4 Payment Processing Project Completion**

The Regional General Contractor and IESP finance team will only review invoices and process payments for completed projects, as defined in the section above.

Reimbursement requests submitted by Qualified Contractors must include the IESP Installation Complete form with a signature from the Customer, attesting to the completion of the portion of the Work Order assigned to the Qualified Contractor. While payments to Qualified Contractors will be made by the Regional General Contractor, Qualified Contractors must use IESP finance team forms and materials. Qualified Contractors will be given training and instruction materials to assist with completing payment reimbursement forms as required by the IESP finance team.

It is expressly understood that the IESP will not initiate the processing of any project payment to a Regional General Contractor until all required project documentation has been uploaded to the system of record and has been verified by IESP staff. IESP staff will ensure that program forms and materials will be made available and will coordinate with Regional General Contractors and Qualified Contractors to ensure both parties are aware of the required documentation for the project.

Reimbursement requests submitted by Regional General Contractors can include work completed by multiple Qualified Contractors from multiple projects. Payments issued to Regional General Contractors will be separated based on funding source and batched based on the approved reimbursement request.

Regional General Contractors must use IESP finance team forms and materials when submitting documentation and reimbursement requests. Regional General Contractors will be given training and instruction materials to assist with completing forms as required by the IESP finance team.

### **8.5 Payment Terms**

The IESP program is a federally funded program. All payments will be issued as reimbursement for completed work. Qualified Contractors will be reimbursed for work by the Regional General Contractor, using its own financial resources. Regional General Contractors will receive reimbursement from the IESP for the financial payments made by the Regional General Contractor to the Qualified Contractor(s). The Regional General Contractor will be required to provide certification that payments have been made to Qualified Contractors as part of their Payment Request Form submission.

#### Payment Terms for Regional General Contractors:

Funds paid to Regional General Contractors are provided by the IESP. The IESP finance team has

established processes to request funding from OED upon completion and verification of a project. IESP finance team cannot provide project reimbursement payments to a Regional General Contractor until funding is received from OED. While payment timeframes can vary, IESP plans to make payments to Regional General Contractors within 30 days after the IESP Finance team approves a Payment Request Form, with a goal of making payments within 15 days. Once funding is received from OED, the IESP finance team will initiate payment to the Regional General Contractor within 3 business days.

If a project has a required cost share (i.e. Program funding is unable to cover all project costs), the Customer is required to provide funds to the IESP finance team when the Customer signs the Program Agreement and Work Order documentation. This will be completed prior to the work order being assigned to a contractor. Because there may be two sources of funding for the work performed by a contractor (program and cost share funds), the contractor may receive two separate payments for a single project. The IESP finance team will remit payment for the cost share amount to the Regional General Contractor prior to requesting program funds for the remainder of the Work Order.

#### Payment Terms for Qualified Contractors:

Payments to Qualified Contractors will be provided by the Regional General Contractor, who will make payments using its own financial resources. Regional General Contractors will provide payment to Qualified Contractors using financial information provided by the Qualified Contractor to the Regional General Contractor. After receiving an invoice and supporting documentation from the Qualified Contractor, the Regional General Contractor will review the materials submitted. If the documentation is sufficient and meets IESP program requirements, the Regional General Contractor is required to issue payment to the Qualified Contractor no later than 14 days after an invoice has been received.

Payments to the Qualified Contractors can be combined for all completed, reviewed, and approved scope of work, undertaken by the Qualified Contractor based on funding source. Payments may be combined for differing work locations, with payments showing the amount per work location.

If a project has a cost share that was provided to the IESP by the Customer or Sponsor, the IESP finance team will remit payment for the cost share amount to the Regional General Contractor and request program funds from OED.

## **8.6 Invoice Documentation**

Regional General Contractors and Qualified Contractors must use invoice forms and supporting documentation materials provided by the IESP. The IESP financial team and IESP staff will review invoices and supporting documentation. The Regional General Contractor will review invoice(s) and supporting documentation for the Qualified Contractors in its network and the IESP finance team will review the Regional Contractors invoice(s) and supporting documentation.

Once a project is complete, the Qualified Contractor must submit an invoice(s) using the required template(s) provided by IESP to the Regional General Contractor. The Regional General Contractor will review the invoice to determine if it complies with IESP financial requirements and processes. The invoice

must be complete and accurately support the pre-approved, established, and completed scope of work as shown on the work order. The Regional General Contractor will utilize the invoice, along with supporting documentation and data provided by the System, to reimburse the Qualified Contractor.

After a Regional General Contractor has reviewed the invoice and supporting documentation from the Qualified Contractor, determined it is complete, and has issued payment to the Qualified Contractor, the Regional General Contractor will:

- 1) Submit a consolidated invoice(s) using the reimbursement template(s) provided by IESP finance team. Invoices must be complete and accurately support the pre-approved, established, and completed scope of work by the Qualified Contractor. The Regional General Contractor must also provide the IESP finance team with the supporting documentation for each project, and or provide the IESP finance team with links to where the supporting documentation is located in the project file. The IESP finance team will review the invoice, along with supporting documentation and data provided by the System prior to initiating the reimbursement payment process.
- 2) The Regional General Contractor is required to upload the invoice and all supporting documentation for each completed project to the Program's system of record.

## **8.7 QA/QC of Invoices and Supporting Documentation**

The IESP finance team and Program Staff will conduct a review of invoices and supporting documentation that the Regional General Contractor and Qualified Contractor have submitted to ensure Federal and State compliance.

### Regional General Contractor Review of Qualified Contractor Invoices

The Regional General Contractor will review invoices and supporting documentation from Qualified Contractors using IESP forms and in accordance with IESP finance team requirements. IESP staff may also review the documentation provided to the Regional General Contractor to ensure that all necessary documentation is available in the system of record prior to initiating Post Installation Verification and Quality Assurance Inspection and review.

Regional General Contractors' review will include verifying that the invoice submitted by the Qualified Contractor reflects the IESP Work Order. Using IESP forms or software, the Qualified Contractor will, in addition to an Invoice, provide all required photos, documentation and information needed for the property and provide it to the Regional Contractor for review. Once the Regional General Contractor verifies the invoice and confirms all supporting documentation is accurate and complete, the Regional General Contractor will process the Qualified Contractors invoice for reimbursement.

### IESP Review of Regional General Contractor Invoices

The IESP staff will review the project documentation uploaded by the Regional General Contractors to ensure all necessary documentation is provided in the system of record before it is sent to IESP finance to perform a pre-payment review. The pre-payment review by the IESP finance team will evaluate the Regional General Contractors' Invoices and system data to ensure documentation and invoices are complete and accurate for each project included in the reimbursement request.

## **8.8 Federal Rebate and Incentive Payments**

The Regional General Contractor and Qualified Contractor acknowledge the primary source of funding for work completed under this program comes from Federal sources. The Federal funds come with restrictions on the maximum amount IESP can reimburse a contractor. These amounts are incorporated into the Scope of Work and Work Order for the project.

The IESP can provide a \$200 incentive payment to Regional General Contractors for properties within a federally designated Disadvantaged Community (DAC) if the project includes HOMES funding. The determination of these DAC areas is done at the Federal level via GIS and is detailed to street level. Disadvantaged communities (DACs) can be viewed using the [Climate and Economic Justice Screening Tool \(CEJST\)](#). It is not the responsibility of the Regional General Contractor to determine if incentive payments are permitted under a project. IESP will inform the Regional General Contractor as part of the Work Order if the property is in an area eligible to receive the incentive payment. When applicable, the Regional General Contractor will receive the disadvantaged community incentive.

The payment and incentive amount will be shown in the invoice the Regional General Contractor submits for reimbursement.

## **8.9 Customer Contribution – Cost Share paid to Contractor**

If the final scope of work for a customer exceeds a customer's maximum Federal eligible rebate amount, the Customer would be required to provide a cost share to make up the difference that exceeds the Federal rebate amount. The Customer will be required to provide the cost share amount directly to the IESP before a Notice to Proceed for construction activities is issued. In the event a customer is unable or unwilling to provide a cost share, the application will be deemed ineligible and will be unable to continue through the Program.

When the project's Work Order Completion Form is completed and final invoice is submitted by the Regional General Contractor, the cost share funds will be paid to the Qualified Contractor prior to IESP finance team initiating a payment request to OED for Program rebate funds.

## **8.10 Repayment or Recapture of Program Incentives**

The Regional General Contractor and Qualified Contractor acknowledge that if IESP determines that either Contractor is found to have violated the Terms and Conditions of the Program for a project, any payment(s) made to either Contractor, including any program incentive payments, shall be repaid to the program, or recaptured. Failure by either contractor to repay funds owed may result in referral to the Attorney General's Office.

When funds already paid to Qualified Contractors must be recaptured, Regional General Contractors shall recapture funds provided to the Qualified Contractor, and the IESP will recapture funds provided



to the Regional General Contractor for the work that the Qualified Contractor performed.

Upon notice, the Qualified Contractor shall provide the Regional General Contractor with a direct payment within 30 days for the identified outstanding value of any project payments or incentives that do not comply with the Contractor Terms and Conditions or Program policies, or procedures identified in this Program Manual(s), Contract agreements or Program Announcements.

Regional General Contractors shall provide repayment to the IESP within 30 days for any project payments or incentives that do not comply with Contractor Terms and Conditions or Program policies, or procedures identified in this Contractor Manual, Contract agreements or Program Announcements.

## **8.11 Stop Work Order**

The IESP may, at any time, issue written notice requiring Regional General Contractors and Qualified Contractors to stop all or any part of the Work identified in the Agreement between the Customer and Regional General Contractor, or in any agreements between the Regional Contractor and Qualified Contractor. A Stop Work order may be issued for a period of up to ninety (90) days or for any further period to which the parties agree. Upon receipt of a Stop Work Order, the Regional General Contractor and Qualified Contractor must comply with the agreement and take all reasonable steps to minimize incurring further costs associated with the Work Order during the period of the Stop Work Order. Within ninety (90) days, or the agreed upon period, IESP shall either issue a written cancellation of the Stop Work Order or terminate the Work Order.

If a Stop Work Order issued under this Section is cancelled, or the period of the Stop Work Order or any extension thereof expires, the Qualified Contractor shall resume Work once notice is provided by the Regional General Contractor. The Agreement shall be modified in writing accordingly, if:

1. The Stop Work Order results in an increase in the time required for, or in the Qualified Contractor's cost properly allocable to, the performance of any part of the Agreement between the Customer and Regional General Contractor, and
2. The Qualified Contractor asserts a claim for such adjustments within 30 days after the end of the period of Work stoppage; provided the IESP decides the facts justify such action, the IESP may receive and act upon any such claim asserted at any time prior to final payment being provided to the Regional General Contractor or Qualified Contractor under this Agreement.

If a Stop Work Order is not cancelled and the Work covered by such Order is terminated, the reasonable costs resulting from the Stop Work Order shall be based on the Scope of Work that was completed within program guidelines.

Notwithstanding the provisions of this Section, the maximum amount payable by IESP to the Regional General Contractor, or by the Regional General Contractor to the Qualified Contractor, shall not be increased or deemed to be increased except by specific written amendment hereto.

## 9 Qualified Status Classifications

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The Qualified Contractor shall be classified into one of three participation statuses: provisional, active, or inactive. Each classification is subject to limitations or requirements. IESP reserves the right to modify the participation status designations' definitions, limitations, and requirements at any time. IESP retains sole discretion for determining the Qualified Contractor's progression into and through each status designation. In all cases, IESP's written decision is final.

### 9.1 Contractor Status Classifications

The Qualified Contractor shall be classified into one of three participation status designations:

- **Provisional.** The first five (5) projects completed by the Qualified Contractor will be reviewed for QA/QC purposes. Until the Qualified Contractor completes five (5) projects that meet the QA/QC standards, the Qualified Contractor maintains a provisional designation. If after one year, or if the 6<sup>th</sup> inspected project has failed the QA/QC process, whichever comes first, the Program will review the Provisional Qualified Contractor's work to determine future Program participation.
- **Active.** A Qualified Contractor who is not operating under any of the other status designations described herein, abides by the Terms and Conditions, Contractor Manual, and Contractor Code of Conduct shall have the status designation of Active IESP Qualified Contractor. Active Qualified Contractors may have different QA/QC inspection rates compared to other sub-status designations.
- **Inactive.** Qualified Contractors who voluntarily decide to end participation in the Program or Contractors terminated by the Program for disciplinary reasons will be designated inactive. An inactive contractor relinquishes all privileges associated with program participation, including access to contractor incentives. Inactive contractors must immediately remove any reference to the IESP from their materials.

### 9.2 Disciplinary Measures

Qualified Contractors can face disciplinary action for several reasons including failing to comply with the Terms and Conditions, Contractor Code of Conduct, and the Contractor Participation Manual. Qualified Contractors can also face disciplinary measures by not following installation guidelines or IESP guidance; taking part in fraudulent, unethical, or inappropriate behavior; and providing misleading or inaccurate documentation to the IESP or customers. Qualified Contractors facing disciplinary action under will be notified in writing by the IESP. The conditions of a disciplinary measure may take place for a set time

frame or until the conditions of the notice have been met.

IESP staff reserves the right to impose any of the following disciplinary measures at any time. In addition, the IESP reserves the right to hold approvals and payment of incentives in question on all submissions while investigating alleged issues. In all cases involving a Qualified Contractor's disciplinary status or denial of program incentives, IESP's written decision is final.

## **1. Probation**

Probationary Status is reserved for Qualified Contractors who have failed to meet the program requirements. Notice of probation will include a specific list of results to be achieved and a time frame for achieving those results. IESP staff will work with the Qualified Contractor to attempt to remedy the identified issue.

### **i. Minimum Period of Performance**

A Probation period will last no less than 90 days with terms outlined in the disciplinary action letter to the Program.

### **ii. Program Benefits**

Under Probation, the Participating Contractor will be eligible for all contractor incentives at the discretion of IESP staff.

### **iii. Quality Assurance/Quality Control (QA/QC)**

Under the Probation Status, the Qualified Contractor May be subject to increased QA/QC inspection rates that, if applicable, will be defined in the terms of their disciplinary letter from the Program.

A Qualified Contractor may be placed on Probation for any of the following reasons:

### **i. Violation of Program Policies and Procedures or Ethical Standards**

The Qualified Contractor has failed to adhere to the Terms and Conditions, Contractor Code of Code, Contractor Participation Manual. This includes, but is not limited to, poor or unclear program documentation; misrepresentation of program policies; poor quality of work; repeated submissions of inaccurate, incomplete, illegible or otherwise faulty documentation; performing work without a valid local license; failure to submit overpayment reimbursements in a timely manner; and not obtaining proper building permits before the project start date.

### **ii. Failure to meet Quality Requirements**

Failure to deliver completed projects that routinely pass the QA standard required for

Active' status.

iii. **Health and Safety and other Critical Violations**

Failure to take effective corrective action on a critical deficiency.

iv. **Unprofessionalism**

Exhibiting repeated unprofessionalism in interactions with IESP and implementation staff, or Customers

v. **Unresponsive to Open-Fail Report Resolution**

Three (3) or more Open- Fail reports that have not been responded to or remain unresolved for more than 30 days.

vi. **Program Customer Complaints**

IESP staff have received one or more valid Customer complaints per quarter. The Qualified Contractor is unresponsive or slow in resolving Customer issues or exhibits poor quality workmanship or unprofessional manner on one or more projects.

vii. **Contractor is Not Licensed/Not Obtaining Proper Permits**

The Qualified Contractor performed work in a municipality they are not licensed to work in. The Qualified Contractor performs work without obtaining the proper permits as required by the governing municipality.

viii. **Failure to Follow Program Procedure**

The Qualified Contractor routinely submits incorrect or incomplete documentation, or the Qualified Contractor requires an excessive amount of administrative or technical support.

While on probation, the Qualified Contractor must continue to complete assigned projects and meet minimum production requirements. In the event a Qualified Contractor is placed on probation and fails to meet the terms of the probation within six months of the issuance date of the letter, the Program, at its discretion, may elect to suspend or terminate the Qualified Contractor for failure to meet the terms of the probation.

## **2. Suspension**

A suspended Qualified Contractor shall be removed from the IESP website and shall not represent themselves as an IESP Qualified Contractor. A suspended Qualified Contractor forfeits their eligibility for contractor incentives. IESP has sole discretion in determining whether to suspend a Qualified Contractor. With IESP permission, a suspended Contractor may be allowed to close out assigned projects already in progress. These projects may be subject to increased QA/QC inspection rates that, if applicable, will be defined in the terms of their disciplinary letter from the Program. IESP has sole discretion in determining the length of the suspension period and if termination from the program will result.

Grounds for suspension shall include, but are not limited to, the following:

i. **Unresponsive-Probation**

The Qualified Contractor is on probation and has either been unresponsive to, or failed to adequately fulfill, the terms of their probation.

ii. **Unresponsive Actions**

The Qualified Contractor is unresponsive to outstanding customer concerns, has not initiated work on a project within IESP-defined time periods, or has not addressed issues discovered during post Installation Inspections.

iii. **Violation of Program Policies, Poor Workmanship and Ethical Standards**

The Qualified Contractor has failed to comply with the Terms and Conditions, Contractor Code of Conduct, the Contractor Manual, and any subsequent changes made to these documents, thereby putting the IESP, OED or IESP Customers at risk. This includes but is not limited to poor quality of work; repeated submissions of inaccurate, incomplete, illegible or otherwise faulty documentation; billing for uninstalled measures; performing work in municipalities they are not licensed to work in; and not obtaining proper building permits.

iv. **Contractor Staffing**

The Qualified Contractor has staffing or certification status changes that fail to meet minimum certification requirements and fails to report this to IESP.

## **10 Program Changes & Termination**

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The Contractor acknowledges participation in the Contractor network is entirely voluntary. The Qualified Contractor also agrees to abide by the specific Terms and Conditions once approved to be the IESP Qualified Contractor network. The IESP may need to make program and policy changes over the life of the program. There is also the potential a Qualified Contractor may need to be terminated from the program. IESP may terminate a Qualified Contractor from the network for multiple reasons including, but not limited to, the reasons for termination outlined in the chapter. In all cases involving the termination of a Qualified Contractor from the network, IESP's written decision is final.

### **10.1 Program Changes**

IESP reserves the right to make changes to the program which may impact Qualified Contractors and this manual. Changes made will supersede language included in the relevant documents that the Qualified Contractor previously agreed to and signed. Qualified Contractors will be notified when changes are made, and all changes will be reflected in updates to the relevant documents.

Notifications shall be communicated electronically via email. In addition to email notification, the IESP will provide a summary of the program or policy changes and direct the Qualified contractor to the relevant section of the document. IESP may, as a result of program changes, require Qualified Contractors to take part in webinars or virtual meetings to review the changes.

IESP staff will post updates to impacted documents on the IESP website. It is the Qualified Contractor's responsibility to ensure the IESP has a current email address on file to be notified of changes to impacted documents.

### **10.2 Termination Non-Compliance with Terms and Conditions**

The Qualified Contractor agrees to abide by specific Terms and Conditions once approved to participate in the Qualified Contractor network. IESP may suspend or terminate a Qualified Contractor from participation in the IESP for any reason including not complying with and following the Terms and Conditions. If a Qualified Contractor is found in violation of the Terms and Conditions, IESP staff will notify the Qualified Contractor to see if it is possible to remedy the situation. If it is not possible or addressed in a timely manner, the Qualified Contractor will be terminated from the program.

### **10.3 Termination – Misrepresentation**

IESP may terminate and remove a Qualified Contractor from program participation for misrepresentations and fraudulent acts. This includes but is not limited to the Qualified Contractor

submitting false or fraudulent documentation to the IESP at any time, forging customer information, falsifying existing onsite conditions and work complete status, and submission of false photo documentation.

#### **10.4 Termination – Failure to Maintain Program Standards**

IESP may terminate and remove the Qualified Contractor from program participation for failing to maintain program standards. IESP, throughout the program, will assess if a Qualified Contractor is meeting program standards. If a Qualified Contractor is not meeting these standards, IESP staff will inform and work with the Qualified Contractor to address the standard that is not being met and provide the Qualified Contractor with clear instructions on what actions are needed to meet standards. If the Qualified Contractor cannot achieve these actions in the given timeframe or in the prescribed manner, IESP may terminate the Qualified Contractor from the network.

#### **10.5 Termination – Poor Performance**

IESP may terminate and remove the Qualified Contractor from program participation for poor performance. The IESP has processes in place to document performance. IESP staff, will assess a Qualified Contractor's performance throughout the program. If poor performance is found, IESP staff will inform and work with the Qualified Contractor to address performance. IESP staff will inform Qualified Contractors about what actions need to occur to remedy performance issues. If performance is not corrected in the prescribed manner, IESP may terminate the Qualified Contractor from the network.

#### **10.6 Termination – Unresponsiveness**

IESP may terminate and remove the Qualified Contractor from program participation for being unresponsive to IESP Customers or IESP staff. The IESP has processes in place to document unresponsive behavior. Contractors will be provided with clear timelines for communication and submitting documentation. If Qualified Contractors continue to miss these timelines, IESP staff will work with the qualified contractor to identify actions to remedy the situation. If the Qualified Contractor continues to be unresponsive without any improvement, IESP may terminate the Qualified Contractor from the network.

## **10.7 Termination Inappropriate or Unethical Behavior & Other Behavioral Issues**

IESP may terminate and remove a Qualified Contractor from program participation for inappropriate or unethical, and other behavioral issues. The IESP will not tolerate inappropriate or unethical behavior when interacting with OED, IESP staff or IESP Customers. If IESP staff learns Qualified Contractors have engaged in inappropriate or unethical behavior or other behavior it finds to be offensive or egregious, it will inform the Qualified Contractor about the situation and document the action. Depending on the severity of the action, IESP may work with the Qualified Contractor to address the unacceptable action, or the IESP may terminate the Qualified Contractor from the network.