



MAINEHOUSING HEAT PUMP PROGRAM (MHPP)

Maine Housing Heat Pump GUIDANCE AND PROCEDURES

Revised January 31, 2023

Prepared by
Maine State Housing Authority
26 Edison Drive
Augusta, ME 04901
www.mainehousing.org

TABLE OF CONTENTS

| | |
|--|----|
| INTRODUCTION | 5 |
| A. References | 5 |
| B. Definitions | 5 |
| 1. Dwelling Unit | 5 |
| 2. Eligible Household | 5 |
| 3. Familial Relationship | 6 |
| 4. Primary Heating System | 6 |
| SECTION 1: MHPP PROGRAM GRANTS | 7 |
| A. Home Energy Assistance Program (HEAP) | 7 |
| B. Advances | 7 |
| SECTION 2: MHPP SERVICE AREAS | 8 |
| SECTION 3: PRIORITIZATION AND WAIT LIST REQUIREMENTS | 9 |
| A. CAA Prioritization | 9 |
| 1. Tier 1: | 9 |
| 2. Tier 2: | 9 |
| B. MaineHousing Prioritization | 9 |
| C. Wait List Requirements | 9 |
| SECTION 4: ELIGIBILITY | 10 |
| A. Eligible HEAP Application | 10 |
| B. “CHIP Only” HEAP Application | 10 |
| C. Proof of Ownership | 10 |
| D. Applicant Relocates | 10 |
| SECTION 5: ELIGIBLE UNITS | 11 |
| A. Dwelling Units | 11 |
| B. Rentals | 11 |
| C. Ineligible Units | 11 |
| SECTION 6: USE OF FUNDS | 12 |
| A. Allowable Uses | 12 |
| B. Unallowable Uses | 12 |
| C. Waivers | 12 |
| SECTION 7: INSTALLING HEAT PUMPS | 13 |
| A. Heat Pump Rebates | 13 |
| B. Heat Pump Process | 13 |
| 1. Identify interested/qualifying households | 13 |
| 2. Enter Job in HEAT Enterprise | 13 |
| 3. Select Heat Pump Vendor | 14 |
| 4. Coordinates Initial Site Visit with Homeowner | 14 |
| 5. Vendor Conducts Initial Site Visit with Homeowner | 14 |
| 6. Vendor Recommendation | 14 |
| 7. Create Work Order | 14 |
| 8. Vendor Coordinates Installation and Inspection with Homeowner | 15 |
| 9. Vendor Submits Invoice | 15 |

| | | |
|---|---|-----------|
| 10. | Inspect Installation | 15 |
| 11. | Pay Vendor..... | 15 |
| 12. | Submit HEAT Invoice..... | 15 |
| 13. | MaineHousing Reviews job(s) | 15 |
| C. | Heat Pump Cost Cap | 15 |
| D. | Heat Pump Specifications..... | 15 |
| E. | Heat Pump Vendors..... | 17 |
| F. | Heat Pump Selection Process | 17 |
| G. | Vendor Responsibilities | 17 |
| 1. | Heat Pump Installation | 17 |
| 2. | Consumer Education..... | 17 |
| SECTION 8: PROCESSING MHPP JOBS | | 18 |
| A. | System of Record..... | 18 |
| 1. | Heat Pump Measure | 18 |
| 2. | Heat Pump Funding Source | 18 |
| 3. | Budgets..... | 18 |
| B. | System Dates | 18 |
| C. | Program Forms..... | 20 |
| D. | Signatures and Dates..... | 20 |
| E. | Required Documentation..... | 20 |
| F. | MaineHousing Forms | 21 |
| G. | Document Checklist..... | 21 |
| H. | Document Submission | 22 |
| K. | Applicant Surveys | 22 |
| SECTION 9: MHPP VENDORS | | 23 |
| A. | Expectations..... | 23 |
| B. | Prohibited Activities..... | 23 |
| C. | Payments to Vendors..... | 23 |
| 1. | Inspected Work..... | 23 |
| 2. | Add Work..... | 23 |
| 3. | Rework..... | 24 |
| SECTION 10: INVOICING JOBS | | 24 |
| A. | General Requirements..... | 24 |
| B. | Grant Closing Invoice Requirements..... | 25 |
| C. | Paid Invoices | 25 |
| SECTION 11: MONTHLY BILLING PROCESS | | 25 |
| SECTION 12: PROGRAM OVERSIGHT AND MONITORING | | 26 |
| SECTION 13: DOCUMENT/RECORD MANAGEMENT SYSTEMS | | 26 |
| SECTION 14: REPORTING REQUIREMENTS | | 26 |
| SECTION 15: AGREEMENTS, BUDGETS AND WORK PLANS | | 26 |
| A. | In General..... | 26 |
| B. | Subgrant Agreements | 26 |

| | | |
|---|--|-----------|
| C. | Budget Preparation | 27 |
| 1. | Support Salaries & Fringe..... | 27 |
| 2. | Administrative Cost | 27 |
| 3. | Support “Other”..... | 27 |
| 4. | Liability and POI | 27 |
| 5. | Budget lines \$10,000 or greater | 27 |
| 6. | Revised Budgets | 27 |
| D. | Work Plan Preparation | 27 |
| 1. | Production Schedules | 28 |
| 2. | Priorities for MHPP and Wait List policies | 28 |
| 3. | Sample CAA Contracts..... | 28 |
| 4. | Contracted MHPP Vendors | 28 |
| 6. | Leveraged Resources | 28 |
| 7. | Household Contributions | 28 |
| 8. | Proof of Ownership | 28 |
| 9. | Verifying Household Eligibility..... | 28 |
| E. | Submission to MaineHousing..... | 28 |
| SECTION 17: CONFLICT OF INTEREST PROCEDURES..... | | 28 |

INTRODUCTION

The MaineHousing Heat Pump Program Guidance and Procedures (MHPP Guide), provides guidance, procedures and best practices for administering MHPP funded projects.

The MHPP Guide will be updated as needed to provide Agencies with current information regarding the delivery and management of MaineHousing’s Heat Pump Program (MHPP) services. Agencies must adhere to the applicable terms and conditions of regulations and rules when administering MHPP funded projects. (Collectively MaineHousing and CAAs are referred to as “Agencies.”)

CAAs will be allocated funds to administer MHPP in their respective service areas. MaineHousing will work with the CAAs to fill in any production gaps, as well as work in a coordinated effort with the CAAs to install heat pumps statewide.

MaineHousing’s Energy and Housing Services Department (EHS) provides the management, technical assistance and administrative support for MHPP. **NOTE:** MaineHousing’s CAA Portal (<http://www.mainehousing.org/partners/partner-type/community-agencies/maine-weatherization-programs>) contains current rules, state plans, links to applicable federal references, and other resources.

A. References

Agencies must adhere to the terms and conditions of the HEAP Rule and HEAP State Model Plan when administering MHPP projects

- Chapter 24, Home Energy Assistance Program Rule (adopted) (HEAP Rule)
- HEAP State Model Plan
- Subgrant Agreements and any applicable budgets, work plans and amendments
- MaineHousing’s MHPP Guide
- MaineHousing’s Home Energy Assistance Program Handbook (HEAP Handbook)
- HEAT Enterprise Software Users Guide

B. Definitions

Capitalized terms not otherwise defined in this MHPP Guide have the same meaning as set forth in the HEAP Rule and Subgrant Agreements. As used in this MHPP Guide, the following terms have the following meanings:1. **Dwelling Unit**

An occupied residential housing structure with one or more rooms that is used customarily as a domicile for one or more persons, when permanently connected to the required utilities (including plumbing, electricity and heating systems) and contains bathroom and kitchen facilities specific to that unit. A Dwelling Unit has its own private entrance from the outside or off an enclosed hallway leading from the outside that does not pass through or offer an open access to any other unit within the structure. A Dwelling Unit does not include a camper, boat, railroad car, bus, yurt or other structure designed and constructed to provide temporary living quarters.

2. **Eligible Household**

A household that satisfies all eligibility and income requirements of the HEAP Act and requirements of the Program Rule.¹

¹ Chapter 24, Home Energy Assistance Program Rule.

3. **Familial Relationship**

Persons related by birth, marriage, or adoption, and unmarried persons who have children in common (birth or adoptive parents).

4. **Primary Heating System**

A permanently installed system that is used to heat the Dwelling Unit.

REMINDER: A portable space heater is not considered to be a heating system.

SECTION 1: MHPP PROGRAM GRANTS

This MHPP Guide applies to all active MHPP grant periods. Each program year, MaineHousing allocates HEAP Weatherization (HEAP Wx) funds to CAAs through Subgrant Agreements. A percentage of the HEAP Wx funds is then allocated to the MHPP.

A. Home Energy Assistance Program

Refer to MaineHousing’s CAA Portal for a complete list of programs administered through MaineHousing’s EHS department, along with effective funding year dates

***NOTE:** A list of programs administered through EHS with corresponding grant periods is available on the CAA Portal.*

B. Advances

Advances of twenty-five percent (25%) may be issued to CAAs for applicable Program Year upon MaineHousing’s receipt and approval of MHPP Work Plan, budget documents, and fully executed Subgrant Agreement and amendments.

SECTION 2: MHPP SERVICE AREAS

MHPP serves all Maine counties through eight(8) CAAs and MaineHousing. MaineHousing will work with the CAAs to fill in any production gaps, as well as work in a coordinated effort with the CAAs to install heat pumps statewide. CAAs provide MHPP services to households in the following designated counties:

| CAA | Area Covered |
|---|--|
| Aroostook County Action Program (ACAP) 771 Main Street PO Box 1116 Presque Isle, ME 04759 | Aroostook County |
| Community Concepts (CCI) 17 Market Square South Paris, ME 04287 | Androscoggin, Cumberland and Oxford Counties |
| Downeast Community Partners (DCP) 248 Bucksport Road Ellsworth, ME 04605 | Washington and Hancock Counties |
| Kennebec Valley Community Action Program (KVCAP) 97 Water Street Waterville, ME 04901 | Kennebec, Lincoln, Sagadahoc and Somerset Counties |
| Penquis Community Action Program (PCAP) 262 Harlow St PO Box 1162 Bangor, ME 04402-1162 | Penobscot, Piscataquis and Knox Counties |
| Waldo Community Action Partners (WCAP) 9 Field Street PO Box 130 Belfast, ME 04915 | Waldo County |
| Western Maine Community Action (WMCA) 20A Church Street PO Box 200 East Wilton, ME 04234 | Franklin County |
| York County Community Action Corp. (YCCAC) 6 Spruce Street PO Box 72 Sanford, ME 04073 | York County |

SECTION 3: PRIORITIZATION AND WAIT LIST REQUIREMENTS

A. CAA Prioritization.

1. **Tier 1:**

- a. Applicants on current CAA heat pump wait list.
- b. Applicant interest/inquiries.
- c. Households being scheduled for weatherization services.

2. **Tier 2:**

Households that have been previously weatherized.

NOTE: Heat pump installations do not require that the Dwelling Unit receive additional WAP and/or CHIP services.

B. MaineHousing Prioritization

MaineHousing will work with the CAAs to fill in any production gaps, as well as work in a coordinated effort with the CAAs to install heat pumps statewide.

C. Wait List Requirements

Eligible Households shall be served on a first-come, first-served basis with respect to each level of priority except when the CAA is providing CHIP or weatherization services to a Dwelling Unit. In this case, MHPP activities to Eligible Households that enable the CAA to leverage funds may be served first.

SECTION 4: ELIGIBILITY

A. Eligible HEAP Application

A household may be eligible for MaineHousing’s Heat Pump Program if the household:

- (1) Is eligible for Fuel Assistance benefits; and
- (2) Has an eligible HEAP Application (fuel assistance) that was certified within the preceding twelve (12) months; and
- (3) Does not have a more recent HEAP Application that has been certified–denied: and
- (4) has a working primary heating system.

NOTE: *Prior to scheduling a job, CAA must re-verify a Household’s eligibility to ensure that their most recent HEAP application has not been denied.*

GUIDANCE: Once a job is scheduled in HEAT Enterprise based on an eligible HEAP application, the job can be completed even if the household is found to be ineligible on a subsequent HEAP application. The job’s *Assessment Date* in HEAT Enterprise is considered the “initiation of services” date. See revised [Section 8\(D\), System Dates](#) for more information.

B. “CHIP Only” HEAP Application

Because a Dwelling Unit must have a working primary heating system to be eligible for MHPP, a household may need to receive CHIP services before a heat pump can be installed.

GUIDANCE: A household may be eligible for CHIP services if the Household’s standard HEAP Application was appropriately processed, documented and certified eligible for “CHIP Only”. Household’s application must be otherwise eligible for fuel assistance. Refer to the [HEAP Handbook](#) for more information. If a household was denied on a subsequent HEAP Application, the household/unit is no longer eligible for CHIP (denial overrides the prior certification for HEAP (fuel assistance) or “CHIP Only” certification).

C. Proof of Ownership

Agencies shall verify ownership of Dwelling Units prior to performing any work. Proof of ownership may include current property tax bill, statement from the local tax assessor, town clerk or similar municipal official.

NOTE: *Property deeds alone are not considered adequate proof of ownership.*

D. Applicant Relocates

If a household is requesting MHPP services for a different Dwelling Unit (*i.e.*, moved to a new Dwelling Unit subsequent to the Date of Application for HEAP), Agencies must take appropriate steps to fully assess the heating situation of the new Dwelling Unit (*e.g.*, number of rooms, permanently installed heating systems, etc.).

SECTION 5: ELIGIBLE UNITS

A. Dwelling Units

- (1) A Dwelling Unit must be occupied by a household that meets the eligibility for assistance under the Low Income Home Energy Assistance Act of 1981 as determined in accordance with criteria established by the Director of the Office of Management and Budget.
- (2) Dwelling Units include single family stick built, manufactured/modular homes, townhomes and condominiums.
- (3) Dwelling Unit must have a working primary heating system. If the Dwelling Unit does not have a functioning primary heating system, the CAA may certify the HEAP Application for “CHIP Only” provided the HEAP Application is complete and all applicable documentation has been provided.

NOTE: *Eligible Households that apply for MHPP services for more than one Dwelling Unit will be subject to additional review to ensure the requested services are consistent with the intent of the program.*

B. Rentals

Rental Units are not eligible for MaineHousing Heat Pumps.

C. Ineligible Units

A Dwelling Unit will not be eligible for MaineHousing Heat Pumps if:

- (1) Dwelling unit already has a heat pump;
- (2) Dwelling Unit has been designated for acquisition or clearance by a federal, state, or local program or order;
- (3) Dwelling Unit has been designated for foreclosure;
- (4) Dwelling Unit is for sale;
- (5) Dwelling Unit is vacant;
- (6) Dwelling Unit is uninhabitable as determined by a local municipality, state agency, MaineHousing or a CAA;
- (7) Dwelling Unit is in poor structural condition making the installation of MHPP services impractical, impossible, or ineffective;
- (8) Dwelling Unit is in such poor structural condition that the proposed MHPP services would have a longer life expectancy than the Dwelling Unit;
- (9) There are obvious discrepancies found between the information supplied on the Application and observed conditions during the MHPP process. The Agency must resolve any discrepancies before work can continue.

SECTION 6: USE OF FUNDS

A. Allowable Uses

MHPP funds may be used to

- (1) Install a heat pump as a secondary heating systems.
- (2) Replace an existing non-working heat pump. However, a waiver must be submitted if the replacement is for a previously MHPP-funded heat pump.

B. Unallowable Uses

MHPP funds may not be used to:

- (1) Reimburse or pay an Applicant.
- (2) Replace a heating system.

NOTE: A waiver must be submitted requesting the replacement of a previously MHPP-funded heat pump.

C. Waivers

Upon determination for good cause, A Weatherization Program Officer or the Manager of Weatherization of MaineHousing, or the Manager's designee, may, subject to statutory limitations, waive certain provisions of the guidance. Each waiver shall be in writing and shall be supported by documentation of the pertinent facts and grounds for the waiver.

SECTION 7: INSTALLING HEAT PUMPS

In June 2019, Maine Governor, Janet Mills, signed LD 1766 “An Act To Transform Maine's Heat Pump Market To Advance Economic Security and Climate Objectives”, which establishes the goal of installing 100,000 heat pumps in Maine by 2025.

MaineHousing is committed to this heat pump initiative and will target HEAP Eligible Households (those who are eligible for MHPP services) whose homes are good candidates for heat pumps as secondary heat sources to reduce the households’ overall energy burdens. MaineHousing will provide Efficiency Maine Trust (EMT) with data specific to this heat pump initiative delivered to Eligible Households through CAAs.

NOTE: Heat pumps installed with MaineHousing Heat Pump funds are not eligible to receive an EMT rebate.

A. Heat Pump Rebates

- (1) Homeowners and/or vendors are not eligible to receive EMT rebates for heat pumps installed with MHPP funds.
- (2) Applicants are required to sign a *MHPP Consent* form prior to the commencement of any work, authorizing the CAA and/or MaineHousing to share information with EMT regarding the assessment, installation and inspection of the heat pump system.

B. Heat Pump Process

1. Identify interested/qualifying households

- a. Agencies are encouraged to utilize CAA outreach initiatives to identify and verify Eligible Households.
- b. Contact the homeowner to determine interest and provide the homeowner with a copy of *Introduction to Heat Pumps* and a copy of *Heat Pump User Tips* prior to securing consent.
- c. Obtains homeowner’s signature on the *MHPP Consent* form.

2. Enter Job in HEAT Enterprise

A job must be scheduled in HEAT Enterprise whether contact is made with homeowner to determine interest or the homeowner contacts the CAA. This will ensure that all reporting and production tracking is current. See [Section 8, Processing MHPP Jobs](#).

NOTE: If the contractor recommends that the dwelling is not suitable for a heat pump, the job will need to be deferred in HEAT Enterprise and deferral notice sent to the Applicant.

- a. If the Applicant/homeowner declines services, the scheduled job must be deferred in HEAT Enterprise and a Deferral of Services Notice sent to the Applicant.
- b. If the homeowner express an interest in services, the Vendor is assigned to conduct an initial site visit.

3. **Select Heat Pump Vendor**

- a. CAAs may select a heat pump vendor from the EMT “Heat Pump Registered Vendors” list located on the Efficiency Maine Locator at <https://www.energymaine.com/at-home/vendor-locator/> within a reasonable distance from the Dwelling Unit (Registered Vendor). See [Section 7\(E\), Heat Pump Vendors](#).
- b. Agencies have the option to secure set/bid pricing from Vendors; however, bids are not required by MaineHousing.

NOTE: Bids from heat pump vendors are not required by MaineHousing.

4. **Coordinates Initial Site Visit with Homeowner**

The homeowner must be provided with the name and contact information of the selected Vendor prior to the initial site visit by the Vendor.

5. **Vendor Conducts Initial Site Visit with Homeowner**

Vendor coordinates an initial site visit with homeowner to determine Dwelling Unit eligibility, and recommends the most suitable heat pump system for the Dwelling Unit.

IMPORTANT: Heat pumps must only be installed in locations in the dwelling that maximize energy efficiency resulting in an overall decrease in the Applicant’s energy burden. For example, installing a heat pump in a bedroom would not decrease the Applicant’s energy burden.

6. **Vendor Recommendation**

a. **Vendor Recommends Heat Pump System**

- ii. Installers can use any model that meet program specifications. See [Section 7\(D\), Heat Pump Specifications](#).
- iii. All equipment, materials and supplies required for the heat pump installations must be purchased by the Vendor.
- iv. Vendor provides the Agency with cost estimate for the heat pump system for Agency approval. The Agency must upload a copy of the cost estimate to HEAT Enterprise WAP Documents.

NOTE: See <https://www.energymaine.com/docs/Most-rebated-heat-pumps.pdf> for a list of most commonly EMT-rebated heat pumps. EMT’s list is not a comprehensive listing of heat pumps that meet program specifications.

b. **Vendor Does Not Recommend Heat Pump System**

If the Vendor recommends that the dwelling is not suitable for a heat pump, the job must be deferred in HEAT Enterprise and deferral notice sent to the Applicant.

7. **Create Work Order**

- a. All jobs must be scheduled and audited in HEAT Enterprise, and a work order created.

- b. CAA must select measure “155-420-9200 Heat Pump Installed by CAA” to process a heat pump job. *See* [HEAT Weatherization Software Users Guide](#) for more information on creating work order.

8. Vendor Coordinates Installation and Inspection with Homeowner

Vendor coordinates installation with homeowner and completes installation. Vendor must complete and sign MaineHousing’s *Vendor Heat Pump Inspection Checklist* and submit the Checklist with the Vendor’s invoice.

9. Vendor Submits Invoice

Vendor sends invoice, *Vendor Heat Pump Inspection Checklist*, and *Release of Liens* to the Agency confirming that installation is complete.

10. Inspect Installation

- a. Agencies must inspect a minimum of 5% of installed heat pump jobs per calendar year to ensure that standards have been met. Agency inspectors are required to document the inspection on the *Agency Heat Pump Inspection Checklist*, which can be downloaded from the CAA Portal. If the unit is not inspected, the Agency must complete the Heat Pump System section of the Checklist and indicate that the unit is not inspected. In addition, the inspector must obtain color photos of the exterior and interior components (including thermostats) of inspected units. *See* [Section 9\(C\)\(1\), Inspect Work](#).
- b. Inspector obtains homeowner signature on the *Statement of Completion* form.

11. Pay Vendor

See [Section 9\(C\), Payment to Vendors](#).

12. Submit HEAT Invoice

See [Section 8\(E\), Required Documentation](#) and [Section 10, Invoicing MHPP Jobs](#).

13. MaineHousing Reviews job(s)

MaineHousing and/or EMT may perform random inspections.

C. Heat Pump Cost Cap

Heat pump projects may be approved and authorized for payment of up to 4,600.00 per heat pump. The project cost cap includes costs for all equipment, materials and supplies and all electrical and structural work required for the installation.

D. Heat Pump Specifications

REMINDER: Only one heat pump can be installed per eligible Dwelling Unit.

- (1) Equipment selected for installation must be a single-head, ductless split-system heat pump.
- (2) Equipment must be a 9,000 or 12,000 btu heat pump system with an HSPF of 13 or greater. If manufactured prior to January 1, 2023

(3) Equipment must be a 9,000 or 12,000 btu heat pump system and HSPF2 of 10.4 or greater if manufactured after January 1, 2023

(4) Equipment must be Air Conditioning, Heating, and Refrigeration Institute (AHRI) certified.

(5) Outdoor components must be:

- a. Mounted on brackets in an unobstructed location that is high enough to avoid snow cover.
- b. Mounted in a location that is agreeable to the homeowner.
- c. Heat pumps can only be mounted on stands if recommended by the installer due to the construction of the house and/or to reduce noise or vibration.
- d. Protected by a rain cap if located under a drip edge.



Outdoor component must be protected by a rain cap if located under a drip edge.

(6) Line sets:

- a. All line sets that are visible must run through duct covers. Termination fittings (tapered, vertical wall, soffit, etc.) must be installed on both ends of all duct covers.
- b. Ends of duct covers must be sealed to prevent pest entry.
- c. Duct covers must be level or plumb.
- d. Refrigerant lines must be evacuated per the manufacturer's recommendations.
- e. Insulation must cover full length of line sets (no exposed copper).
- f. All interior and exterior ceiling/wall/floor penetrations must be sealed with 1-part foam.

(7) Indoor components must be:

- a. Mounted in a location that maximizes airflow and is agreeable to the homeowner.
- b. Level and with adequate side clearances for servicing.

(8) Control type: Wireless remote control.

(9) Electrical connections:

- a. All electrical work must be performed by a licensed electrician.
- b. The Vendor must coordinate with the homeowner to identify the circuit breaker panel location and model best suited for the Dwelling Unit.
- c. If necessary, the Vendor must coordinate with a licensed electrician to determine if there is room for a 20A, 220V breaker or whether a tandem breaker will have to be added to make room for the 20A, 220 V breaker.”
- d. All electrical costs must be included in the cost of the heat pump.

E. Heat Pump Vendors

- (1) Agencies may retain the services of any Efficiency Maine Registered Vendor qualified to complete the installation and located within a reasonable distance from the eligible Dwelling Unit. See <https://www.energymaine.com/at-home/vendor-locator/> for a list of Registered Vendors.
- (2) Or, Agencies may secure services of non-EMT Registered Vendors by following the Agency's established Vendor selection protocol.

F. Heat Pump Selection Process

- (1) Vendor recommends eligible heat pump and installation criteria.
- (2) Vendor submits heat pump installation quote to the Agency.
- (3) Agency reviews and approves quote and informs Vendor and homeowner of approval.
- (4) All equipment, materials and supplies required for the installation heat pumps must be purchased by the Vendor.

NOTE: All matters regarding the heat pump system installation are between the homeowner and the Vendor. The CAA is a conduit and support for the process, but any follow-up after installation is with the Vendor.

G. Vendor Responsibilities

1. Heat Pump Installation

The Vendor will:

- a. Coordinate installation with homeowner and complete installation.
- b. Coordinate with the homeowner to identify the circuit breaker panel location and best suited heat pump model for the Dwelling Unit.
- c. If necessary, coordinate with a licensed electrician to determine if there is room for a 20A, 220V breaker or whether a Tandem breaker will have to be added to make room for the 20A, 220 V breaker.
- d. Ensure that heat pump installation and all electrical work complies with all applicable codes.

2. Consumer Education

The Vendor will educate homeowner about the operation, maintenance and basic trouble shooting of all system components, including but not limited to the following:

- a. How to operate the system in conjunction with the Dwelling Unit's primary heating system.
- b. How to clean indoor component filters and outdoor coils.
- c. How to use of heat pump controls.
- d. How to address common error messages and take corrective actions.
- e. Who to call for service and/or questions regarding the operation of the system.

SECTION 8: PROCESSING MHPP JOBS

CAAs must schedule, audit, create a work order, install and inspect measures, and invoice all MHPP jobs using HEAT Enterprise. See [HEAT Enterprise Users Guide](#) for more information. Prior to performing any MHPP service(s), the CAA must verify the Applicant's eligibility and ownership of the dwelling.

IMPORTANT: Jobs must be entered in HEAT Enterprise in real time to facilitate accurate tracking and reporting for CAAs and MaineHousing.

A. System of Record

HEAT Enterprise is the “system of record” for the MaineHousing Heat Pump Program. That means MaineHousing relies on the data entered into HEAT Enterprise to monitor jobs, track production, and report to stakeholders. All jobs must be entered into HEAT Enterprise in real time, even if the job is subsequently deferred. See [HEAT Enterprise Users Guide](#).

NOTE: Dates affect all reports, whether using filtered or system report.

MaineHousing does not consider a job in production until the job is entered (“scheduled”) in HEAT Enterprise.

1. Heat Pump Measure

CAAs must use measure 155-420-9200 Heat Pump Install by CAA to process heat pump jobs in HEAT Enterprise. MaineHousing's EHS staff will use measure 155-420-9100 Heat Pump Installed by MaineHousing when installing heat pumps.

2. Heat Pump Funding Sources

CAAs must use funding source “CAA Heat Pumps” or “CAA Supp Heat Pump” when invoicing heat pump jobs. MaineHousing EHS staff will use the “EHS Heat Pumps” funding source when invoicing heat pumps.

3. Budgets

Once required contract amendments and work plans are returned to MaineHousing, funding will be allocated to the CAA in HEAT Enterprise for heat pump installations. Heat pump funds will be visible in the *Budget Balance* section of Heat Enterprise.

IMPORTANT: CAAs must never assign heat pump installations to the EHS Heat Pump funding source. This funding source was created for the exclusive use of EHS staff for invoicing and tracking MaineHousing heat pump installations using the client record(s) assigned to the CAA.

B. System Dates

HEAT Enterprise system dates tell a story and affect all reports. Get in the habit of entering (scheduling) the job in HEAT Enterprise as soon as the client is contacted, which will provide a more accurate picture of the job's timeline and allow for the use of HEAT's management tools, such as number of jobs in the pipeline, etc. When entering jobs, the system may default a date, requiring the user to change the date and enter correct dates. The pipeline is derived from the following system dates:

| SYSTEM DATES | DEFINITIONS |
|----------------------------------|--|
| <i>Application Date</i> | Date client applied for HEAP fuel assistance benefits. This date is obtained from HEAP Cloud. |
| <i>Certification Date</i> | <p>Date client was certified eligible to receive HEAP fuel assistance benefits, thereby making the household eligible to receive MHPP/WAP services. The date is obtained from HEAP Cloud. The system will automatically calculate the <i>Expiration Date</i>.</p> <p>It is important that the correct <i>Certification Date</i> be verified/entered in HEAT Enterprise on the Client Information screen for each job. The date entered provides verification that the job is HEAP-eligible for services.</p> <ol style="list-style-type: none"> Each job retains the information on the Client Information screen used to create the job. The system may default the date to the job creation date and/or application copied date. The agency must correct this date by confirming the Certification Date in the HEAP Cloud system. HEAT uses the <i>Certification Date</i> to generate several reports and filters. An inaccurate date yields inaccurate results. |
| <i>Expiration Date</i> | 12 months from the <i>Certification Date</i> . HEAT Enterprise auto-calculates this date. |
| <i>Assessment Date</i> | <p>The record's <i>Assessment Date</i> on the Audit Information screen must always be the following:</p> <ol style="list-style-type: none"> <u>Deferred jobs</u>: Date contact was made with the Applicant for services. <u>MHPP Jobs</u>: Date that contact was made with Applicant and job is moving forward.. <p>HEAT Enterprise will default the <i>Assessment Date</i> to the date the job was created in the system. Change the date. <i>Assessment Date</i> is the “Scheduled” date on several reports.</p> |
| <i>Deferred Date</i> | <p>The date the job was deferred and client notified. The Deferred Date is entered on the Audit Information screen.</p> <p>IMPORTANT: A completed <i>Deferral of Services Notice</i> must be uploaded to HEAT Enterprise WAP Documents for all deferred jobs and a copy of the notice must be provided to the Applicant.</p> |
| <i>Audit Date</i> | Date the energy audit was performed (the system will default to the date the Audit was entered into the system) |
| <i>Work Order Date</i> | <p>Date when the work order was generated in the system and/or work order instructions were verbally provided to the Contractor in an event of emergency services (e.g., no heat).</p> <p>NOTE: The assumption is that a work order is delivered to the contractor on or about the work order date.</p> |
| <i>Installation Date</i> | Date the contractor invoice was received and prices/quantity verified in the |

| | |
|-------------------------------|--|
| | system. |
| <i>Inspection Date</i> | CAAs should use the date the CAA and Applicant signed the <i>Statement of Completion</i> form. |
| <i>Invoice Date</i> | Date the CAA submitted the invoice to MaineHousing. |
| <i>Complete Date</i> | Date the job’s invoiced measures are submitted to MaineHousing for payment. All measures associated to a job must be invoiced and the invoice(s) submitted to MaineHousing before a job will be auto-assigned a complete date. IMPORTANT: Every time a job is taken off an invoice (for whatever reason) the Complete Date will default back to blank. |
| <i>Paid Date</i> | Date MaineHousing paid the invoice. |

GUIDANCE: The difference between the *Assessment Date* and the *Complete Date* is the number of days to process the job (from beginning to end). This data provides useful information for MaineHousing and CAAs.

C. Program Forms

Agencies must use forms provided or approved by MaineHousing to administer MaineHousing Heat Pumps. Additional forms may be used by the Agencies provided the forms have been reviewed and approved by MaineHousing. Forms will be revised as needed and uploaded to the CAA Portal. See [Section 8\(E\), Required Documentation](#).

D. Signatures and Dates

It is important that all forms signed by the Applicant, Contractor or Agency representative include the date of signature. Never have blank forms signed and dated prior to an event happening (e.g., completion). The signature date denotes when the parties agreed to the terms contained in the signed document(s).

GUIDANCE: Without an Applicant signature and date on the *Consent* or *Statement of Completion* (and other required forms), the federal and state monitors are not able to verify when the client agreed to receive services and the conditions for receiving services as well as when the Applicant agreed that all services were satisfactorily completed.

E. Required Documentation

Before a MHPP job can be invoiced, Agencies must upload required documents for the job into the “WAP Document” section of HEAT Enterprise. Certain forms must be signed by the owner (if different than the Applicant) and the Applicant. “Owner” is defined as an owner listed on the proof of ownership document. Other household member signatures are not acceptable. Required documents include the following:

| Document | Explanation |
|----------------------------------|---|
| <i>MHPP Consent</i> | Must be signed and dated by property owner. |
| <i>Proof of Ownership</i> | Proof of ownership includes current property tax bill, statement from the local tax assessor, town clerk or similar municipal official, or documentation from electronic registry |

| Document | Explanation |
|--|--|
| | Note: Property deeds are not considered adequate proof of ownership. |
| <i>Heat Pump Cost Estimate</i> | Must be submitted to the Agency by the Vendor for Agency approval. |
| <i>Vendor Heat Pump Inspection Checklist</i> | Must be signed and dated by the Vendor and the Homeowner. |
| <i>Agency Heat Pump CAA Inspection Checklist</i> | Must be signed and dated by the Agency inspector. |
| <i>Statement of Completion</i> | The form must be signed and dated by property owner and Agency. |
| Vendor invoice(s) | Must be provided by all vendors who performed MHPP activities for the job, including heat pump installations. Vendor invoices do not need to be modified to remove tasks that were paid for by Leveraged Funding. Note: State Monitors will compare contractor invoices to work orders and installed measures in HEAT Enterprise to get a full picture of MHPP work performed on the unit. |
| <i>Vendor Release of Lien</i> | Must be completed, signed and dated by each Vendor as a condition of being paid for MHPP work performed, including heat pump installations, on the unit. |
| Pre, Post, and Inspection Photographs | Refer to Section 8(E) . |

F. MaineHousing Forms

- (1) CAA must use the forms contained on the CAA Portal. MaineHousing posts only current forms on the CAA Portal, which are updated/edited from time-to-time. All MaineHousing forms contain a footer date.
- (2) All required program forms must be complete, signed by the appropriate individual(s). **Signatures must be dated.**
- (3) Applicants/Owners must never pre-sign blank forms.
- (4) The date the *MHPP Consent* form is signed determines which forms' footer dates are applicable.

NOTE: The submission of outdated forms may result in an open item by MaineHousing that must be corrected before payments can be made. This means CAAs will need to obtain signatures from applicant/owners and contractors on forms in effect on the date the Applicant signed the Consent.

G. Document Checklist

The *Project Cover Sheet* contains a Document Checklist specifying what needs to be submitted to MaineHousing for each job. The Project Cover Sheet is posted on the CAA Portal and is also included in the MHPP forms bundle.

H. Document Submission

Before a MHPP job can be invoiced, Agencies must upload required documents for the job into the “WAP Document” section of HEAT Enterprise. See the [HEAT Weatherization Software Users Guide](#) for more information.

- (1) Agencies must upload required documents and/or document bundles for each completed job to HEAT Enterprise > WAP Documents. Upload bundles to the “Bundle MHPP Final Documents” slot.
- (2) Upon review of invoiced jobs, the State Monitors will note missing documents as an “open item,” and notify the CAA.
- (3) Missing documents resulting from open items should be uploaded to the designed document slot in HEAT Enterprise>WAP Documents. If the slot is already occupied by an existing document, then documents should be uploaded to “Other” slots. The file name of the missing document could contain language that would easily identify that the document submission is in response to an open item. *For example*, if the Proof of Ownership was insufficient and open item issued to CAA. The Agency would upload the correct Proof of Ownership to the “MHPP-WAP Proof of Ownership” slot in WAP Documents. The Proof of Ownership file name could be “POO in response to open item.”

K. Applicant Surveys

Applicant feedback is an important component of delivering MaineHousing programs. As such MaineHousing has created survey cards for Agencies to provide to recipients of MaineHousing program grants. MaineHousing will provide a supply of survey cards to each CAA.

- (1) The Agency must provide *Heat Pump Client Satisfaction Survey* card to every Applicant whose unit is reported as completed. The survey card may be provided to the Applicant at any time after services commence, but no later than completion of a final unit inspection and/or Applicant signs the *Statement of Completion*.
- (2) The Agency must advise the Applicant that the survey card(s) provides an opportunity for the Applicant to inform MaineHousing of his/her experience with the program and that he/she is acknowledging receipt of the survey card when signing the *Statement of Completion* form. Inform the Applicant that MaineHousing is asking for feedback from all Applicants whether positive or negative.

A supply of Client Satisfaction Survey cards is provided to CAAs by MaineHousing . Contact EHSHelpdesk@mainehousing.org to request additional cards as needed.

GUIDANCE: Agencies should, hand-deliver the survey card to Applicants at time of Inspection if possible or when the Applicant signs the *Statement of Completion*. Agencies should explain that the survey card can be completed electronically by scanning the Quick Response (QR) code with their smart phone camera or by completing and mailing the survey card, which is preaddressed to MaineHousing.

SECTION 9: MHPP VENDORS

A. Expectations

- (1) Vendor staff must behave in a professional manner at all times, as they function as MHPP representatives.
- (2) Agency and vendor staff must use all required Protective Personal Equipment (PPE) and comply with Federal, state and local codes and Program policies; including, but not limited to OSHA and EPA guidelines.

B. Prohibited Activities

- (1) Drinking intoxicating beverages, using illegal drugs, or the inappropriate use of tobacco products and/or prescription drugs while on the job or in interactions with the occupants of the Dwelling Unit.
- (2) Harassment and/or acts of violence, including but not limited to, physical, verbal or sexual.
- (3) Presence of weapons or firearms at the job site.
- (4) All other illegal and/or unprofessional activities not specified above.

C. Payments to Vendors

CAAs must pay vendors for work performed within thirty (30) calendar days of receipt of the vendor invoice. This requirement applies to any and all work performed under MHPP. CAAs must perform any required inspections of the vendor's work within this thirty-day time period.

1. Inspected Work

- a. Agencies must perform a final inspection on a minimum of 5% of all Heat Pump jobs. Inspection will include an evaluation to determine:
 - i. compliance with applicable standards and regulations; and
 - ii. all work performed was authorized by the Agency.
- b. Any required inspections of the vendor's work must be completed within thirty days of the receipt of the vendor's invoice.
- b. The Agency are required to document the inspection on the *Agency Heat Pump Inspection Checklist*, which can be downloaded from the CAA Portal. In addition, Agency inspector must obtain color photos of the exterior and interior components (including thermostats).
- c. Agency inspector must sign and obtain the homeowner signature on the *Statement of Completion* form. **Signatures must be dated.**

2. Add Work

If upon inspection, the Agency adds work not called for in the original work order, the Agency must still pay the vendor for the original work performed within thirty calendar days of receipt of the vendor's original invoice.

3. Rework

If upon inspection, the Agency issues the vendor a “rework” order due to deficient or incomplete work on the part of the vendor, the Agency may delay payment to the vendor. Once the vendor completes the rework, the Agency must inspect the work and pay the vendor within thirty days of the date the rework is completed.

SECTION 10: INVOICING JOBS

All indirect and direct costs must be invoiced and submitted to MaineHousing through HEAT Enterprise. See HEAT Weatherization Software Users Guide for more information.

A. General Requirements

- (1) CAAs can only invoice MaineHousing for a job after all work has been finished.

IMPORTANT: If the job is for a heating system replacement, a final inspection must be completed and passed by a CAA inspector.

- (2) *MHPP Consent* and *Statement of Completion* forms must be signed **and dated** by the owner (if different than the Applicant) and the Applicant. “Owner” is defined as an owner listed on the proof of ownership document. Other household member signatures are not acceptable.
- (3) Jobs with issues identified at final inspection must be re-inspected and “passed” after reworks or mitigation tasks are installed, even when such tasks are funded with non-MHPP funds. Photo documentation of MHPP rework is required.
- (4) Agencies must upload all required documentation in HEAT Enterprise in order for the job to be eligible for review, approval and payment by MaineHousing. See [Section 8\(E\), Required Documentation](#).
- (5) CAAs must submit invoices to MaineHousing by the 20th of each month for the preceding monthly billing. For example, February 2022 monthly billings must be submitted on or before March 20, 2022. MaineHousing reserves the right to reject late invoice submissions and require that the CAA remove any or all jobs and submit the job(s) on a subsequent month’s invoice.
- (6) Incomplete or unacceptable invoices will be returned to the CAA for correction and will not be paid until corrected and approved by MaineHousing.
- (7) CAA must complete and inspect all applicable jobs before the end date of the applicable Subgrant Agreement. Final billing invoices must be submitted to MaineHousing within thirty (30) days after the end date of the applicable Subgrant Agreement.
- (8) MaineHousing reserves the right to withhold payment until billing invoice is received and approved as accurate and final.
- (9) To ensure that jobs are invoiced to MaineHousing during the correct grant timeframe, MaineHousing has established the job “end date” as the date the client signs the Statement of Completion. If this date is more than four (4) weeks beyond the final test date (inspection date), the CAA must explain in job file.
- (10) Jobs cannot be billed to a grant if the “end date” is outside of the grant/contract timeframe.

B. Grant Closing Invoice Requirements

MHPP funding periods and closing requirements are prescribed in Subgrant Agreements and Amendments to the Subgrant Agreement. In addition, MaineHousing maintains Grant closing date requirements on the *Grant Funding Periods and Closing Dates* publication, which is updated whenever closing requirement dates change and posted by MaineHousing on the CAA Portal.

C. Paid Invoices

Once MaineHousing has paid an invoice, the costs associated to the invoice are locked and cannot be adjusted. If the CAA needs to adjust any indirect costs previously paid by MaineHousing, the CAA must allocate negative costs to the indirect budget item in a subsequent monthly billing with a note in the monthly invoice comment section to explain the negative costs associated to the monthly billing. See the [HEAT Weatherization Software Users Guide](#) for guidance on initiating negative billings.

- (1) The negative billing feature in HEAT Enterprise is only available for indirect costs.
- (2) If a direct costs associated to a paid job needs to be adjusted, consult with a MaineHousing Weatherization Program Officer for guidance.

SECTION 11: MONTHLY BILLING PROCESS

HEAT Enterprise is the system of records for all MHPP jobs, including budget allocations and maintenance. See the [HEAT Weatherization Software Users Guide](#) for guidance on managing budgets, creating invoices, and invoicing costs in HEAT Enterprise.

Heat Pump's monthly billing process is the same as the WAP billing process. CAAs must adhere to the conditions contained in [MaineHousing's WAP Guidance and Procedures, Section 12, Monthly Billing Process](#).

SECTION 12: PROGRAM OVERSIGHT AND MONITORING

Customer survey cards, applicant phone calls, and applicant comments during site monitoring are tracked by MaineHousing. MaineHousing technicians, program and management staff engage with applicant/owners and CAAs as needed to address issues. Resolutions are documented in applicable MaineHousing databases.

NOTE: A supply of Client Satisfaction Survey cards has been provided to CAAs. Contact EHSHelpdesk@mainehousing.org to request additional cards as needed.

MaineHousing will perform program and fiscal monitoring to satisfy U.S. DHHS program oversight requirements. MHPP and WAP oversight and monitoring process are the same. Refer to [MaineHousing's WAP Guidance and Procedures, Section 15, Program Oversight](#), for more information.

SECTION 13: DOCUMENT/RECORD MANAGEMENT SYSTEMS

MHPP and WAP document and record management systems are the same. CAAs must adhere to the conditions contained in [MaineHousing's WAP Guidance and Procedures, Section 17, Document/Record Management Systems](#), for guidance.

SECTION 14: REPORTING REQUIREMENTS

MaineHousing will be providing EMT with heat pump installation data/reports to ensure that Applicants are not claiming a rebate for heat pumps installations funded through MHPP.

SECTION 15: AGREEMENTS, BUDGETS AND WORK PLANS

A. In General

Each CAA is required to enter into a Subgrant Agreement and develop a budget for each respective grant period. CAAs are also required to submit a work plan describing the CAA's policies and procedures for delivering MHPP services. Together, the budgets and work plan should address all MHPP services that CAAs plan to provide for each plan year allocation. Budgets will not be uploaded to HEAT Enterprise until the work plan has been approved. The following templates are available in the CAA Portal to aid in the development of the budget and work plan for each funding source/year:

- (1) MHPP Administration and Production Allocations
- (2) Budget Form for MHPP
- (3) Support Salaries Schedule

IMPORTANT: Each MHPP Plan Year allocation must be supported by separate budgets, which independently meet the following requirements:

B. Subgrant Agreements

Subgrant Agreements and subsequent amendments will be issued to each CAA for each funding year. Subgrant Agreements will contain funding allocations and advances, if any, appropriated to each CAA for the respective grant and grant period.

C. Budget Preparation

IMPORTANT: Each MHPP Plan Year allocation must be supported by separate budgets. Schedules for the following line items must be submitted for each Budget:

1. Support Salaries & Fringe

The Support Salaries Schedule is designed to present a more complete picture of how staff time and salary/fringe costs will be divided between MHPP and other CAA programs. Federal cost principles require that staff salary/fringe allocations, between two or more programs, should be proportionate to the actual amount of time that staff work on those programs, as documented by signed time sheets. Salaries and fringe budgeted to federally-funded programs should reflect the CAA's best projections for how much time CAA staff will work on different programs. Final billings must be based on actual time and efforts, not budgeted. CAA staff must support time billed to MaineHousing's funded programs with task lists.

2. Administrative Cost

CAAs must include a copy of the HHS approved Indirect Rate Agreement, if applicable.

3. Support "Other"

CAAs must provide a schedule or an explanation to back up all items that will exceed \$10,000.00 billed to this budget type.

4. Liability and POI

CAAs must provide backup for Liability and POI insurance (if applicable).

5. Budget lines \$10,000 or greater

Excluding Salaries and Fringe items or other items specifically addressed above, CAAs must provide a breakdown or a journal of what the budgeted costs will be applied towards.

NOTE: As part of its review, MaineHousing may request an explanation for items under \$10,000.

6. Revised Budgets

CAAs are required to submit revised budgets whenever actual expenditures differ from budgeted line items by more than \$1,000 and the deviation is greater than 10% of the budget line item. The revised budget must be accompanied by an explanation of the variances.

D. Work Plan Preparation

CAAs must submit a work plan on the template provided by MaineHousing on or before the due date specified in the respective Subgrant Agreement. Work Plan templates are provided as part of the Subgrant Agreement delivered to each CAA and are also available on the CAA Portal. Each work plan should summarize the CAA's policies and procedures for delivering MHPP and describe how the CAA will meet major program requirements. The following is a list (not exhaustive) of the topics that should be covered in the work plan. Work plans that do not adequately address these topics will be returned for revisions.

1. Production Schedules

Provide projected number of units to be completed and billed each month under the respective MHPP grant. CAA must also provide MaineHousing with revised production numbers if Subgrant Agreement Amendments result in a change in CAAs production schedule.

2. Priorities for MHPP and Wait List policies

Describe how the CAA will prioritize households following the established eligibility criteria and priority classifications.

3. Sample CAA Contracts

Provide samples of the contracts the CAA uses for MHPP contractors.

4. Contracted MHPP Vendors

Provide the names, addresses and the service area covered by each MHPP vendor.

5. CAA Inspectors

Provide the names of CAA inspectors and their relevant experience in and certification for heat pump installation activities.

6. Leveraged Resources

Describe all efforts to leverage other non-federal resources anticipated to be used with CHIP funds.

7. Household Contributions

Describe the agency's practice for managing and accounting for household contributions.

8. Proof of Ownership

Describe the agency's practices for obtaining proof of ownership documentation.

9. Verifying Household Eligibility

Describe the agency's procedures for verifying a household's eligibility for CHIP services.

10. Other Information

Provide any other information relevant to the administration and delivery of CHIP services.

E. Submission to MaineHousing

The completed Work Plan and Budget must be signed by either the CAA's Housing Director or Executive Director and received by MaineHousing on or before the date prescribed in the respective Subgrant Agreement. CAAs must submit completed Work Plans and Budgets to MaineHousing's ShareFile subfolder Grant Management Compliance>Budgets-Workplans.

SECTION 17: CONFLICT OF INTEREST PROCEDURES

The CAA must disclose potential conflicts of interest as prescribed in the applicable section of the Subgrant Agreement. MHPP and WAP conflict of interest procedures are the same. CAAs must adhere to the conditions contained in [MaineHousing's WAP Guidance and Procedures, Section 23, Conflict of Interest Procedures](#).