

**ENERGY TRUST OF OREGON  
EXISTING HOMES**

**TRADE ALLY AND NON-TRADE ALLY CONTRACTOR  
QUALITY CONTROL POLICIES AND PROCEDURES  
Effective Date: June 1, 2012**

- I. QUALITY CONTROL STANDARDS**
- II. DEFINITIONS**
- III. CRITERIA FOR QUALITY CONTROL VERIFICATION SELECTION**
- IV. QUALITY CONTROL VERIFICATION PROCEDURES**
- V. PROCEDURES FOR JOBS REQUIRING CORRECTIVE ACTION**
- VI. TRADE ALLY RATING SYSTEM**
- VII. PROBATION, TERMINATION AND SUSPENSION POLICIES**

**I. QUALITY CONTROL STANDARDS**

Quality Control, QC, and work quality verification ensures compliance with the Existing Homes Weatherization Specifications Manual; identifies opportunities for improvement for trade allies, contractors and homeowners; and provides a quantitative metric to measure installation quality. The primary purpose of quality control is to ensure building and measure durability, occupant health and safety, and realized energy savings.

QC and work quality verification only assesses the standards and associated components/materials for the energy-saving measures indicated on a specified incentive application. No warranties of any kind are implied by quality control verifications and/or quality assurance visits. Energy Trust and Existing Homes reserve the right to make reasonable adjustments to any and all of the timeframes and processes set forth in these Quality Control Policies and Procedures.

If the trade ally or other contractor sub-contracts work, it is the responsibility of the primary trade ally or contractor (the Construction Contractors Board, CCB, -licensed signatory on the incentive application materials) to ensure compliance with program standards and guidelines. Trade allies and other contractors are encouraged to implement an internal QC process to ensure each project's success.

Existing Homes projects selected for quality control or work quality verification will be assessed as "Pass," "Needs Minor Corrective Action," or "Needs Major Corrective Action." These assessments are based on specifications defined in the current Existing Homes Weatherization Specifications Manual and any relevant regional/national standards.

**Trade allies and contractors are required to:**

- 1. Perform any required corrective actions at no additional cost to the customer.**
- 2. Contact the customer within five business days of written notice to schedule mitigation for any required corrective actions.**
- 3. Remedy any required corrective actions within 30 days of written notice.**

If, within five business days of receiving written notice, a trade ally or other contractor fails to contact the customer to schedule an appointment and remedy problems with an Existing Homes project requiring corrective action, and/or remediation is not completed within 30 business days

of receiving written notice, Existing Homes may disqualify the incentive and inform the participant directly. Existing Homes requires trade allies and other contractors to reimburse contracted incentive amounts to participants upon disqualification. If work is remediated after 30 business days, the trade ally or contractor may resubmit the customer's incentive application.

Existing Homes quality control staff may select 15 percent of Existing Homes incentive applications for quality control verification by scheduled selection criteria or at random. Existing Homes incentive applications selected for verification may not be released for payment to the homeowner and/or trade ally until required corrective action(s) are completed and all applicable measures receive a "Pass."

Waivers are available for unusual conditions and situations that prevent complete compliance with specifications. The purpose of the waiver is to identify unusual conditions and obtain pre-approval before work begins. To request a waiver, contact [existinghomesta@energytrust.org](mailto:existinghomesta@energytrust.org) or call 1.866.365.3526 option 9.

## II. DEFINITIONS

For program purposes, the following terms are defined as follows:

**Quality assurance:** Quality assurance visits are considered to be on-site mentoring/training sessions with quality control field staff and the trade ally or contractor; before, during, or after installation of measures.

**Courtesy QC:** Existing Homes may provide courtesy quality control visits when verifications are deemed necessary outside of the normal protocol outlined in these procedures, or when requested by participant.

**QC assessment terms** (in accordance with any relevant regional/national standards):

**Pass:** Work was satisfactorily installed and completed as submitted on the incentive application and is in compliance with the Weatherization Specifications Manual. No corrective actions are necessary.

**Needs Minor Corrective Action:** Work was performed but has minor problems related to installation quality, diagnostic testing replication, or is not in compliance with the Weatherization Specifications Manual. Problems include specifications which may have been overlooked by the trade ally or contractor and have a minor impact on energy savings or overall installation quality. Examples include, but are not limited to:

- a. Necessary forms incomplete or improperly completed.
- b. Missing or improperly installed weatherstripping.
- c. Minor voids in insulation or baffling.
- d. Improper support materials or techniques for the installation of insulation.
- e. Diagnostic testing replication issues.

**Needs Major Corrective Action:** Work was performed with significant or serious problems related to installation quality, diagnostic testing replication, or is substantially noncompliant with the Weatherization Specifications Manual.

Problems may include:

- a. Poor workmanship, sub-standard materials, and/or the potential to negatively impact occupant health and safety, intended energy savings, and/or building or measure durability.
  - Example: Air sealing was performed and the final Minimum Ventilation Level, MVL, was greater than the Ventilation Potential, VP, without an approved mechanical ventilation system present. While an imminent threat is not present, moisture concerns and decreased indoor air quality may occur.
- b. Work does not meet criteria for a “complete measure,” as defined by the Weatherization Specifications Manual and/or Existing Homes incentive guidelines.
  - a) Example: 800 sq. ft. of underfloor insulation is installed, where no insulation was present before, and meets specifications. However, 200 sq. ft. of existing insulation in an addition/remodeled section of the home, does not meet weatherization specifications. The 200 sq. ft. of existing insulation in the addition/remodeled section is not eligible for an incentive (due to preliminary R-value), but must meet—or be brought up to—specifications for the newly installed 800 sq. ft. to qualify.
- c. Work was performed but does not qualify for the incentive listed on the incentive application and is noted as “does not qualify”, commonly referred to as a “DNQ.” **A DNQ is considered a serious program violation and the trade ally or other contractor shall reimburse participants for expected incentive(s) that are denied because of a DNQ.** Example: Ductwork was sealed (or insulation installed) within the conditioned space of a home. This does not qualify for an incentive because the main purpose of weatherization is to prevent winter heat loss from conditioned spaces to unconditioned spaces or outside the home.
- d. Three or more minor corrective actions per measure or across multiple measures.
  - Example: Attic insulation project needing the following, minor corrections: (1) insulation not secured to attic hatch (2) gaps around bathroom exhaust fan duct; and, (3) baffles extending less than 4” above level of insulation. Because there are three minor corrective actions needed for the attic insulation measure, it will be categorized as a major corrective action.
- e. Multiple diagnostic discrepancies and/or instances of erroneously documenting square footage by more than 10 percent.
  - Example: Three separate incentive applications indicate 1,000 sq. ft. of wall insulation was installed; QC verification reveals only 600 sq. ft. of wall insulation was installed on each project. The trade ally or contractor has reported multiple projects with a 10 percent or greater variance in square footage from the actual installation. The pattern of discrepancies warrants major corrective action.

### III. CRITERIA FOR QUALITY CONTROL VERIFICATION SELECTION

The Existing Homes quality control team may select up to 15 percent of Existing Homes incentive applications for quality control verifications by scheduled selection criteria or at random.

The quality control team also tracks specific trade ally, contractor, and measure corrective action rates to inform the scheduled selection criteria. Scheduled selection criteria are dependent upon program resources and may change according to the program’s needs and Energy Trust priorities.

The scheduled selection criteria demonstrate installation quality and/or health and safety priorities identified by Existing Homes based upon experience, observation of the market as a whole and individual performance. This schedule provides a guide by which projects are

selected. In addition, Existing Homes makes every reasonable effort to inspect at least one project, per trade ally company, per calendar year. Trade allies may request a maximum of three verifications within a consecutive three-month period, subject to availability of program resources. The request can be made on applicable incentive application materials.

Non-random selection criteria contribute to the target rate of other selection designations, both random and non-random. For example: Existing Homes has identified a need to select projects from critical-concern contractors at a higher rate, to ensure compliance, occupant health and safety, realized energy savings, etc. The projects selected for verification under this selection designation will contribute to the target rate of other selection designations. *Contractor A* is a critical-concern contractor and installs attic and floor insulation on a project. By selecting this *Contractor A* project, non-randomly, for verification, Existing Homes is able to satisfy other selection designations, including: Critical Concern Contractors, Non-trade ally, Weatherization and Multi-measure projects.

Existing Homes randomly selects projects to ensure the quality control process accurately reflects the type(s) of measures installed, previous quality control pass/failure rates, and volume of applications submitted for individual trade allies or contractors. Other QC selection criteria may include: incomplete or inconsistent application information, multiple customer complaints, program tracks in which the trade ally or contractor participates (examples: Savings Within Reach, Clean Energy Works Oregon, etc.), and level of trade ally or contractor involvement with Existing Homes. When a “Major Corrective Action” or three or more “Minor Corrective Actions” are required, Existing Homes reserves the right to increase the verification rate for other projects completed by the trade ally or contractor (within the same time period).

<b>Scheduled Selection Criteria for Quality Control Inspections, in Order of Program Priority*</b>		
<b>Selection Designation</b>	<b>Measure Type</b>	<b>Random Selection</b>
Critical Concern Contractors or Measures	All	
Self-Install	Attic and/or Floor Insulation	
Self-Install	Electric Water Heaters	✓
Non-Trade Ally	All	
Trade Ally (New**)	All	
Trade Ally (Core)	All	✓
Weatherization	Attic, Floor and/or Duct Insulation	✓
Windows	All	✓
Diagnostic	Air Testing/Sealing and/or Duct Testing/Sealing	✓
Weatherization	Wall Insulation	✓
HVAC	Ductless Heat Pumps	✓
HVAC	All	✓
Multi-measure projects	All	
Program Tracks	Savings Within Reach	✓
Program Tracks	Existing Mobile Homes	✓
Program Tracks	Home Performance with ENERGY STAR®	✓
Program Tracks	Clean Energy Works Oregon	✓
Program Tracks	Pilot Programs	✓

\*Program Track selection rates may differ based on the specific program or pilot participation agreements. Sudden increases in incentive applications from trade allies or contractors may increase the quality control selection rate. Quality control selection rates may change at any time at the discretion of the quality control team and Existing Homes.

\*\*After earning a trade ally rating of at least two stars, a new trade ally may become a core trade ally.

### **Critical Concern Contractors or Measures**

Energy Trust or Existing Homes may categorize certain contractors, specific measures and/or designated project types as “Critical Concern” at their discretion and they may be subject to an elevated QC verification rate. If work quality or customer service concerns arise through multiple corrective actions or customer complaints, Energy Trust may issue a cease and desist letter to stop all work until corrective actions are mitigated. Energy Trust and/or Existing Homes may request that a contractor’s responsible managing individual, RMI, draft and/or sign a plan of improvement and memorandum of understanding before accepting additional incentive applications. Energy Trust and Existing Homes reserve the right to communicate health, safety and customer service concerns to participants and hold incentive payments until all work meets the appropriate specifications.

### **Self-Install Projects**

Incentive applications for self-installed measures—such as attic insulation, floor insulation, and electric water heaters—will receive a QC verification. Applications for incentives on participant-installed jobs are not released for payment until any required corrective action is completed and all measures pass QC re-verification.

### **Non-Trade Allies**

At their discretion, Existing Homes may select 25 – 100 percent of non-trade ally contractors’ projects for QC verification. Non-trade allies new to the Existing Homes program may be selected at a higher rate than non-trade allies with demonstrated success and understanding of specifications. Incentive applications for jobs installed by non-trade allies are not released for payment until any required corrective action is completed and all applicable measures receive a “Pass.”

### **Non-Trade Allies—High and/or Sudden Increases in Project Volume**

Non-trade ally contractors who demonstrate significant project volume, sudden increases in project and/or measure volume, or potential for large project volume may be subject to an elevated verification rate at the discretion of Existing Homes. If work quality concerns arise through three or more corrective actions,

Energy Trust may issue a cease and desist letter to stop all work until corrective actions are mitigated.

Energy Trust and/or Existing Homes may request that the contractor’s RMI draft and/or sign a formal Plan of Improvement and Memorandum of Understanding before accepting additional incentive applications.

Energy Trust and Existing Homes reserve the right to communicate health, safety and customer service concerns to participants and hold incentive payments until all work meets the appropriate specifications.

### **Trade Allies**

Existing Homes makes every reasonable effort to inspect at least one project, per trade ally company, per year. Trade allies may request a maximum of three verifications within a consecutive three-month period, subject to available program resources. The request should be made on applicable incentive application materials.

### **New Trade Allies**

Existing Homes will make every reasonable effort to provide in-field mentoring and technical support to new trade allies. New trade allies may be subject to a selection rate of 100

percent of incentive applications submitted. After earning a trade ally rating of at least two stars, a “new” trade ally may become a “core” trade ally.

### **Core Trade Allies**

Core trade allies may be subject to a 15 percent selection rate for incentive applications submitted.

### **Special Program/Pilot Tracks**

Trade allies participating in special program tracks, such as: Savings Within Reach, Clean Energy Works Oregon, Existing Mobile Homes, and/or pilots; may be subject to elevated selection rates based on the terms of their participation agreement and/or at the discretion of Existing Homes.

### **Trade Allies—Sudden High Volume**

Trade ally contractors who demonstrate a sudden increase in project and/or measure volume may be subject to an elevated selection rate at the discretion of Existing Homes. If work quality concerns arise through three or more corrective actions, Existing Homes may place a trade ally on immediate probation with written notice and Energy Trust may issue a cease and desist to stop all work until corrective actions are mitigated. Energy Trust and/or Existing Homes may request that a contractor’s RMI draft and/or sign a formal plan of improvement and memorandum of understanding before accepting additional incentive applications. Energy Trust and Existing Homes reserve the right to communicate health, safety and customer service concerns to participants and hold incentive payments until all work meets the appropriate specifications.

## **IV. QUALITY CONTROL VERIFICATION PROCEDURES**

When a participant’s completed incentive application is selected for QC verification, Existing Homes will make every effort to contact them within one week from selection to schedule a verification appointment.

1. The quality control specialist visits the participant’s home and conducts a verification on measures and related specifications for which the participant is claiming an incentive. The specialist will also complete Quality Control Post Job Verification Form 341S (341S).
2. The quality control specialist informs the participant whether the work “Passes,” or requires “Major Corrective Action” or “Minor Corrective Action,” and leaves a copy of the completed 341S with the participant.
3. The quality control specialist submits the assessment results to the quality control coordinator.
  - a. In the result of a “Pass”:
    - i. Existing Homes processes the incentive application to release incentive payment to the participant or trade ally.
    - ii. The quality control coordinator notifies the trade ally or contractor that the job passed a work quality verification.
  - b. In the result of a “Major” or “Minor” corrective action:
    - i. The quality control specialist notifies the participant that the project requires corrective action, their incentive payment will not be released until corrective action is taken, and the project may require a follow-up work quality verification.
    - ii. The quality control specialist immediately informs the trade ally or contractor that the project will require corrective action and may provide further detail. If the

- measure is self-installed, the quality control specialist will educate the participant on proper installation methods to ensure the work passes verification.
- iii. The quality control coordinator sends a written notice to the trade ally or contractor regarding the corrective action(s) necessary to comply with: the Existing Homes Weatherization Specifications Manual; other relevant program requirements; and/or applicable regional or national standards.
  - iv. Existing Homes will not process or release incentive payment for projects requiring corrective action. Existing Homes processes incentive payments to the participant and/or trade ally when a project assessment indicates a “Pass.”

## **V. PROCEDURES FOR JOBS REQUIRING CORRECTIVE ACTION**

1. The trade ally or contractor must remediate all corrective actions at **no additional cost to the participant**.
2. The trade ally or contractor must schedule remediation work with the participant within five business days of receiving written notice that the job requires corrective action.
3. The trade ally or contractor must complete remediation within 30 business days of receiving written notice that a job requires corrective action, and notify the quality control coordinator of completion.
4. The quality control coordinator will assist the trade ally manager in working with the trade ally or contractor to remedy problems, if necessary. Refer to the “Quality Control Standards” section for additional information.
5. The quality control coordinator may schedule a re-verification for any job requiring major corrective action, once the trade ally or contractor indicates work is completed.
6. The trade ally or contractor will confirm the completion of corrective actions. Re-verification is not required for minor corrective actions, but may be conducted at the discretion of Existing Homes.
7. The project is released for incentive payment when corrective actions are successfully completed and the project receives a “Pass.”

## **VI. TRADE ALLY RATING SYSTEM**

Existing Homes assigns trade ally ratings on a quarterly basis (January, April, July, and October) and recommends that trade allies periodically check their Energy Trust web listing for accuracy. For more information, please email [existinghomesta@energytrust.org](mailto:existinghomesta@energytrust.org). Quality control assessment is one factor which impacts a trade ally’s rating. QC scores may influence program resources available to a trade ally and/or eligibility for the trade ally Business Development Fund. Please visit the trade ally web pages at [www.energytrust.org/ta](http://www.energytrust.org/ta) for the complete guidelines.

### **Project count**

Existing Homes assumes that the number of projects submitted for incentives demonstrates a trade ally’s familiarity with Energy Trust’s incentive applications, guidelines for customer participation and installation specifications. Project count is used as a baseline to measure participation; however, it is not the primary tool for measuring a trade ally’s rating. To be equitable for differing regional activity, smaller trade ally companies, and those who provide more comprehensive services; the number of measures per project may also be considered a key criterion in a trade ally’s rating.

### **QC Score**

All Existing Homes trade allies begin with a QC score of 100. Trade allies will lose five points from their company's QC score for each major corrective action and 1.67 points for each minor corrective action. They will gain 1.67 points for each verification they pass, up to a possible total of 100. Under this system, trade allies have the ability to regain their quality control standing, even if some work requires corrective action.

### **Webinars**

All Existing Homes trade allies are required to attend the Existing Homes Trade Ally Program Training Webinar and Existing Homes Weatherization Specifications Webinar every 12 months. Both webinars are offered monthly. These free webinars provide the most up-to-date information and additional resources on program requirements, services and incentives. Please visit the [Trade Ally Training & Education calendar](#) to view upcoming dates or register for a webinar.

Existing Homes staff will send an email to the primary trade ally contact at the beginning of each rating quarter if they anticipate a change in that trade ally's rating during the next review. The trade ally will then have three months, and at least three opportunities, to attend both webinars to maintain the current rating. For example, if a trade ally company attended webinars in December 2011, Existing Homes will email the trade ally's primary contact on or about October 2012.

### **Rating frequency**

Trade ally ratings are recalculated each quarter (January, April, July, and October). Existing Homes will review each company's past 12 months of records to determine the number of projects and measures submitted, quality control verification results, fulfillment of webinar requirements, and customer service feedback. If a company's rating rises or falls, they will remain at the determined level for the rest of the quarter and be reevaluated the following quarter.

### **Gas furnace installer considerations**

Energy Trust strives to remain fuel neutral so does not recommend one fuel source over another when promoting upgrades to high-efficiency heating and cooling systems. Although Energy Trust discontinued standard gas furnace incentives and packaged gas water heater and gas furnace incentives for Oregon customers, Existing Homes still recommends high-efficiency gas furnaces as an energy-efficient and cost-saving measure.

Trade allies who install high-efficiency gas furnaces in NW Natural and Cascade Natural Gas territories in Oregon can still count those installations toward their project volume required for ratings. To submit gas furnace installations, please complete the [Furnace Installation Form](#).

Please note: Standalone gas furnace incentives are still available to Washington customers of NW Natural and Oregon customers participating in Savings Within Reach. Trade allies installing gas furnaces for eligible customers must submit the standard incentive application, and the data entry form referenced above is not necessary.

## **VII. PROBATION, TERMINATION AND SUSPENSION POLICIES**

Existing Homes Quality Control Policies and Procedures are in addition to, but not limited to: all applicable application materials; participation agreements; terms and conditions; and Energy Trust probation, suspension and termination policies. Nothing in these policies and procedures

shall be construed to confer any expressed or implied contract rights. These policies pertain to trade allies and non-trade ally contractors, where applicable.

### **Purpose**

The probation, termination, and suspension policies are designed to protect Energy Trust and its customers from losses due to poor work quality, diminished energy savings, health and safety issues, and/or building durability concerns. It protects against investing limited resources into unproductive projects or companies.

### **Policy**

Energy Trust will monitor the activities of trade allies and other contractors on a regular basis to ensure they provide value to customers and Existing Homes. Energy Trust will move underperforming trade allies into probationary status or terminate them from the network for repeated concerns, and will suspend activities for underperforming non-trade-ally contractors or prevent them from enrolling in the Trade Ally Network.

Affected contractors will be given support and opportunities for improvement, and return to active status, as outlined below. At Energy Trust's discretion, trade ally and non-trade ally contractors may be required to pursue quality control verifications and work quality verification from third-party quality control providers at their own expense.

### **TRADE ALLY PROBATION**

Trade allies may be placed in a probationary status at Energy Trust's discretion. They will be notified in writing of the change in status. The notification will include an explanation for the status change and steps they must take to correct problems that led to their probationary status. Probationary trade allies will be given seven days to respond to a probationary letter, unless otherwise specified in the letter. Failure to respond may result in termination from Energy Trust's Trade Ally Network. Actions resulting in probation may include, but are not limited to:

- Work quality verification results receiving three major corrective actions, nine minor corrective actions, a similar combination of corrective actions, and/or 25 percent of projects submitted require corrective action; within any consecutive 90 day period
- Failure to remediate corrective actions identified during quality control verification within 30 days of written notice
- Failure to follow a required program process
- Abusive or vulgar behavior, physically or verbally, towards customers or Energy Trust staff
- Quality control verifications consistently resulting in corrective actions or repeated violations of installation or program requirements
- Failure to attend required Energy Trust trainings
- Allowing insurance, licenses or other required certifications to lapse
- Failure to resolve any reasonable participant complaint regarding the trade ally's work on Energy Trust projects
- Repeatedly giving participants inaccurate information on current Energy Trust requirements, including but not limited to incentive levels and/or incentive availability
- Misrepresenting trade ally company's relationship with Energy Trust, such as:
  - Stating they are paid by or employed by Energy Trust, if they are not
  - Stating they offer any services on behalf of Energy Trust which they are not under agreement to deliver

- Stating they are a “Trade Ally of Energy Trust,” or “Working with Energy Trust,” if they are no longer under an agreement with Energy Trust
- Making inaccurate statements about Energy Trust’s funding sources, incentive amounts, application deadlines, or requirements
- Misrepresenting Energy Trust’s installation specifications as substandard or requirements as too burdensome when speaking with customers
- Unethical business or sales practices, including coercion and/or overly aggressive sales tactics, as determined by Energy Trust.

All new trade allies are considered provisional for a minimum of 30 days from enrollment approval. They may or may not be listed in Energy Trust’s Find A Contractor web pages at Energy Trust’s discretion and may be required to pass a background check and/or pass a minimum number of quality control verifications prior to listing.

### **Effect of Probation**

During probation, a trade ally will not appear in Energy Trust’s Find A Contractor list. They will be subject to a higher level of scrutiny or restrictions than non-probationary trade allies, which may include but is not limited to:

- Higher level of quality control review; up to 100 percent quality control verification of projects as determined by Existing Homes
  - Limited Existing Homes resources may require trade ally or contractor to pay for approved third-party work quality verification
- Possible prohibition from submitting new incentive applications and return of new applications to trade ally
- Customer notification of the trade ally’s probationary status
- Suspension from access to cooperative marketing funds or business development funds and other Energy Trust resources
- Development of and adherence to a written formal Plan of Improvement
- Attending additional training required, selected, or provided by Energy Trust
- Probation or termination from special program tracks like Savings Within Reach, Home Performance with ENERGY STAR<sup>®</sup>, Existing Mobile Homes, and other initiatives or pilots.
- Reporting of probationary status to other organizations and utilities, such as: Clean Energy Works Oregon, Energize Corvallis, Energize Clackamas County, Bonneville Power Administration, the Weatherization Assistance Programs, WAP, of Oregon, Idaho, and Washington, other utilities, and/or local and state authorities.

Trade allies who continue to violate policies described in this document, or in specific program documents, will be terminated from Energy Trust’s Trade Ally Network.

### **Duration of Probationary Period**

The duration of probationary periods will vary depending on the nature of the issues that resulted in probationary status. The notification of probationary status will include the length of the probationary period and requirements for the trade ally to return to full active status.

Example probationary periods are:

- 30 days, or until completion of three passing quality control verifications, for newly enrolling trade allies

- 60 days when accumulating more than two unresolved customer complaints during any consecutive 12 month period.
- 90 days in cases of demonstrated misrepresentations of trade ally status, incentives, or requirements.
- 180 days and adherence to a written improvement plan for trade allies on probation due to demonstrated work quality concerns

### **Reinstatement and Approval of Probationary Trade Allies**

Energy Trust may remove probationary status and fully approve or reinstate probationary trade allies at any time at its sole discretion. Newly enrolling trade allies who pass the minimum number of required project verifications, without significant quality control issues, and any program specific enrollment or training requirements, will be placed in Active status, and receive a website listing and any program specific benefits.

Energy Trust's trade ally staff will review probationary trade allies for return to active status provided they satisfy requirements and/or timelines outlined in their probationary notification letter and plan of improvement, if applicable. Energy Trust will notify probationary trade allies of the decision in writing.

### **TRADE ALLY TERMINATION**

In addition to any other termination provisions set forth in Energy Trust's trade ally agreements, certain actions may result in immediate termination of a contractor from the Trade Ally Network. Energy Trust will notify the contractor in writing if they are terminated from the Trade Ally Network. Actions resulting in immediate termination of trade ally status may include, but are not limited to:

- Failure to resolve any action which resulted in probation
- Repeated violations of program rules or requirements
- Passing or attempting to pass any required re-verification and/or corrective action costs on to a customer
- Violation of license laws or cases of fraud
- Repeated misrepresentation of contractor's relationship with Energy Trust, or of Energy Trust's incentives, requirements, funding sources, or specifications to customers
- Failure to pass the full value of the Energy Trust incentive on to the customer in cases where the incentive payment is issued to the trade ally
- Failure to keep license, insurance or required certification information up to date with Energy Trust.
- During any consecutive 12 month period, the accumulation of more than three unresolved customer complaints which Energy Trust determines to be reasonable.
- Ongoing quality control failures not resolved through a written improvement plan during a probation period.
- Quality control failures greater than 25 percent of projects within any 12 month period.
- Drugs and/or alcohol reported at a project site
- Unsafe working conditions reported at a project site

### **Effect of termination**

Trade allies will be notified in writing and by email of a decision to terminate them from the Trade Ally Network. The termination notice will include an explanation of the decision and

remaining steps the contractor is required to take. Energy Trust may refuse to accept new incentive applications from customers of the terminated contractor at its sole discretion, and will provide a cutoff date to accept new applications for projects completed prior to the contractor's termination. The notice will also indicate whether or not the contractor may reapply for trade ally status at a future date.

Energy Trust will notify current customers of terminated trade allies of the contractor's change in status. The notification will provide steps the customer can take to resolve complaints and/or receive incentive payments. As part of the next steps included in customer notifications, Energy Trust may provide contact information for licensing bodies, other consumer protection opportunities, and/or instruct customers to contact the terminated contractor directly to resolve quality or incentive payment complaints. Energy Trust will notify customers of any potential health and safety concerns related to projects installed by terminated contractors.

Energy Trust may, in its sole discretion, allow a terminated contractor to reapply for trade ally status at a later date; not sooner than six months from the time of termination. However, Energy Trust may require additional documentation and proof from the contractor that they have taken appropriate actions to prevent further violations.

Trade allies or contractors with severe and repeated quality control, customer service, legal, or health and safety concerns may be listed in customer-facing sections of Energy Trust's website with a warning that incentive applications will not be accepted from that contractor or their affiliates.

## **SUSPENSION OF NON-TRADE ALLIES**

Customers must still work with a licensed contractor, unless where specified otherwise. Energy Trust encourages non-trade-allies to enroll in its Network.

Non-trade-allies are subject to a higher level of quality control verification than trade allies; up to 100 percent of projects may receive work quality verification. For customers to receive incentives, **any and all corrective actions must be corrected by the non-trade-ally contractor at no additional cost to the customer**, and the contractor must meet the same specifications and quality control guidelines as any trade ally.

Non-trade ally contractors are subject to suspension according to the same program-specific policies, and may be reinstated, or allowed to join the Network, if they successfully make corrections.

A suspended non-trade-ally contractor may be posted to Energy Trust's website indicating their ineligibility to provide incentives. Energy Trust will determine a cutoff date to accept new incentive applications from any suspended contractor's customers and inform customers of the contractor's ineligibility. Customers will be instructed to contact the suspended contractor for reimbursement of any promised incentives, or to correct remaining issues at the contractor's expense.

In these cases, the contractor should notify Energy Trust when projects are corrected and Energy Trust will re-verify any such projects. If a non-trade-ally fails three or more re-verifications during any 90 day period, Energy Trust will suspend new activity with that contractor. Costs for re-verification of projects will be charged to the non-trade-ally at the current hourly rate for Energy Trust's

quality control specialists. At Energy Trust's discretion, non-trade ally contractors may be required to pursue quality control verifications and work quality verification from third-party quality control providers at the contractor's expense.

### **Additional Triggers and Procedures for Suspension**

Non-trade-ally contractors are subject to suspension for the same concerns and/or failure rates outlined in the Trade Ally Probation section. Existing Homes will notify the trade ally team of triggering events. Energy Trust's trade ally team will coordinate a review of the situation, engage other programs or Energy Trust staff as needed, and determine which Energy Trust or Existing Homes staff should take further actions.

Energy Trust's trade ally team will document communications, steps taken, and results, and maintain records in the non-trade-ally contractor's file. The customer service manager will be notified and involved in these efforts when appropriate.

*Triggering events include, but are not limited to:*

- Receipt of five or more projects in one week from a contractor who is new to our territory or has no quality control history with Energy Trust.
- Notification from any utility, state organization or similar entity of issues with a specific contractor, particularly if Energy Trust has no experience with that contractor.
- Repeated customer calls asking to verify advertising claims or status of any contractor.
- Any customer report of predatory/overly aggressive sales practices combined with Energy Trust incentives or branding.
- Any customer report of misrepresenting incentives, requirements, trade ally status, or contractor relationship with Energy Trust.
- Reports of illegal activity from any source.
- Any specific customer complaint about a contractor.
- QC failure rate, or other violations, that would place a contractor on probationary status.

When notified of the above contractors, Energy Trust's trade ally team will place them on a tracking list and notify other programs and/or Energy Trust staff as needed. The tracking list will be used to determine next steps and timelines for the contractors involved. Existing Homes may determine when contractors are placed on suspension.

### **On-Ramp for Participation**

Non-trade allies placed on suspension may have the suspension removed by following the procedure described in the Reinstatement and Approval of Probationary Trade Allies section. Depending on the reasons and severity of actions that lead to suspension, Energy Trust and Existing Homes may place additional requirements on non-trade allies in order to protect the best interests of Energy Trust and their customers. Failure to comply with the terms for reinstatement will lead to the non-trade ally being prohibited from participating in Energy Trust programs.

Energy Trust may lift the suspension and fully approve suspended non-trade allies at any time, at its sole discretion. Energy Trust's trade ally staff will review applications on a case-by-case basis for return to eligible status, provided they satisfy requirements and/or timelines outlined in their suspension notification letter and plan of improvement, if applicable. Energy Trust will notify suspended contractors of the decision in writing.