

**NYS Clean Heat**

**Statewide Heat Pump Program**

**Quality Policies and Procedures**

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Version 5

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## 1.0 Overview

Program Administrators maintain the integrity of the NYS Clean Heat Program by managing the Assessment system for the program. The Assessment program has several components, including the establishment of program standards and field and/or photo/desk site visits. On-site (i.e., "field") and virtual visits 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 Assessment program will cover space and water heating projects listed in Categories 1-6 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. Program administrators may contact the utility customer, site owner, and/or participating contractor to facilitate and schedule such field 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) or the Quality Representative. Program Administrators will administer such QSPs in the performance of their activities.

Site visits/activities will be conducted using standardized methods for both on-site and virtual 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, but rather confirms that a Certificate of Completion and/or Occupancy has been approved. The assessment methods and associated instruments used in service of these activities, such as checklists, will be available for review on the Program Administrator's NYS Clean Heat Statewide Heat Pump Program's web page and updated on a routine basis.

The site visit will provide Program Administrators with an opportunity to evaluate the accuracy of the application information and associated design documents as well as to observe that the system is capable of performing the sequence of operation required to assure 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 field or virtual 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 field inspection. If the customer declines to have the contractor present at the time of the field 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, a notice of the scheduled field or

virtual visit will be sent to both parties at least 5 days in advance.

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.

## 2.0 Program Roles and Responsibilities

The licensed installation contractor, having satisfied the credentials required of the program to be designated as a 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 and designer are responsible for adherence to all applicable local codes and standards. The role and responsibilities of the 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)
- Responsible for the performance of the equipment for a minimum duration of twelve months
- Agrees to terms of Program Administrator-specific Utilities' 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

## 3.0 Project Assessment

The purpose of the heat pump on-site or virtual visit 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:

<b>Category</b>	<b>Assessment Checklist</b>
1: Cold Climate ASHP (ccASHP): Partial Load Heating	Air-source Heat Pump (ASHP)
2: ccASHP: Full Load Heating 2a: ccASHP: Full Load Heating with Integrated Controls 2b: ccASHP: Full Load Heating with Decommissioning	Air-source Heat Pump (ASHP)
3: GSHP: Full Load Heating	Ground-source Heat Pump (GSHP)
4: Custom Space Heating Applications 4A: HP + Envelope 6: Custom Hot Water Heating Applications	Custom
5: HPWH (up to 120 gallons of tank capacity)	Heat pump water heater (HPWH)

### 3.1 On-Site or Virtual Visits

Field Assessment visits are scheduled at the site owner/customer’s convenience. 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. Reasonable effort will be made to accommodate the schedule of the contractor and/or designer, 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 installation 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.

### 3.2 Sampling Protocol

Projects completed through the program may be selected for in-progress and 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 of completion, 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 from project completion unless in response to special circumstances.

The Program Administrator and/or its Quality Service Provider will select specific completed projects for visits following a sampling protocol. The sampling protocol utilizes rational sampling

of completed units with sampling rates primarily based upon the current experience level of the heat pump program Participating Contractor and their performance in satisfying program expectations and rules. A rational sampling approach allows installation Participating Contractors with satisfactory performance to benefit from reduced administrative effort associated with a lower review rate.

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 an inspection. 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

It is anticipated that observation visits for air source heat pumps (Categories 1, 2) will be conducted on a minimum number of projects in accordance with the previously described selection methods.

The targeted rational sampling approach is for Full status contractors and based on the overall quality performance using a 5-point scoring system, where 3 is the minimum quality requirement versus the average annual production volume of the contractor. An example of this approach is presented in the figure below.

**AVERAGE QUALITY SCORE**

		< 3	= 3	4-5
CONTRACTOR PRODUCTION VOLUME	HIGH	Up to 100%	5%	2.5%
	MED	Up to 100%	7.5 %	5%
	LOW	Up to 100%	7.5 %	5 %

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

- **Provisional** status installation 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. Installation 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 receive a failing score, the Participating Contractors will be subject to further visits until such time as three consecutive projects receive a score of 3 or higher.
- **Full** status installation contractor and/or designers will be subject to the following inspection rate thresholds based on Category:
  - Categories 1 & 2 – 7.5%
  - Category 2a – 7.5%
  - Category 2b – 10%
- **Probationary** status Participating Contractors will be subject to up to 100% review overall.
- **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.

## 4.2 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 installation 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. Installation 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 receive a failing score, the Participating Contractors will be subject to further visits until such time as three consecutive projects receive a score of 3 or higher.

- **Full** status installation contractor and/or designers will be subject to up to 30% inspection rate for up to 12 months, and lowered to up to 15% inspection rate of projects installed after 12 months.
- **Probationary** status Participating Contractors will be subject to up to 100% review overall.
- **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 Custom Heat Pump System Project Selection

All Participating Contractors will be subject to up to 100% field assessment overall for Heat Pump systems with three-phase heat pump equipment or with total system heating capacity  $\geq 300,000$  Btu/h, or systems installed in multifamily buildings with 5 or more units, qualifying for the Category 4 *Custom*.

### 4.4 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 shall be classified in one of the following status designations: Provisional, Full, Probationary, Suspended, or Terminated. Each designation shall be subject to limitations or requirements associated with that designation. The Program Administrator reserves the right to modify the definition, limitations, and requirements of these designations. A Participating Contractor's progression into and/or through any status designation will be determined at the Program Administrator's sole discretion. A contractor can opt out of the program at any time.

### 5.1 Provisional Status

All new participating contractors will initially be classified as Provisional.



## Provisional Contractors

- Provisional Contractors can expect to have their first paid project inspected by the program.
- Provisional contractors will be listed on the NYS Clean Heat Statewide Heat Pump Program Participating Contractor Network web page and their status may be designated accordingly.
- Provisional contractors may be recommended for mentoring by the Program Administrator.
- Following the completion of the third consecutive project review with a score of 3.0 or greater, the Program Administrator will conduct a formal review to evaluate a change in status. Evaluation for a change in status to Full contractor will be based upon the quality and consistency of work and full compliance with program rules including current qualifications as described above.

## 5.2 Full Status

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 contractors (Full Participating Contractors) will be listed on NYS Clean Heat Statewide Heat Pump Participating Contractor Network web page and may be denoted as such.
- 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 non-conformances, 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 time frame 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 satisfy the minimum score of 3
- Failure to take effective corrective actions on a designated critical or major non-conformance or a repeated incidence of minor non-conformances in work quality or performance
- Three or more outstanding corrective action notices that have not been responded to, or remain unresolved, for more than 30 days
- A lapse in maintenance of required credentials
- 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:
  - May not submit new incentive applications during the defined probation period, unless as part of the requested action plan
  - Will be subject to increased scrutiny as outlined in this manual
  - Must remediate all issues related to probation, as directed by the Program Administrator
  - Must submit to the program, in writing, an agreed-upon action plan designed to ensure future violations are avoided
  - Must demonstrate successful results through three consecutive projects of a similar nature for the same Program Administrator
  - Upon satisfactory completion of the action plan and all remediation, and upon review of probationary period results, the Program Administrator will determine in its sole discretion whether to return the Participating Contractor to an active 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 satisfactorily address non-conformances identified by the program will be placed in Suspended status and may be removed.

Participating Contractors may be suspended from the program if the Participating Contractor:

- Fails to adequately fulfill the terms of the probationary period
- Is placed on probation for a second time within a twelve (12) month period
- Is under investigation for (or the determination has been made to have been) engaging in practices that put the public or program at risk
- Has outstanding and unresolved request(s) for return of any financial incentives

associated with a past project to the Program Administrator due to failure to meet program requirements

- Has submitted any program application or rebate application documentation where there is falsification of any required documentation, including, but not limited to, permits, approvals, and signatures
- Has had a lapse in the maintenance of required credentials while on Probationary status
- Fails to consistently deliver completed projects that meet the minimum required score associated with the site visit criteria
- During a suspension, the Participating Contractor:
  - Will be removed from the NYS Clean Heat Statewide Heat Pump Participating Contractor Network web page
  - Will not be allowed to submit new applications to any of the program administrators NYS Clean Heat programs
  - Must complete any work that was in progress at the time of suspension
  - Is prohibited from representing him/herself as a Participating Contractor except in the execution of remedial action
  - May, depending on the reasons for suspension, be directed by the 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

Suspended Participating Contractors will either progress to Probationary status upon satisfactory completion of the specified remedial activities and resolution of issues related to the suspension or they will be prohibited from future program participation. Nothing in this program status relieves the suspended Participating Contractor of the responsibility to fulfill any outstanding obligations to the program or program customers as directed by the Program Administrator.

## 5.5 Terminated Status

Terminated status is reserved for Participating Contractors (such a Participating Contractor will be referred to as a terminated Participating Contractor) that have failed to satisfy the terms of their agreement with the program or have committed serious violations of program rules.

Participating Contractors may be terminated from the program if the Participating Contractor:

- Has been on suspended status for more than 30 days and has been unresponsive to or failed to adequately fulfill the terms of their suspension
- Has had their maintenance of credentials lapse while suspended
- Submits falsified documents or unauthorized signatures or other fraudulent

documentation and actions 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 workmanship of the Participating Contractor into question
- Is in gross violation of the program standard
- Fail to adhere to the Terms & Conditions contained within the signed Participation Agreements
- Bill for measures that are not installed
- Fail to adhere to the Terms & Conditions contained within the signed Participation Agreement
- Fails to meet the terms of the provisional period

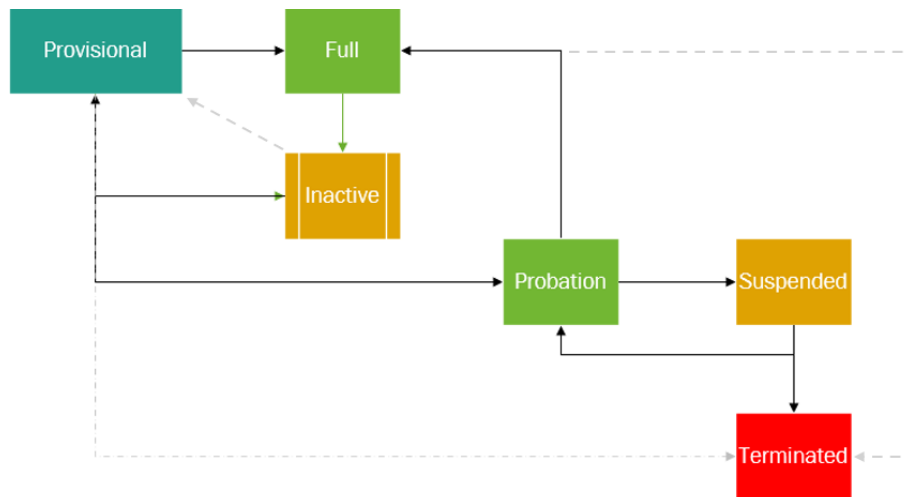
Terminated Participating Contractors are prohibited from future participation in any of the NYS Clean Heat programs. Customers with incomplete projects will be notified of the Participating Contractor's termination. If appropriate, the Program Administrator may notify the New York State Attorney General, the New York State Department of Labor, the Better Business Bureau, or others of the Program Administrator's findings and decision to terminate the participant.

The officers, directors, and owners of the terminated Participating Contractor are prohibited from being or becoming officers, directors, or owners of any other Participating Contractor. Nothing in this process relieves the terminated Participating Contractor of the responsibility to fulfill any remaining obligation to the program, or their customers.

## 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. They will be removed from the Participating Contractor Network website, no longer receive communication, nor 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/PA will generate a contractor performance summary report from the data collected on all site visits:
  - a. The QSP/PA 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/PA highlights non-conformance trends for the overall program and for each individual contractor.
  - c. The QSP/PA highlights overdue Corrective Action Reports (CARs).
  - d. The QSP/PA 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 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 scores are 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. 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, and 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 IC 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. 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 on the Assessment

database.

7. 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 non-conformance trends for each contractor individually and the heat pump program overall.

Based upon the non-conformances identified in the inspections, the Joint Utilities 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 endeavor to provide written notice at least 10 business days in advance of its intention to act. This notice will outline the specifics for disciplinary action along with supporting documentation for the proposed action.
- During this period, the Participating Contractor will be provided with an opportunity to respond to the notice.
- 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 the notice.
- Intended and final action letters will be sent via email. 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 to the satisfaction of the Program Administrator's requirements 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 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 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 non-conformances 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. An example of a critical nonconformance is 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: System Meets Key Program Requirements**

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

### **1: System Does Not Meet Program Requirements**

Systems receiving a score of 1 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 site observation 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.

Projects that have nonconformances related to critical (health and safety) or major (system performance) attributes will automatically fail. Projects that have only nonconformances related to minor attributes will pass.

All nonconformances are expected to be addressed and corrected. Acknowledgement and plans for preventing future problems may be requested with the report.

While some nonconformances cannot be corrected post-installation, others can be remedied through corrective action to documentation, or remediation of the installation or its components.

In the instance of past due or unacknowledged corrective action response forms, the electric utilities may send a Probationary Warning Notice detailing unacknowledged CARs and nonconformances at their discretion. Should these items remain unresolved after the specified timeframe, the Electric Utilities will adjust the Participating Contractor status as described in Section 5.

When the Program Administrator seeks specific corrective action, a corrective action notice will be provided with the inspection report. The corrective action notice 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.

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 authorities having local jurisdiction, 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 the Program Administrator's 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 (“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](mailto:NYSCleanHeat@icf.com) or (844) 212- 7823
- For NYS Clean Heat program inquiries, please email [NYSCleanHeat@ceadvisors.com](mailto: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](#).<sup>1</sup> Badges will be tiered (Gold, Silver, Bronze) and assigned after 3 months. Badging will be reevaluated every 3 months, and scores will be assigned based on cumulative submission across all NYS utilities. 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 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.

### Scoring Clarifications:

- The percentage of correct applications determines the percentage of points received in each category. 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.
  - If that "Attention Required" application is contested and reversed, the record would revert to 10 correct applications and 100% of the points in that category
- 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.
- Submitting corrections on Corrective Action Reports (CAR) 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

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<sup>1</sup> <https://nyscleanheat-findacontractor.icfsightline.com/>

