



# Home Energy Rebates (IRA Sections 50121 and 50122): Consumer Protection Best Practices

February 2024

## Purpose

This memo aims to identify best practices for the U.S. Department of Energy (DOE) and states to implement to ensure consumers are protected against unfair business practices or fraud under the Home Energy Rebate programs.

The consumer protection best practices highlighted below are a starting point. This list will continue to evolve as DOE rolls out the program in coordination with states, territories, Tribes, and key stakeholders.

## Goals

All information provided by the states and DOE should be: 1) easily understood by the consumer; 2) provide resources for the consumer to find relevant program information and educational resources; and 3) provide clear direction for consumers to address any harm caused by bad actors.

## Consumer Protection Best Practice Recommendations:<sup>1</sup>

**1. Make DOE's Consumer Savings Hub a one-stop shop for rebates consumer protection information that links to state websites as they go live and has DOE's recommendations all in one place.**

The consumer savings hub could include:

- Key state websites covering Home Energy Rebate program information on state allocations and set-asides for low-income and affordable multi-family properties (acknowledging that these may change over time as programs evolve) and how long the rebates will be available (if this information is predictable and available, as it may not be for all states).

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<sup>1</sup> Many recommendations were sourced from the [National Consumer Law Center](#) (NCLC) and the [National Housing Law Project](#) (NHLP). These recommendations were based upon the U.S. Department of Energy Home Efficiency Rebates Program and Home Electrification and Appliance Rebates Program Requirements & Application Instructions. As states begin implementing their rebate programs, NCLC and NHLP will continue to work with the Department of Energy to further develop and refine essential consumer protections.



- Contact information for state agencies administering the programs (e.g., phone number, email address, and/or web form link to submit questions and concerns).
- Information about [opportunities](#) for stakeholder input if plans are under development.
- Information on other federal programs that provide no-cost efficiency measures for low-income consumers (e.g., federal low-income [Weatherization](#) and [LIHEAP](#) funds can be used for low-cost measures).
  - Highlight recommendations that consumers should apply for these resources before spending their own money.
- A state dashboard or tracker that shows rebate uptake, dollars by state that are still available, and key demographic details for public and consumer awareness.
  - Sample dashboards:
    - The HHS [Low Income Household Water Affordability Program](#)
    - The Affordable Connectivity Program [ACP Enrollment and Claims Tracker - Universal Service Administrative Company tracker](#)
  - State dashboards or trackers should be uniform to allow apples-to-apples comparisons.
  - Dashboards could potentially include data by contractor, zip code, etc.
- Link to ENERGY STAR's [Home Improvement Savings](#) tool.
- *Potential:* Section dedicated to consumer protection resources that could include:
  - Links to each state's Consumer Protection Plan (with a note that these plans must be reviewed every two years). If Consumer Protection Plans are amended, the amended plans should also be posted.
  - Links to each state's qualified contractor lists that the state has approved to offer home rebates.
    - Note: DOE will need to indicate that these are state-approved not DOE-approved lists to ensure this information is not presented as a DOE product or endorsement.
  - An overview of key items to look for in a contractor quote to mitigate against overestimated cost savings, inappropriate charges, and lack of discussion on bill impacts.
  - A hyperlink, phone number, and email address that points a consumer in the right direction to file a complaint.
    - Highlight common potential types of complaints, such as bill impacts not clearly communicated by the contractor.
  - A QR code that businesses, mayors, groups, and others can use in their consumer protection materials that drives consumers to DOE consumer protection resources.

- An FAQ for consumers selecting projects on common questions they should ask as they are selecting contractors.
- Educational information on home energy audits and tools for assessing proposed energy-efficient improvements. When available, include information on available auditors and any program coverage of costs with state plans.
- A basic overview of how the programs flow funds from DOE to the states and then to contractors so consumers are educated on how their tax dollars are used.
- A basic overview of:
  - How consumers will receive the rebate and/or cost discount.
  - How rebates will be deducted at the point of sale or on contractor bills before final receipt/invoice and payment.
  - When consumers and/or contractors will apply for the rebate.
- A basic overview of what contractors and retailers are submitting on behalf of the homeowner, including highlighting language, QR code, etc., on the contract or advertisement about the rebate so the consumer is aware of what they are signing, why they are signing, and where their rebate funds are going.
- A reminder that for appliance purchases that do not require the use of qualified contractors, the homeowner is responsible for ensuring they have the electrical capacity for the new appliance before they make the purchase.

**2. Ensure DOE, state websites, and all public materials prioritize equity and accessibility for consumers.**

- Ensure content is user friendly and written at an appropriate level for target audiences.
- Ensure information is accessible for people with disabilities.
- Have hard copies of the information available so that those without home internet and printers can access it.
- Ensure online information is easy to read from a smartphone (small screen).
  - See Pew’s [information](#) on the demographics of those who are smartphone dependent for internet access.
- Ensure pages are translated accurately for non-native English speakers where appropriate.
- Ensure all links and published materials are working, accurate, and up to date on an ongoing basis.
- Prioritize and streamline content to increase content engagement.

**3. Break publicly available state consumer information into four groups (as they have distinct needs/eligibility requirements).**

1. Single-family owners

2. Tenants
3. Affordable multi-family property owners
4. Contractors

#### **4. Amplify the qualified contractors lists that states are required to create.**

Per DOE guidance, states are required to create qualified contractor lists. The DOE Consumer Savings Hub will link to these lists on state websites. Note: Contractors will not be listed directly on the DOE website, but information will be available via state pages.

- Provide links to states' lists of the qualified retailers and distributor partnerships to help consumers make informed decisions.
- On the qualified contractor information page, directly link to consumer education materials and questions for customers to ask contractors to help them select the best-qualified contractor for their job.
- Alert consumers that using qualified contractors is not a guarantee against unfair business practices.

#### **5. Provide information on other programs that provide no-cost efficiency measures for low-income consumers.**

- Example programs: federal low-income [Weatherization](#) and [LIHEAP](#) funds can be used for low-cost measures.
- Ensure states provide information on [utilities](#).
- Given the complexities of braiding resources with the various eligibility criteria for federal, state, and local programs, it would be ideal if states provided navigators to help consumers determine the best way to achieve energy efficient improvements.
  - For example, the California Mortgage Relief Program has engaged with nearly 100 HUD-certified counseling agencies across the state, nearly a dozen organizations that give legal assistance to Californians, and 17 community-based organizations to provide homeowners with application navigation services. These organizations provide direct connections to homeowners in their communities, offering application assistance and answers in several languages, and serving as a liaison relaying critical updates to complement the program's outreach efforts.

#### **6. Provide links to state websites and the key sections of states' Consumer Protection Plans.**

This includes Consumer Feedback Procedures, Dispute Resolution Procedures, Data, Inspection, and Installation Procedures, and the state's process for continuous improvement. Additional information should also be highlighted on the state website, including:

- Highlight consumer protections if financing is involved.
- Highlight consumer protections if bill impacts were not clearly communicated by the contractor.

- Highlight complaint information:
  - Provide a button on the home page allowing consumers to arrive at the location where they can file a complaint with the appropriate agency.
  - Provide consumers with easy-to-understand instructions for submitting a complaint.
  - Identify state agencies and other entities that can help regarding consumer complaints (e.g., state energy office, state’s ratepayer advocate, state contractor licensing board, state financial regulatory agency if applicable, Better Business Bureau (BBB), state Attorney General’s Consumer Protection Section, etc.).
  - Provide information on any available state remedies.
  - Provide information on how to [find](#) an attorney and any special resources for any subset of homeowners (e.g. for seniors, etc.).

### **7. Support states and territories in adopting best practices.**

Because recipients are in the beginning phase of designing and establishing their Home Energy Rebate programs, DOE has an opportunity to support their adoption of best practices:

- Share data across states to mitigate cross-state fraud. DOE is developing a rebate API tool to allow states to generate rebates and link rebates to a geo-located address.
  - Consider establishing an information-sharing framework to collect and analyze data and consumer complaints across all recipients to address the inevitable cross-recipient fraud schemes.
- Use available resources to verify the legitimacy of rebate requests.

### **8. Consider developing a process to validate consumer income self-attestation claims prior to issuing rebate payments.**

DOE is already working on linking rebates to addresses via geolocation through the developed API tool, and DOE will explore the possibility of layering reliable income data from external sources.