

NYS Clean Heat

Upstate Utilities

Quality Policies and Procedures

Table of Contents

10	Overview.....	3
1.1	<i>National Grid Pre-Payment Inspection Process.....</i>	4
20	Program Roles and Responsibilities.....	4
3.0	Project Assessment	5
3.1	<i>Site Assessments</i>	6
3.2	<i>Sampling Protocol</i>	6
4.0	Selecting Completed Projects for Site Visits	7
4.1	<i>Air Source Heat Pump (ASHP) Project Selection</i>	7
4.2	<i>Ground Source Heat Pump (GSHP) Project Selection</i>	8
4.3	<i>Heat Pump Water Heater (HPWH) Project Selection</i>	8
5.0	Participation Status and Status Review Process	9
5.1	<i>Provisional Status.....</i>	9
5.2	<i>Full Status.....</i>	9
5.3	<i>Probationary Status</i>	10
5.4	<i>Suspended Status</i>	11
5.5	<i>Terminated Status.....</i>	12
5.6	<i>Inactive Status.....</i>	13
5.7	<i>Diagram of Status Changes.....</i>	13
6.0	Contractor Evaluation Process.....	14
6.1	<i>Participating Contractor Feedback and Training</i>	15
7.0	Status Notification Process.....	16
8.0	Field Assessment Report	17
9.0	Scoring Criteria.....	17
9.1	<i>Overall Assessment Scoring Criteria.....</i>	17
9.2	<i>Nonconformance Categories.....</i>	18
9.2.1	<i>Minor</i>	18
9.2.2	<i>Major</i>	18
9.2.3	<i>Critical</i>	18
9.3	<i>Score Descriptions</i>	19
10.0	Procedure for Handling Nonconformances and Corrective Action.....	19
10.1	<i>Observation Visits Requiring Corrective Action</i>	21
11.0	System Shutdowns	21
12.0	Procedure for Contesting a Score	21
13.0	Contractor Badging System	22

1.0 Overview

Program Administrators¹ maintain the integrity of the NYS Clean Heat Program by managing the site assessment system for the program. The site assessment program has several components, including the establishment of program standards and field and/or photo/desk site visits. On-site visits (i.e., "site visits", "field visits", or "inspections") include the verification of contracted scope of work, accuracy of site conditions used to select equipment, comparison of installation to approved construction documents, and the observation of functional tests demonstrating the capabilities of the heat pump installation. The site assessment program will cover space and water heating projects listed in Categories 2-5 of the NYS Clean Heat Program Manual.

Program Administrators or their representatives will conduct routine review and site visits on a systematic sampling basis to visit the customer site before, during, and/or after installation of a heat pump system as deemed appropriate. The utility or its representative selects completed projects for site assessment following a rational sampling protocol with sampling rates primarily based on the Participating Contractor's current program status and whether the incentive application relates to an ASHP system, to an AWHP system, to a GSHP system, or to a HPWH. In the assessment, a project is evaluated against a technology-specific checklist and assigned a score of 1-5. Program Administrators may contact the utility customer, site owner, and/or Participating Contractor to facilitate and schedule such site assessment activities.

Assessment activities are to be conducted by a qualified independent third party competitively selected by the Program Administrator. This third-party contractor will also be known as the Quality Service Provider ("QSP"). Program Administrators will administer such QSPs in the performance of their activities.

Site visits/activities will be conducted using standardized methods for on-site visits as approved by the Program Administrator. The QSP will utilize the standardized methods to verify that all required documentation necessary to demonstrate compliance with applicable codes and standards, as well as manufacturers' warranties, if applicable, have been satisfied as determined by the Authority Having Jurisdiction ("AHJ"). The QSP does not inspect projects for the purpose of determining code compliance or enforcement. The assessment methods and associated instruments used in service of these activities, such as checklists, will be available for review on the NYS Clean Heat Program webpage² and updated on a routine basis.

The site visit will provide Program Administrators with an opportunity to evaluate the accuracy

¹ For the purposes of this document, the Program Administrators consist of Central Hudson Gas & Electric Corporation ("Central Hudson"), Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric & Gas Corporation ("NYSEG"), Orange and Rockland Utilities, Inc. ("Orange & Rockland"), and Rochester Gas and Electric Corporation ("RG&E"). Con Edison is also a Program Administrator of the NYS Clean Heat Program, but they maintain separate Quality Policies & Procedures.

² <https://cleanheat.ny.gov/standards-field-assessments/>

of the application information and associated design documents as well as to observe that the system is capable of performing the sequence of operations required to ensure such systems are capable of providing heating and cooling. The QSP does not provide assurance that the system satisfies health and safety requirements as these are the sole jurisdiction of the code enforcement official. Any eminent hazard observed during a site visit or the inability to safely access the site will be reported to the appropriate authority.

Such site visit(s) will be at a time convenient to the site owner/customer or their designated representative. The site owner/customer is encouraged to allow the contractor to attend the inspection. If the customer declines to have the contractor present at the time of the inspection, no notice of scheduled site visits will be sent out to the contractor. If the site owner/customer accepts the attendance of the contractor, notice of the scheduled site visit will be sent to both parties.

The Program Administrator will make a reasonable effort to accommodate the schedule of the contractor, but the schedule of the site owner/customer and efficient inspection scheduling take precedence.

1.1 National Grid Pre-Payment Inspection Process

National Grid has a process that requires an application to go through the site assessment process before releasing incentive payment. This pre-payment inspection process is the default for National Grid applications only.

Regardless of payee, the payment will be held until the site assessment either passes or all nonconformances are corrected. Any nonconformances found during a pre-payment inspection must be resolved by a Participating Contractor before the selected application receives incentive payments from the Program. A Participating Contractor will be required to submit evidence for review, including photographic documentation, to rectify any nonconformances identified in the Corrective Action Report ("CAR") that is issued after an inspection.

National Grid will also sample applications for site assessment that do not follow this default process and are inspected after incentive payment is released, where appropriate (i.e., customer requests an inspection after incentive processing is completed). Exceptions to the pre-payment inspection can be made at National Grid's discretion.

2.0 Program Roles and Responsibilities

The Participating Contractor shall be solely responsible for the installation of heat pump system equipment in conformance with the design documents and manufacturer's instructions. The Participating Contractor is responsible for adherence to all applicable local codes and standards. The roles and responsibilities of the Participating Contractor are as follows:

- Party to the agreement with the customer and/or their designated representative

- Responsible for the installation of the equipment in accordance with local codes and standards, applicable manufacturer's installation instructions, and design documents (if applicable)
- Agrees to terms of Program Administrator-specific Participating Contractor Agreement
- Responsible for addressing customer complaints, warranties, and production guarantees
- Responsible for maintaining a credentialed person on staff providing direct supervision of the work
- Responsible for addressing and correcting all nonconformances identified in the assessment activities
- All equipment and accessories must be installed in a competent and professional manner

3.0 Project Assessment

The purpose of the site assessment is to provide the Program Administrator with an opportunity to evaluate the accuracy of the site analysis, design documentation, and the installed function of heat pump equipment to determine compliance with program rules that will influence the actual energy savings for program evaluation purposes, and associated manufacturer's instructions as evidenced by associated approvals and warranties.

Project assessment shall be based on the category of heat pump being installed under the Program:

Category	Assessment Checklist
2: ccASHP: Residential Full Load Heating	
2a: ccASHP: Residential Full Load Heating with Integrated Controls	Air-Source Heat Pump (ASHP) or Air to Water Heat Pump (AWHP), as applicable
2b: ccASHP: Residential Full Load Heating with Decommissioning	
3: GSHP: Residential Full Load Heating	Ground-Source Heat Pump (GSHP)
5b: GSHP Desuperheater	
4: Partial to Full Load	Air-Source Heat Pump (ASHP)
5: Downstream Domestic Water Heating	Heat Pump Water Heater (HPWH)

3.1 Site Assessments

Site assessment visits are scheduled at the site owner/customer's convenience. A notice of the scheduled site assessment is sent to both the site owner and the Participating Contractor (if approved by the site owner) approximately one week in advance. Customers are encouraged to allow the Participating Contractors to attend the site visit to answer questions and perform functional tests as may be required to demonstrate compliance with program rules. If the customer agrees, the contractor will be notified at least 5 days before the scheduled site visit. For applications subject to National Grid's inspect-then-pay requirement (see Section 1.1), the contractor will be notified the same day that the customer agrees to a site assessment. The site assessment may occur within less than 5 days of that notification if the customer prefers faster timing. Reasonable effort will be made to accommodate the schedule of the Participating Contractor, but the site owner/customer's convenience and efficient scheduling of site visit take precedence.

Site owners/customers have the right to request that the installing contractor not attend the site visit. In these situations, the contractor will not be notified of the scheduled site visit, but they will receive a report within 15 business days.

Following the site assessment, the QSP produces a detailed report (Site Assessment Report, "SAR") and, if necessary, a Corrective Action Report ("CAR") and determines whether the project fully complies with all program requirements and meets acceptable standards of workmanship. The reports are made available to the installer after the assessment, following an internal review and scoring by the Program Administrator or its representative within 15 business days from the date of the assessment. If the site owner wishes to receive a copy of the report, they may request it from their contractor or can submit a request to their respective Program Administrator.

The Program Administrator or its representative may select any completed project at any point in the future for site assessment based on site or system owner's complaints, warranty-related issues, or a review of the work done by a Participating Contractor under status review or program disciplinary action, or for any other cause at the sole discretion of the Program Administrator or its representative.

All Participating Contractors are encouraged to perform in-house quality control of each project.

3.2 Sampling Protocol

Projects completed through the program may be selected for post-completion observation visits by the Program Administrator or its Quality Service Provider. Although projects selected for site visits generally occur within 30 to 90 days from the date that the Implementation Contractor³

³ For the purposes of this program, an Implementation Contractor is a vendor under contract with the Program Administrators who supports program implementation. Implementation Contractors may provide support for Participating Contractors, process and review applications for incentives, conduct inspections,

finalizes review of the application, the Program Administrator reserves the right to visit projects at any time should specific concerns be brought to their attention. The Quality Service Provider should not regularly schedule site visits later than 90 days after project completion unless in response to special circumstances.

Participating Contractors will receive at least one site visit per year regardless of their experience and performance in the program.

Customers may, at any time, request a site visit. Customers can do so by reaching out directly to their respective utility's Program Administrator contact. Please see Section 12.0 for additional contact details.

4.0 Selecting Completed Projects for Site Visits

The purpose of the site visit is to provide the Program Administrator with an opportunity to evaluate the accuracy of the site analysis, conformance with design documents, and the operational performance of the installed heat pump equipment, as such criteria may influence the actual energy savings for program evaluation purposes.

4.1 Air Source Heat Pump (ASHP) Project Selection

The Program Administrator intends to conduct site visits for air-source heat pumps based on the following sampling rates:

- **Provisional**⁴ status Participating Contractors will initially be subject to up to a 100% inspection rate. After demonstrated competency, their site visit rate will be lowered when moved to Full status. Participating Contractors must achieve a score of 3.0 or better on three consecutive inspections with no outstanding major nonconformances to advance to Full status. If any of the first three visits receives a failing score, the Participating Contractors will be subject to further site visits until such time as three consecutive projects receive a score of 3 or higher.
- **Full** status Participating Contractors and/or designers will be subject to a 7.5% inspection rate.
- **Probationary** status Participating Contractors will be subject to up to a 100% inspection rate.
- **Suspended** status Participating Contractors will not be eligible to participate in the program until such time as the Program Administrators in their sole judgement deem they have satisfied the basis of their suspension.

The Program Administrator may select any completed project at any point in the future for site

and issue incentive payments.

⁴ Please see Section 5 for a description of each of the status levels.

visits based upon the site owner/customer or designated representatives' complaints, warranty-related issues, or a review of the work done by a Participating Contractor under status review or program disciplinary action, and for any other cause at the sole discretion of the Program Administrator.

4.2 Ground Source Heat Pump (GSHP) Project Selection

The Program Administrator selects specific completed projects for site visits following a sampling protocol. The sampling protocol utilizes rational sampling of completed units with sampling rates primarily based upon the current GSHP (Category 3) program Participating Contractor's experience and performance.

The Program Administrator intends to conduct site visits for ground source heat pumps based on the following sampling rates:

- **Provisional** status Participating Contractors will initially be subject to up to a 100% inspection rate. After demonstrated competency, their site visit rate will be lowered when moved to Full status. Participating Contractors must achieve a score of 3.0 or better on three consecutive inspections and have no outstanding nonconformances to advance to Full status. If any of the first three visits receives a failing score, the Participating Contractors will be subject to further site visits until such time as three consecutive projects receive a score of 3 or higher.
- **Full** status Participating Contractors and/or designers will be subject to up to a 30% inspection rate for up to 12 months, and lowered to up to a 15% inspection rate after 12 months.
- **Probationary** status Participating Contractors will be subject to up to a 100% inspection rate.
- **Suspended** status Participating Contractors will not be eligible to participate in the program until such time as the Program Administrators in their sole judgement deem they have satisfied the basis of their suspension.

The Program Administrator may select any completed project at any point in the future for site visits based upon the site owner/customer or designated representatives' complaints, warranty-related issues, or a review of the work done by a Participating Contractor under status review or program disciplinary action, and for any other cause at the sole discretion of the Program Administrator.

4.3 Heat Pump Water Heater (HPWH) Project Selection

The Program Administrator intends to conduct site visits for heat pump water heaters (Category 5) based on a 7.5% sampling rate for all units. In addition, heat pump water heaters installed in conjunction with ASHP projects will also be assessed under the corresponding guidelines found in the ASHP Checklist. Data collected from these assessments will be used to determine future program protocols.

5.0 Participation Status and Status Review Process

Participating Contractors will be classified in one of the following status designations: Provisional, Full, Probationary, Suspended, or Terminated. Each designation will be subject to limitations or requirements associated with that status. The Program Administrators reserve the right to modify the definition, limitations, and requirements of these designations. A Participating Contractor's progression into and/or through any status designation is determined at the sole discretion of the Program Administrators. The designation or existence of a Participating Contractor in any status category does not relieve or modify the nature or scope of such Participating Contractor's responsibilities to fulfill any of its outstanding obligations under the program, including but not limited to those obligations owing or relating to system or site owners. Participating Contractors in all active statuses are strongly encouraged to attend at least the first three site assessments as it provides an opportunity to learn the site assessment process.

5.1 Provisional Status

All new Participating Contractors will initially be classified as Provisional and will remain as such until three successive site assessments with a passing score have been achieved. The Program Administrators will conduct a formal evaluation for a change to Full status, which will be based upon the quality and consistency of work and full compliance with program rules, including current qualifications as previously described.

5.2 Full Status

At the Program Administrators' discretion, Participating Contractors may be placed in Full status when they have:

- Met all program requirements for credentialing, experience, and installation quality
- Successfully completed the terms of the Provisional period, including three consecutive successful site assessment scores and an average score of at least 3.0
- Demonstrated quality services through past performance

Participating Drillers are automatically deemed to have Full status. All Full status contractors will be listed on the NYS Clean Heat Program webpage and their status may be designated accordingly.

- Participating Contractors who have successfully completed the terms of the Provisional period and who have demonstrated through past performance that they provide quality services will be placed in Full status.
- Full status contractors (Full Participating Contractors) will be listed on the NYS Clean Heat Program webpage.
- Full Participating Contractors must consistently deliver projects that attain satisfactory

scores with both the document reviews and site visits.

- Full Participating Contractors must meet program standards in terms of timely responses to the Program Administrators' communications and site visits' corrective action requests.
- Full Participating Contractors must take effective corrective actions to mitigate nonconformances, applicable to all program rules as identified by the Program Administrator.

Full Participating Contractors are required to maintain the credentialing standards referenced in the Participation Requirements section. Failure to satisfy this program requirement and present appropriate documentation will result in an immediate change to Probationary status.

5.3 Probationary Status

Probationary status is reserved for Participating Contractors who have failed to consistently meet the requirements of the program. Probation is prescriptive in nature with both a specific list of requirements and a timeframe for achieving those results.

Participating Contractors may be placed in Probationary status for any of the following reasons:

- Violation of program rules or business ethical standards
- Failure to consistently deliver completed projects that pass the site assessment standard with a minimum score of 3.0
- Failure to take effective corrective actions on a Critical or Major nonconformance or a repeated incidence of Minor nonconformances in work quality or performance
- Three or more corrective action notices that have not been responded to or remain unresolved for more than 30 days
- A lapse in required credentials

Contractors may receive a formal warning letter outlining program findings related to a contractor's actions out of compliance with program rules or business ethics standards, and expectations by Program Administrators to prevent a contractor's entrance into Probation Status. Movement to Probation without warning may be done at the discretion of Program Administrators.

The Probationary period will not be less than 90 days. Projects completed by Participating Contractors on Probationary status may receive enhanced oversight. During the Probationary period, the Participating Contractor can expect the following:

- Will not be listed on the NYS Clean Heat Program webpage
- May not continue to submit new incentive applications during the defined probation period, unless as part of the requested action plan
- Will be subject to higher inspection levels as outlined in this manual

- Must remediate all issues related to Probation, as directed by the Program Administrator(s)
- Must submit an agreed-upon action plan in writing designed to ensure future violations are avoided
- Must demonstrate successful results through a specified number of completed projects
- May be mentored on the next installation at Program Administrator's request

Upon satisfactory completion of the action plan and all remediation, and upon review of Probationary period assessment results, the Program Administrators will determine in their sole discretion whether to return the Participating Contractor to Full or Provisional status, continue the Probationary period, or to suspend and/or terminate the Participating Contractor from the program. Please refer to your formal Probation Letter for specific permissible items and expectations during the Probation period for your company.

5.4 Suspended Status

Participating Contractors who have failed to respond to prescriptive probation or commit more serious violations of program rules will be suspended.

Participating Contractors may be suspended from the program in the following situations:

- Fail to adequately fulfill the terms of the Probationary period
- Are placed on probation for a second time within 12 months
- Are under investigation for (or the determination has been made to have been) engaging in practices that put the public or program at risk
- Have outstanding and unresolved request(s) for return of incentive payment to the utility due to failure to meet program requirements
- Have submitted any program application or incentive application documentation falsifying required items, including but not limited to permits, approvals, and site owner signatures
- Have had a lapse in the maintenance of required credentials while on Probationary status
- Fail to consistently deliver completed projects that pass the site assessment standard

During a suspension, at the request of any Program Administrator, the Participating Contractor is restricted in the following ways:

- Will be removed from the NYS Clean Heat Program webpage
- Will not be allowed to submit new incentive applications to the program
- Must complete any work that was in progress at the time of suspension, with system

and/or site owner's consent

- Prohibited from being represented as a Participating Contractor except in the execution of remedial action
- May, depending on the reasons for suspension, be directed by any Program Administrator to remediate issues related to the suspension, and may be required to submit to the program, in writing, an agreed-upon action plan that is designed to ensure future violations are avoided

At the Program Administrators' sole discretion, Suspended Participating Contractors will either progress to Probationary status upon satisfactory completion of the specified remedial activities or resolution of issues related to the suspension, or they will be terminated from program participation. Regardless of program status, Participating Contractors will remain responsible for fulfilling any outstanding obligations to the program or site owner.

5.5 Terminated Status

Participating Contractors who fail to respond to prescriptive and disciplinary measures or have committed serious violations of program rules may be terminated from the program.

Participating Contractors may be terminated from the program in the following situations:

- Have been on suspended status for more than 30 days and unresponsive to or failed to adequately fulfill the terms of their suspension
- Have had their credentials lapse while suspended
- Submits falsified documents or unauthorized signatures to the program
- Commits illegal actions while participating in the program
- Is convicted or has a principal who is convicted of a criminal charge that casts the program in a negative light or calls the integrity or work of the Participating Contractor into question
- Is in gross violation of program standards
- Fails to adhere to the Terms & Conditions contained within the signed Participation Agreements
- Bills for measures that are not installed
- Fails to adhere to the Terms & Conditions contained within the signed Participation Agreement
- Requests removal from the Program
- Fails to meet the terms of the Provisional period

Terminated Participating Contractors are prohibited from future participation. Site owners with incomplete projects will be notified of the Participating Contractor's termination status. If

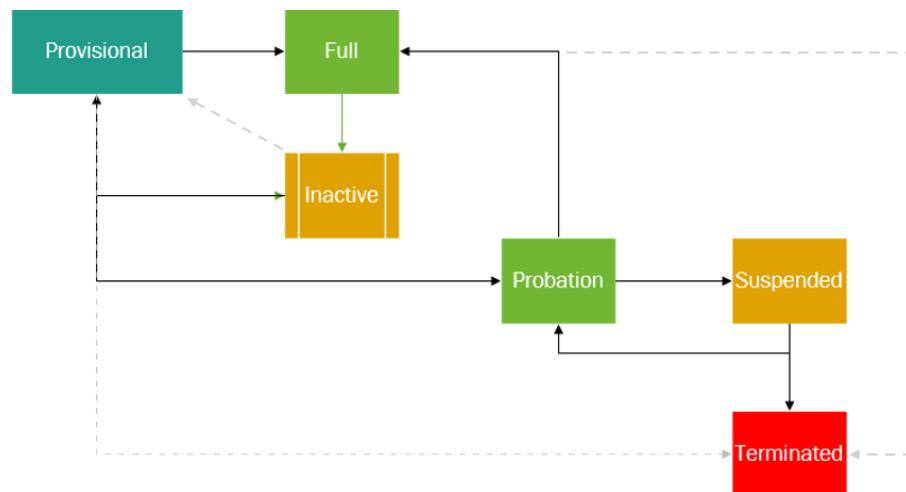
appropriate, the Program Administrator may notify the New York State Attorney General, the New York State Department of Labor, the Better Business Bureau, or others of their findings and decision to terminate the Participating Contractor.

The officers, directors, and owners of the terminated Participating Contractor are prohibited from holding positions of that nature with any other Participating Contractor. Regardless of program status, Participating Contractors will remain responsible for fulfilling any outstanding obligations to the program or site owner.

5.6 Inactive Status

Participating Contractors may be declared inactive if they have not had an approved project in the program over a 6-month period. Contractor performance will be evaluated every 6 months. Contractors not on pace to meet minimum production requirements will be required to submit a workplan for meeting Programmatic production requirements. A Participating Contractor who fails to meet the production requirement 6 months after the execution of this Agreement and fails to provide a sufficient workplan will be placed in an inactive status. Inactive contractors will be removed from the Participating Contractor Find A Contractor tool, will no longer receive email notifications, and will not be eligible for incentives or financing options. Should they wish to participate in the future, they may reapply under the rules in place at that time.

5.7 Diagram of Status Changes



6.0 Contractor Evaluation Process

Review of contractor eligibility will be conducted monthly to assess contractor performance and program compliance in relation to the contractor's current status. Monthly reviews and associated project reviews are intended to assist underperforming Participating Contractors and help them improve their performance by identifying any training needed, recognizing Participating Contractors who are providing high-quality services, and managing program risk to ensure market confidence.

To monitor a contractor effectively, the Program Administrator and the QSP must carefully document performance and work cooperatively with the Participating Contractor.

Procedure:

1. The QSP will coordinate with the Program Administrator every week.
2. Periodically, the QSP/Program Administrator will generate a contractor performance summary report from the data collected on all site visits:
 - a. The QSP/Program Administrator highlights underperforming contractors with an average score of less than 3 during the previous 12 months provided that at least 3 inspections were completed.
 - b. The QSP/Program Administrator highlights nonconformance trends for the overall program and for each individual contractor.
 - c. The QSP/Program Administrator highlights overdue Corrective Action Reports.
 - d. The QSP/Program Administrator compiles a list of contractors with three or more of the same nonconformance over a six-month period.
3. Program Administrators maintain notes on trends identified for each contractor that are updated monthly.
4. The QSP evaluates contractor performance and provides status change recommendations:
 - a. Provisional contractors with three consecutive project completions meeting minimum standards (score of 3 or higher) are recommended to be moved to Full status.
 - b. Provisional and Full contractors are recommended to be moved to Probationary status based on the performance trend:
 - i. Review of average scores (below a 3 for the 12-month inspection average), inspection rate, and project volume. If trending downward, the QSP will recommend that the contractor move status and will provide the Program Administrator with a list of the contractor nonconformances.
 - ii. If trending downward and installation activity is low, a watch is put on the contractor. The Program Administrator will review application status to see how many applications are in the pipeline while the contractor is on the watch list.
5. If Program Administrator and QSP agree contractor is to be demoted:

- a. The Program Administrator will draft a disciplinary action letter detailing why the contractor is being put on probation or suspension, what has failed, and CARs if applicable. The Program Administrator will request an action plan for improvement and will outline the terms of probation or suspension.
 - i. Probation – 90 days
 - ii. Suspension – 90 days or until terms of suspension have been addressed as outlined in the disciplinary action letter
 - b. The Program Administrator sends the letter to the QSP to review.
 - c. The Program Administrator sends a signed disciplinary action letter to the contractor and saves a copy.
 - d. The Program Administrator schedules a conference call with the Implementation Contractor and the contractor to review the disciplinary action letter; the conference call is scheduled within one week from issuance of the letter.
 - e. The Program Administrator will change the contractor's status in the program's Assessment database.
 - f. Every two weeks after the initial conference call the Program Administrator schedules a conference call with the contractor and the QSP to review their progress through the disciplinary action plan.
6. When the Program Administrator and QSP agree the contractor has fulfilled all requirements of the disciplinary letter:
 - a. The Program Administrator will send a status letter to the contractor and save a copy.
 - i. Status can change from Probation to Full or Suspended to Probation
 - ii. Status shall never change from Suspended to Full
 - b. The Program Administrator will change the contractor's status in the assessment database.
7. If the contractor has not fulfilled all requirements of the probation letter by the due date:
 - a. The Program Administrator and QSP will research why the requirements were not met.
 - i. No inspections due to no project completions – extend probation period
 - ii. Inspection scores not improving – extend probation or suspend
 1. The QSP will review all inspection reports and identify trends
 2. The Program Administrators will review program compliance issues

6.1 Participating Contractor Feedback and Training

Contractor feedback is anticipated to have significant, direct positive effects on performance, as performance feedback encourages participation in training opportunities as provided by New York State Energy Research and Development Authority ("NYSERDA") workforce development efforts.

During contractor evaluations, the Program Administrator and the Quality Service Provider will have identified nonconformance trends for each contractor individually and the heat pump program overall.

Based upon the nonconformances identified in the inspections, the Program Administrators will work with NYSERDA to develop training programs and resources to recommend to contractors for continuous improvement.

7.0 Status Notification Process

The status review process for administering Probationary, Suspended, or Terminated status is as follows:

- The Program Administrator will provide written notice of at least 10 business days of its intention to act. The notice will outline the specifics for disciplinary action along with supporting documentation for the proposed action.
- During this period, the Participating Contractor will have an opportunity to dispute the program violation notification.
- If the Participating Contractor fails to respond to the Program Administrator prior to the end of the notice period, the stated disciplinary action will go into effect without further notice.
- The Program Administrator will promptly review any request for an appeal of the decision received before the end of the notice period.
- The Program Administrator will confirm, reverse, or place its action on hold based upon a review of all information received within 10 business days of receipt.
- Intended and final action letters will be sent via email and U.S. mail. The notice period commences on the date of the email from the Program Administrator.

The Program Administrator reserves the right to shorten these notice periods or take immediate action in the event of an emergency, as determined by the Program Administrator.

When a Participating Contractor fails to consistently complete projects that pass site assessments or fails to respond to or remedy noted nonconformances, the Program Administrator may review their status in the program and take further action.

A Participating Contractor may be moved to Probationary or Suspended status, in which specific results and a timeline for demonstrating those results will be prescribed and monitored. The Participating Contractor may be terminated from the Program at any time if determined necessary.

8.0 Field Assessment Report

Following the site visit, the third-party QSP will produce a detailed report and determine whether the project fully complies with all program requirements.

The report will be made available to the Participating Contractor approximately 5 business days after the site visit following an internal review and scoring by the QSP. The report will be made available to the system owner upon submission of a request directly to the Program Administrator.

The site visit report will provide all evaluated elements of the project and list any nonconformances identified. Projects that have nonconformances designated as Critical (health and safety) or Major (system performance) attributes will automatically fail. Projects that have only nonconformances related to minor attributes will pass, unless more than 3 items are identified. The contractor is responsible for correcting all nonconformances identified in the time required by the Program Administrator. Participating Contractors are required to submit proof to the Program Administrator demonstrating correction of all Major and Critical nonconformances identified on the site visit report.

9.0 Scoring Criteria

The scoring criteria characteristics will be used as a guideline for the QSP to observe criteria associated with installation quality, but this does not relieve the Participating Contractor of the responsibility to meet all program criteria.

These assessment scores will:

- Allow the Program Administrators to gauge the relative quality of installations across contractors, regions, or other screening criteria
- Allow the Program Administrators to track trends in installation quality over time
- Provide valuable feedback to Participating Contractors

9.1 Overall Assessment Scoring Criteria

Each inspection will receive a score on a five-point scale. This score is an indicator of the overall quality and compliance with Program requirements, based on the number and type of nonconformances observed.

Specific criteria for each score are given below:

QA Scoring Matrix			
Score	Minor	Major	Critical
5	0	0	0
4	Up to 1	0	0
3	2 or 3	0	0
2	4 or more	Up to 1	0
1	N/A	2 or more	1 or more

When assigning an assessment score, the QSP will consider the highest level of nonconformance observed. For example, a system with two Major nonconformances would receive a score of 1, even if it had no Minor nonconformances.

Systems with any Critical nonconformance will automatically receive a score of 1. A system with four Minor nonconformances would receive a score of 2 or 1 depending on severity. Similarly, a system with only one Minor nonconformance would receive a score of 4 since it does not quite meet the requirements to get a 5 but exceeds the threshold to receive a score of 3.

The final score will be determined by both the QSP and the Program Administrator. The Program Administrator will have the sole discretion, if necessary, to recommend a higher or lower score, based on a holistic view of the installation.

9.2 Nonconformance Categories

9.2.1 Minor

Minor nonconformances require a licensed professional to address but are not expected to pose a substantial risk of system failure or hazard. An example of a Minor nonconformance is as follows:

- If unit is connected to the building's framing, vibration dampeners are not installed

9.2.2 Major

Major nonconformances present an increased risk of system failure or hazard but are not determined to pose imminent danger. Examples of Major nonconformances are as follows:

- System installation not adhering to manufacturer's guidance in installation manual
- System controls cannot perform as anticipated in a functional test to demonstrate the sequence of operations

9.2.3 Critical

Critical nonconformances present an imminent hazard and/or probability of system failure.

These issues must be addressed quickly to prevent injury or damage to property. Examples of Critical nonconformances are as follows:

- Conditions that prevent the QSP from having clear safe access to the equipment
- Refrigerant leak detector identifies leaks in the accessible fittings

9.3 Score Descriptions

Each inspection will receive a score on a five-point scale. This score is an indicator of the overall quality and compliance with program requirements, based on the number and type of nonconformances observed. Projects receiving an inspection score of 1-2 are considered failures whereas projects receiving an inspection score of 3-5 are passing scores.

5: System Meets All Program Criteria

A system receiving a score of 5 is in conformance with all Minor, Major, and Critical site visit criteria. These systems are examples of best practices in heat pump system installation.

3-4: System Meets Key Program Requirements

A system achieving a score of 3 or 4 meets basic program requirements, but it may require some modification to be considered fully compliant.

1-2: System Does Not Meet Program Requirements

Systems receiving a score of 1 or 2 have failed to meet key program requirements and present an imminent hazard and/or probability of system failure. These systems may require urgent attention to address safety concerns.

10.0 Procedure for Handling Nonconformances and Corrective Action

The Participating Contractor is solely responsible for ensuring compliance of the heat pump system installation with all applicable laws, regulations, rules, and standards, including requirements of the local Authority Having Jurisdiction. The contractor is responsible for correcting all nonconformances identified in the assessment activities to the satisfaction of the Program Administrator. Contractors are required to submit proof demonstrating correction of all items identified. Contractors may also be put on Probationary status, suspended, or terminated from the program based on the results of site assessment activities or for otherwise violating program requirements.

The Site Assessment Report will provide details of all evaluated elements of the project and list any nonconformances that were identified. The report will identify the overall score of the project and whether this result passes or fails program requirements.

All nonconformances are expected to be addressed and corrected. When the Program Administrator seeks specific corrective action, an email notice will be provided with the SAR

and/or CAR. The CAR must either be disputed within 15 business days by contacting the Program Administrator or remedied within 30 days. If corrective action is not disputed or remedied in a timely manner, the Program Administrator will adjust Participating Contractor status as described in the Participation Status and Status Review Process section.

Sufficient evidence of the remediation must be provided to the Program Administrator to document the completion of the required corrective action. The Program Administrator may at its option conduct a visit of the remediated installation.

Acknowledgement and plans for preventing future problems may be requested along with the report. While some nonconformances cannot be corrected post installation, others can be remedied through corrective action to documentation, incentive applied to the project, or remediation of the installation or its components.

In the instance of past due or unacknowledged corrective action response forms, the Program Administrators may send a Probationary Warning Notice detailing unacknowledged corrective actions and nonconformances at their discretion. Should these items remain unresolved after the specified timeframe, the Program Administrators will adjust the Participating Contractor status as described in the previous sections.

The Program Administrator or its representative may, at its discretion, conduct a site assessment of the remediated installation. The Program Administrator has the right to provide a copy of the site assessment report, corrective actions table, or specific information from the site assessments directly to the site owner based on health, safety, and compliance concerns.

If the assessor observes an unsafe condition associated with the installation, the contractor shall immediately inform the Program Administrator, consistent with their contractual obligations, and the utility will, in conformance with their own standard operating procedures, inform the appropriate authorities and/or conduct a lock-out disabling use of such equipment.

The report will identify the overall score of the project for the purpose of maintaining good standing in the Participating Contractor network and specific non-compliance issues that should be addressed. The Program Administrators expect Participating Contractors to avoid repeating nonconformances in future projects that were identified in a prior site assessment report. Acknowledgement and plans for preventing future problems may be requested along with the report.

The Program Administrator retains the right to provide a copy of the inspection report or specific information from the site visit directly to the system owner, all AHJs, or the interconnecting utility based upon health, safety and compliance concerns or other cause at the sole discretion of the Program Administrator.

The Program Administrator may, at its sole discretion, communicate by voice and/or written format with any of the customers or designated representatives with respect to any matter relevant to a proposed or installed heat pump system. Such communications may be in reply to an inquiry from a customer or at the Program Administrator's initiation.

10.1 Observation Visits Requiring Corrective Action

All nonconformances are required to be addressed within 30 days of issuing the report.

Critical and Major nonconformances require a response through the link sent with the site visit report and within the email notification.

Corrective actions will be reviewed and responded to by the Program Administrator staff or its representative. If the Program Administrator accepts the corrective action, the nonconformance will be marked as resolved. If the Program Administrator does not accept the response, the nonconformance will be marked to resubmit with a description of why the response was not accepted. The nonconformance will remain open until the Program Administrator accepts a response.

11.0 System Shutdowns

If circumstances are observed that present an imminent hazard, the Program Administrator or its representative or the QSP may contact the local utility to shut down (i.e., "lock out") the system.

The Program Administrator will notify the site owner/customer or designated representative immediately whenever it takes such action.

In the event an inspector feels a heat pump system, as installed, presents an imminent hazard to the health and safety of the occupants, the following procedure will be followed:

1. The QSP contacts the Program Administrator to review critical issues and confirm the shutdown decision.
2. The QSP informs both the customer and the utility of such circumstances.
3. The QSP calls the system contractor to notify them of the situation and the shutdown. The contractor is informed that the system may not be operated without corrective action being taken. The contractor may address critical issues before receiving the report.
4. The QSP will telephone and email notice of such observations immediately to the Program Administrator staff.
5. The QSP will deliver a report to the Program Administrator within three business days.
6. Once the contractor receives the report, they must coordinate any required re-inspection with the local Authority Having Jurisdiction or third-party inspection authority.

12.0 Procedure for Contesting a Score

A Participating Contractor may contest the findings of a report by emailing supporting documents and information to the appropriate Implementation Contractor at the listed email address (see contact information below). The request must be submitted to the Implementation

Contractor within 15 business days of receiving the inspection report.

Upon review, if the Program Administrator agrees with the Participating Contractor, the nonconformance will be removed. The score may or may not change based on other nonconformances. If the Program Administrator agrees with the QSP, the nonconformance will stand, and the score will remain the same.

Program contact information

- Please contact the sender of the assessment report email directly
- For general project inquiries, please contact ICF at either NYSCleanHeat@icf.com or (844) 212- 7823
- For NYS Clean Heat program inquiries, please email NYSCleanHeat@ceadvisors.com

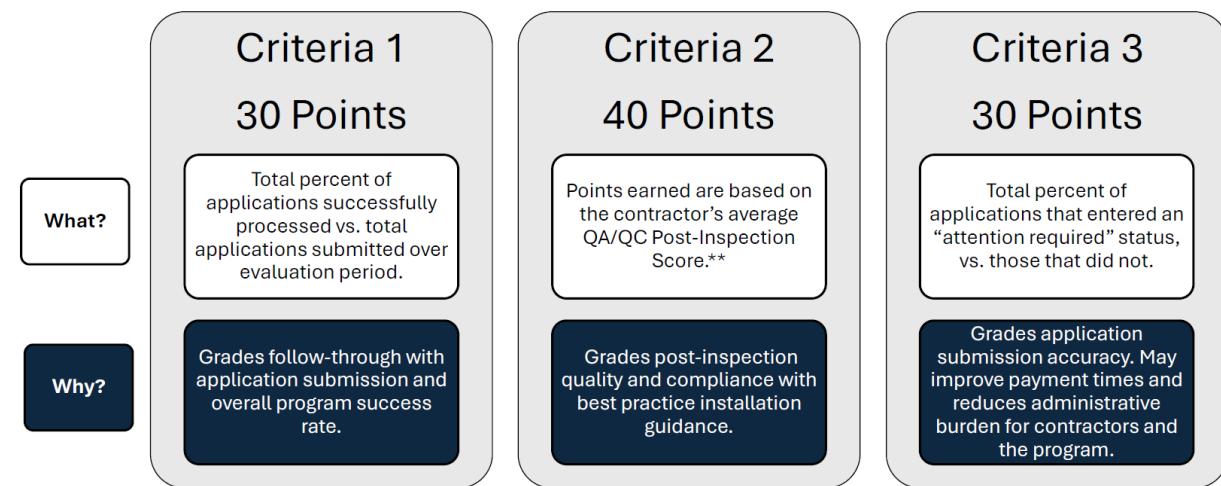
13.0 Contractor Badging System

Beginning October 1, 2024, applications submitted to the NYS Clean Heat Program may be reviewed and graded based on additional criteria that will influence potential assignment of a badge on the [Statewide Find a Contractor Tool](#).⁵ Badges will be tiered (Gold, Silver, Bronze) and assigned after 3 months. Badging will be reevaluated at minimum every 3 months, and scores will be assigned based on cumulative submissions across all NY State utilities. Review periods will include projects submitted for the previous 6 months. Applications submitted before October 1, 2024 will not be counted towards Participating Contractors' total scores for Criteria 1 and 3 outlined in the graphic below.

These badges are intended to help Participating Contractors and market participants understand how each company is engaging with the NYS Clean Heat Program. Badges will be assigned based on a cumulative score out of 100 possible points from the following criteria. To receive any badge, a minimum of three (3) applications must be submitted to the program through the most recent 6-month review period. Contractors in a disciplinary status will not be eligible to receive any badge, and upon being placed into a disciplinary status will have their current badge removed.

⁵ <https://nyscleanheat-findacontractor.icfsightline.com/>

NYS Clean Heat Ranking Criteria



Total Points Earned
between 85-100



Total Points Earned
between 70-84



Total Points Earned
between 55-69

*To be eligible for badging, Participating Contractors must submit three or more projects during the review period to the NYS Clean Heat Program.

**Inspections scores are graded on a 1-5 scale. Corrective action made on post-inspection reports will earn back 50% of lost points.

*** Scores and criteria are based on program guidelines at the time of application submission.

Scoring Clarifications:

- Criteria 1: The percentage of approved applications determines the percentage of points received for Criteria 1. For example, if 10 applications are submitted and one is in "Attention Required" status, the contractor would receive 90% of the points in that category. Resolving applications in "Attention Required" status to "Approved" status raises the contractor's score.
- Criteria 2: If a nonconformance is contested and it is determined that the nonconformance was issued in error, that score would be reversed and removed from the allocation calculation.
- Criteria 2: Submitting corrections on CARs will provide 50% of the lost score on that report.
 - Example: For a CAR with a score of 2 out of 5, correcting those items will increase that score to 3.5
- Criteria 3: If an application enters the "Attention Required" status and no contractor action was needed to correct the application, the contractor may request from their Account Manager to have this status reversed and removed from consideration.