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# Income verification strategies for income-based solar programs

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# Income Verification Strategies for Income-Based Solar Programs

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## Acknowledgements

Lawrence Berkeley National Lab (Berkeley Lab) created this brief, which consists of a review of program participation requirements and verification practices of community solar programs and other assistance programs across states that include categorical eligibility, geographic eligibility, and self-attestation.

It was initiated in response to a request for technical assistance from the New Jersey Board of Public Utilities, under the DOE's National Community Solar Partnership (NCSP).

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## List of acronyms

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|---|---|
| AMI | Area Median Income |
| BPU | New Jersey Board of Public Utilities |
| CAA | Community Action Agency |
| DCA | New Jersey Department of Community Affairs |
| EIDL | Economic Injury Disaster Loans |
| ERA | Emergency Rental Assistance |
| FPL | Federal Poverty Level |
| LIHEAP | U.S. Department of Health and Human Services, Low-Income Home Energy Assistance Program |
| LMI | Low- and Moderate-Income |
| OSC | New Jersey Office of the State Comptroller |
| PRC | Public Regulation Commission of New Mexico |
| SBA | Small Business Administration |
| SMI | State Median Income |
| SNAP | Supplemental nutrition assistance program |
| SSI | Supplemental Security Income |
| TANF | Temporary Assistance for Needy Families |
| USF | Universal Service Fund |
| WAP | U.S. Department of Energy, Weatherization Assistance Program |
| WIC | Women, Infants, and Children |
| ZCTA | Census Zip Code Tabulation Area |

## Introduction

Energy assistance programs have existed for years at the federal level with programs such as the U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP)[1] and the U.S. Department of Health and Human Services (HHS) Low-Income Home Energy Assistance Program (LIHEAP).[2] In some regions, these programs have been supplemented with additional state or utility-specific programs in bill assistance, weatherization, solar, and/or other distributed energy resources for low- and moderate-income (LMI) households.

The Inflation Reduction Act has created two large new supports for LMI solar: the $7 billion Solar For All program and the Low-Income Communities Bonus Credit Program, which provides a 10 or 20 percentage point increase to the investment tax credit for up to 1.8 gigawatts of solar projects each year. Eligible wind and solar projects that are installed in a low-income community of on tribal land may receive a 10 percentage point increase and a 20 percentage point increase is available to facilities that are part of a qualified low-income residential building or a qualified low-income economic benefit project.[3]

Verifying the income of participating customers is an important component of all of these programs. Program managers are seeking strategies to verify a large number of subscribing customers in an accurate, timely, and cost-efficient manner.

Determining program eligibility is an ongoing task of government at all levels. A 2021 Executive Order from President Biden directed key federal agencies to improve "service delivery and customer experience" using a variety of strategies.[4] These strategies include, among many others:

- ensuring applicants and beneficiaries in one program are automatically enrolled in other programs for which they are eligible;
- streamlined state enrollment and renewal processes, such as eliminating face-to-face interview requirements and requiring prepopulated electronic renewal forms; and
- developing a mobile-accessible, online process to upload documentation without the need for service-specific tools or traveling to a field office.

[1] U.S. Department of Energy (DOE), Weatherization Assistance Program (WAP), https://www.energy.gov/scep/wap/weatherization-assistance-program.

[2] U.S. Department of Health and Human Services, Low Income Home Energy Assistance Program (LIHEAP), https://www.acf.hhs.gov/ocs/programs/liheap.

[3] U.S. Department of Energy (DOE) Low-Income Communities Bonus Credit Program, https://www.energy.gov/justice/low-income-communities-bonus-credit-program.

[4] President Joseph R. Biden, Jr., *Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government*, December 13, 2021, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/12/13/executive-order-on-transforming-federal-customer-experience-and-service-delivery-to-rebuild-trust-in-government/

To help inform program managers, Berkeley Lab investigated how a number of energy and non-energy programs manage income verification. Many energy assistance programs determine eligibility via income qualification at the household level. These often require proof of income upon application through tax documents, pay stubs, or other formal income documentation, which can pose an impediment to enrolling eligible customers. In order to reduce the administrative burden for both the applicant and energy assistance program manager, some programs use alternative methods intended to reduce barriers to participation and the cost of income verification. We identify three common alternative verification methods:

- *Categorical eligibility*: Customers enrolled in other, similar income-verified assistance programs are automatically eligible for enrollment in other income-qualified programs.
- *Geographic eligibility*: Eligibility is based on the customer's location within a specified area, typically a low-income or disadvantaged community or census tract, and;
- *"Self-attestation"*: The participant claims eligibility with or without further documentation.

We describe these three options, give examples of how programs utilize these criteria, and explore how some low-income programs address administrative issues, audits, or other quality control measures. Finally, we explore the risk of fraud or mistaken payment in income-qualified program through different income verification strategies.

This memo is intended to provide insight on income verification for any solar program, or indeed any program with income eligibility limits.

## Categorical eligibility

To reduce the administrative burden for both the applicant and energy assistance program manager, energy programs often grant alternative eligibility based on proof that the household receives assistance from other income-verified assistance programs such as Supplemental Security Income, Medicaid, or food or housing assistance. The use of participation in one program to qualify for another is called ***categorical eligibility***.

Some examples of proxy programs commonly used include federal programs such as LIHEAP, WAP, Housing and Urban Development (HUD) programs, nutrition assistance programs (SNAP, WIC), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), Head Start, and Medicaid. Often, utility-led bill assistance programs or other state programs that require income verification can also support categorical eligibility. Income cutoffs are generally defined as a percentage of the Federal Poverty Level (FPL), State Median Income (SMI), or Area Median Income (AMI). FPL is established at the federal level, SMI at the state level, and AMI at the county or metropolitan level. AMI, being more granular, can better reflect regional difference in cost of living and income. All three metrics are adjusted by the number of residents in a household, with levels updated annually.

Income-eligible programs may have differences in definitions, with some relying on monthly "countable income" limits that are often very low (e.g., SSI and TANF) while others rely on annual gross income limits. They may also rely on different measures of income (FPL, SMI, or AMI) and may have different thresholds for participation. Because of varying income-qualification thresholds, categorical eligibility may be difficult in some cases if programs use different measures of income (e.g., FPL vs. AMI). Best practice is for states to align income eligibility thresholds across state low-income energy programs to allow for streamlined and simplified categorical effect eligibility.

Figure 1 below provides an example of how low-income support programs may have widely varying income qualification thresholds due to differing program rules, varying income thresholds for more localized eligibility (e.g., AMI), and different federal or state program requirements. While the federal poverty level is consistent nationally, state and area median incomes may have a wide range depending on the economic situation in a state or locality. [5]

Many federal programs, like LIHEAP, WIC, and Medicaid, are implemented by states, who can often set their own eligibility limits, usually a percentage of the Federal Poverty Limit (FPL). TANF, intended to be short-term assistance for the most needy, is set by very low monthly income amounts by each state.

The benefit of using categorical eligibility is simplicity: it only requires that a customer consent to the proxy program affirming their participation, avoiding the need to separately verify income. This lowers the burden placed on households to have to re-verify income multiple times a year for a variety of programs, and lifts the burden on program administrators who are income-verifying and enrolling households.

However, categorical eligibility may prove challenging when income-eligible programs use different income thresholds, meaning that not all households enrolled in one program would qualify for another with different income limits. The program with the higher income threshold may use the lower income threshold program as an option for categorical eligibility, though it must be determined that the lower income threshold will always remain lower than the higher threshold, especially when area median income and household size may change eligibility levels compared to the consistent federal poverty levels. [6]

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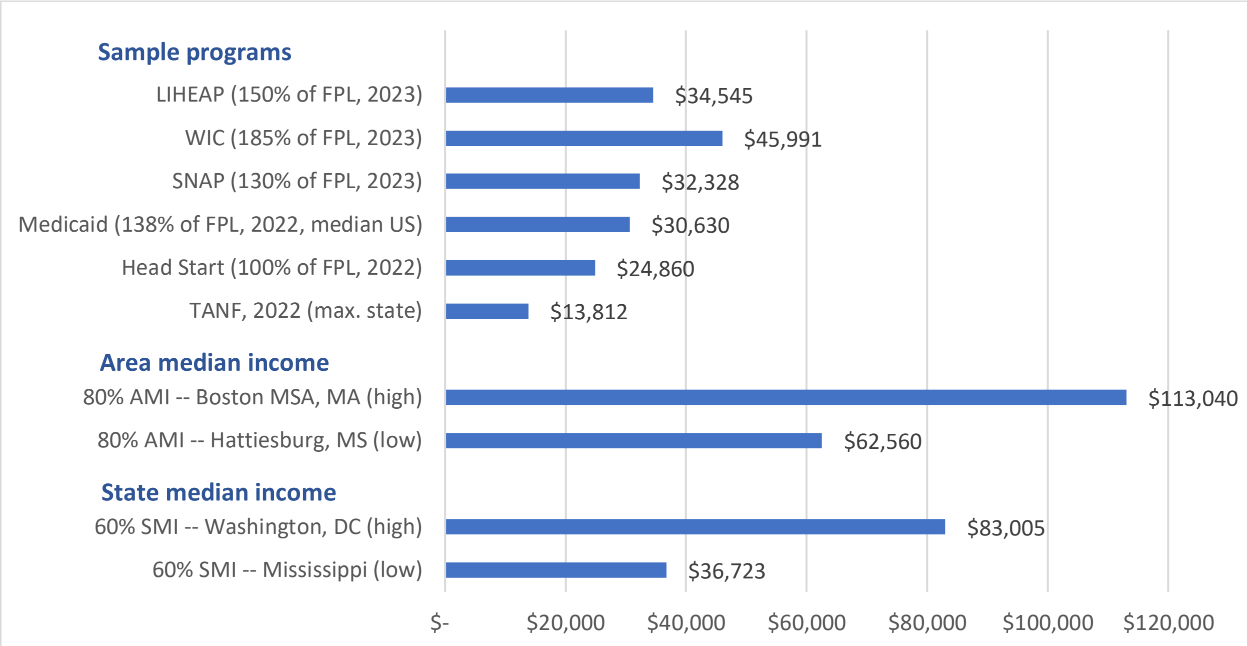
[5] US Census Bureau, SAIPE State and County Estimates for 2021, December 2022, https://www.census.gov/data/datasets/2021/demo/saipe/2021-state-and-county.html

[6] Rewiring America, "Frictionless Income Verification Methods for the Electrification Rebates," December 21, 2022, https://assets.ctfassets.net/v4qx5q5o44nj/3cTqhWhFztiUWShtyztwe/10bfe13a145683d7a8f3e913b41ebd0e/Electrification_Rebates_Income_Verification_Memo.pdf

*Figure 1: Income Eligibility Amounts for Various Metrics (for a household of 3)*




Sources: State Median Income,[7] Area Median Income,[8] Federal Poverty Limits,[9] SNAP,[10] WIC,[11] LIHEAP,[12] Medicaid,[13] Head Start, and TANF.[14]

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[7] US Dept. of Health and Human Services, State Median Income (SMI) by Household Size, https://www.acf.hhs.gov/sites/default/files/documents/ocs/COMM_LIHEAP_IM03%20Attachment1%20SMITable_FY2022.pdf

[8] HUD's Office of Policy Development and Research (PD&R), Dataset/Income Limits, https://www.huduser.gov/Portal/datasets/il.html

[9] Dept. of Energy, "2022 Federal Poverty Guidelines and Definition of Income," February 14, 2022, https://www.energy.gov/sites/default/files/2022-02/wpn_22-3.pdf

[10] US Dept. of Agriculture, Food and Nutrition Service, "Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): 2022/2023 Income Eligibility Guidelines," March 29, 2022, https://www.federalregister.gov/documents/2022/03/29/2022-06541/special-supplemental-nutrition-program-for-women-infants-and-children-wic-20222023-income

[11] US Dept. of Agriculture, Food and Nutrition Service, "Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): 2022/2023 Income Eligibility Guidelines," March 29, 2022, https://www.federalregister.gov/documents/2022/03/29/2022-06541/special-supplemental-nutrition-program-for-women-infants-and-children-wic-20222023-income

[12] National Center for Appropriate Technology (NCAT), LIHEAP Clearinghouse, https://liheapch.acf.hhs.gov/tables/POP.htm.

[13] US Dept. of Health and Human Services, 2022 Poverty Guidelines, https://aspe.hhs.gov/sites/default/files/documents/4b515876c4674466423975826ac57583/Guidelines-2022.pdf

[14] Center for Budget Priorities, "Increases in TANF Cash Benefit Levels Are Critical to Help Families Meet Rising Costs," February 3, 2023, https://www.cbpp.org/research/family-income-support/more-states-raising-tanf-benefits-to-boost-families-economic-security

Medicaid, for example, is the largest income-verified program in the U.S. with 83 million people enrolled in all states and territories, so it would seemingly make a good candidate for categorical eligibility. [15] However, its most common eligibility level is 138% of the FPL. This is lower than many existing LMI solar programs, which more commonly use 80% of AMI. (See Figure 1 for comparisons.) Any household on Medicaid would be eligible for the solar program, but quite a few households *not* eligible for Medicaid may also be eligible for the solar program. If Medicaid were the only program used for categorical eligibility, it would exclude many customers with incomes below 80% AMI. Conversely, categorical programs with higher levels could include *ineligible* customers.

To alleviate this issue, if programs use categorical eligibility, the eligible programs should be chosen carefully or should be paired with other income verification strategies.

## Categorical eligibility and community solar

The low-income bonuses to the federal solar Investment Tax Credit (section 48(e)) allow participation in a long list of benefit programs as proof of income eligibility.[16] This includes Federal, State, Tribal, or utility programs as long as their income limits are the same or lower than the ITC guideline of 200% of FPL or 80% of AMI.

Categorical eligibility can be further streamlined by incorporating community solar into energy assistance programs. DOE and HHS have developed the Clean Energy Connector, a software tool that helps households already enrolled in LIHEAP to sign up for community solar subscriptions.[17] The Connector is described in more detail below.

New York's Expanded Solar For All (E-SFA) program is using an opt-out strategy of enrollment.[18] The utility National Grid delivers energy from community solar projects to low-income households already enrolled in energy assistance programs. Credits from the program are split into three portions – a Customer Share to be used for participating customers' benefit, a Utility Administrative Fee for National Grid, and the remainder paid directly to the project owner. The Customer Share from the projects is distributed evenly among all E-SFA customers as a fixed monthly credit on electric bills.

[15] Medicaid.gov, "August 2023 Medicaid & CHIP Enrollment Data Highlights," August 2023, https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html.

[16] Internal Revenue Service, "Additional Guidance on Low-Income Communities Bonus Credit Program," August 15, 2023, https://www.federalregister.gov/d/2023-17078/p-501

[17] DOE, Clean Energy Connector, https://www.energy.gov/communitysolar/clean-energy-connector.

[18] New York Public Service Commission, *Order Modifying Expanded Solar For All Program (Issued and Effective September 15, 2022)*, Case 19-E-0735, https://documents.dps.ny.gov/public/common/viewdoc.aspx?docrefid=%7bb483403f-bb6e-4a4a-9b01-ee6e25fc4421%7d

In Illinois, community solar marketers are partnering with community action agencies (CAAs) that administer LIHEAP.[19] Agencies act essentially as lead generators, soliciting subscriptions for their clients. In addition to the savings for the client, the CAA gets paid a referral bonus by the marketer.

One important note to put programs in perspective: The size of other social aid programs dwarfs even the most optimistic visions of LMI solar programs. The goal for the DOE National Community Solar Partnership (NCSP) is to serve five million households with 3-20 gigawatts of community solar.[20] In comparison, LIHEAP supports about 5.7 million households each year. Assuming a household can sign up for 5 kW of community solar capacity, LIHEAP would support 28 GW of community solar. Medicaid is almost 15 times larger.

## Geographic eligibility

While categorical eligibility reduces some barriers to participation, some programs also use ***geographic eligibility,*** where criteria are set around the demographics of a neighborhood as opposed to a household. Geographic eligibility lowers barriers of participation even further for all households since proof of address is often easier to acquire and less invasive than proof of income and is particularly helpful for vulnerable households that may not have the necessary documentation to otherwise qualify (e.g., insufficient income to file taxes).

While geographic eligibility allows for a far more streamlined eligibility process, there are several challenges. First, program administrators must clearly define the geography itself and how eligibility will be established. The efficacy of this process is highly dependent on the choice of data sources used, the respective availability, data quality, and the frequency with which the data is updated.

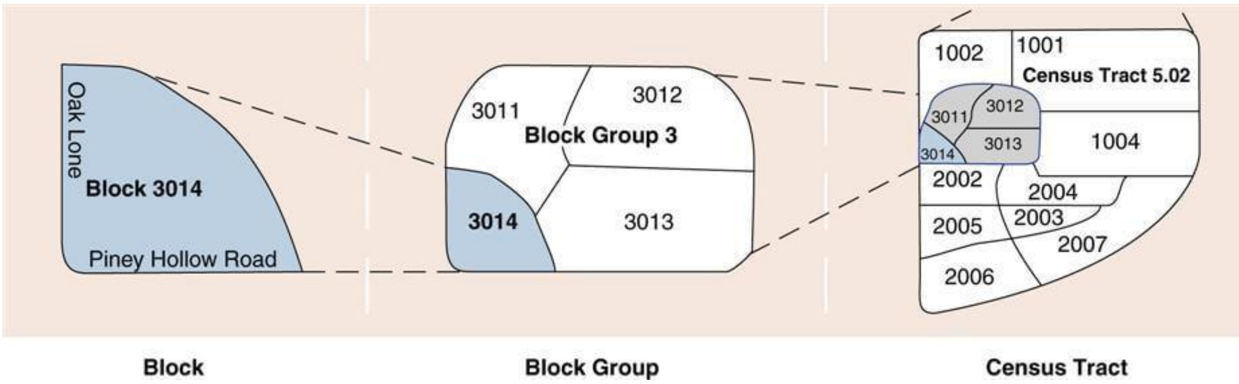
Next, geographic eligibility can deliver false negatives and false positives, since demographics within a neighborhood always vary and results can be biased due to the geographic definition. For example, as shown in Figure 2, a Census *tract* is composed of *block groups*, which are composed of *blocks*. The median value for a tract overall will be different than each median value of the block groups and blocks nested within it. Further, the income of an individual household will be different than the median value within the area. This difference will be exacerbated in areas with larger variations. As a result, there will be otherwise-eligible households located in neighborhoods that are not deemed eligible (false negatives), as well as otherwise-ineligible households located in neighborhoods deemed eligible (false positives). Therefore, geographic eligibility should often be used with other forms of income-verification in

[19] National Community Action Partnership, "Community Action Conversation: LIHEAP & Community Solar Case Study," webinar recording, September 29, 2022, https://www.youtube.com/watch?v=zppGG2j0YLE

[20] DOE National Community Solar Partnership (NCSP), https://www.energy.gov/communitysolar/community-solar.

order to ensure that households that qualify outside of the geographic region are able to participate.

*Figure 2: relationship between Census blocks, block groups, and tracts (Source: Census.gov)*




Programs may combat this by defining neighborhoods as granularly as possible, such as by using block groups, although that may lead to issues with data availability and quality.

At larger geographic levels, data tends to be more highly available, updated with more frequency, and have lower margins of error. However, the larger the geographic level, the more heterogeneity exists among households within the region and the more likely a given household's demographics will diverge from the average.

In smaller areas (such as Census *blocks*), a household is more likely to look similar to their closely defined neighborhood and the area's demographics may indeed be a good proxy for those of individual households. Unfortunately, data from smaller geographic areas tend to be less available and/or collected with less frequency due to the large number of observations required. And due to privacy concerns, summarized data from too few observations tend to be omitted or have a high margin of error.

The data must also be available, timely, high quality, and easy to work with. Using an existing geographic tool such as the Climate and Economic Justice Screening Tool (CEJST) can help identify eligible regions.[21]

Using geographic eligibility can create false negatives by excluding households that are income-eligible but that are not in the defined area. Programs may allow such households to provide traditional or categorical proof of eligibility.

In short, when selecting a geographic granularity, program administrators must consider tradeoffs and should review margins of error at the different geographies to inform their decision. Even so, with geographic eligibility alone there is no way to avoid false negatives and

[21] Council on Environmental Quality, Climate and Economic Justice Screening Tool (CEJST), https://screeningtool.geoplatform.gov/.

false positives. To supplement this approach, some programs combine geographic eligibility with self-attestation.

### Self-attestation

In its simplest form, self-attestation allows a customer to assert that they meet income eligibility levels, often by signing a form. This approach is very simple, avoiding the complications of traditional, categorical, and geographic eligibility approaches.

But it has pitfalls of its own. Most obviously, customers or subscription managers may be tempted to misrepresent income levels to capture the benefits of a program. Since no documentation of income is required from the applicant, it would be up to the implementing agency to prove a customer is not in fact eligible, adding an additional administrative burden and program cost.

Self-attestation by itself is not commonly used in government anti-poverty programs, with the exception of the emergency relief programs implemented during the Covid-19 pandemic. More common is to combine self-attestation with other measures, such as geographic eligibility, which provides at least some evidence to support the attestation. In other cases, self-attestation is used as a temporary measure at the time of enrollment, subsequently backed up by traditional proofs that must be supplied within a certain time period.

Another strategy is to combine self-attestation with a review of the application using state and federal databases, as determined by the Income Eligibility Verification System (IEVS). State and federal agencies are often required to double-check eligibility for new applicants using a set of related program databases, such as Social Security, IRS, SNAP, TANF, and state wage databases.[22]

Self-attestation may also be used with other methods of verifying income through accessible household-level data. In a 2021 report, the General Accountability Office (GAO) found that administrators of six federal programs were using 13 federal, 14 state, and 7 commercial data sources to verify income or assets of applicants. While this reduced the burden for applicants to supply documentation, it increased staff effort and discrepancies and gaps in the data sources sometimes led to delay.[23]

As of 2003, twelve state Medicaid programs were using self-attestation combined with a IEVS database cross-check to determine eligibility.[24] Most of them used the cross-check to verify

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[22] Danielle Holahan and Elise Hubert, United Hospital Fund, *Lessons from States with Self-Declaration of Income Policies*, 2004, https://web.archive.org/web/20060112173443/http:/www.uhfnyc.org/usr_doc/lessons.pdf.

[23] General Accountability Office (GAO), *Federal Low Income Programs: Use of Data to Verify Eligibility Varies Among Selected Programs and Opportunities Exist to Promote Additional Use*, February 2021, https://www.gao.gov/assets/720/712658.pdf

[24] Holahan and Hubert, 2004.

income before enrolling a new client, resulting in eligibility error rates at or below 3 percent. Most state officials reported that error rates did not increase as a result of self-attestation.

Applying this approach to community solar subscriptions would depend on who would be responsible for doing the verification, since non-governmental agencies do not have access to IEVS databases.

A critical issue for states deciding whether to allow self-attestation is that federal rules for the Investment Tax Credit low-income bonus (48e) do not permit self-attestation, and the EPA Solar For All grants discourage it.[25] IRS notes that "The final regulations adopt the Proposed Rules' prohibition on self-attestations because they are not sufficiently reliable or verifiable." However, the ITC rules do allow solar program administrators to use other programs for eligibility (i.e. categorical eligibility) that themselves use self-attestation.

The EPA Solar For All program discourages the use of self-attestation, but does not explicitly prohibit it.[26] In the notice of funding opportunity (NOFO), EPA says "To reduce risk from fraud and waste, the application will be evaluated on the extent and quality to which the program plans to perform robust income verification above and beyond attestation—such as categorical eligibility; the forthcoming DOE and HHS Clean Energy Connector; or a similar tool/strategy, while minimizing burdens on households."

## Potential for error and fraud

Due to the potential lack of documentation and verification when using self attestation to verify income, some program implementers may be concerned about the potential for improper payments (i.e., payments to participants that should not have been made due to error, fraud, or other situations). Improper payments can happen due to actions by companies and non-governmental groups that execute the programs, by individuals participating in the programs, or even by the program administrator itself. These errors can flow from misunderstanding or misinterpreting program rules, from collecting or handling personal or public data, from errors in determining or verifying eligibility requirements, to seek financial gain or meet contractual obligations, and many other reasons.

It is important to note that errors need not be intentional or malicious, and indeed the research suggests that most errors flow from inaccurate data, ignorance or misinterpretation of the rules, or complexity.

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[25] Internal Revenue Service, "Additional Guidance on Low-Income Communities Bonus Credit Program," August 15, 2023. See discussion of comments at page 151 (https://www.federalregister.gov/d/2023-17078/p-151) and final rules at page 503 (https://www.federalregister.gov/d/2023-17078/p-503).

[26] U.S Environmental Protection Agency, Office of the Greenhouse Gas Reduction Fund, Solar for All Request for Applications, EPA-R-HQ-SFA-23-01, 66.959, posted June 28, 2023, page 58, https://www.grants.gov/search-results-detail/348957.

The COVID-19 pandemic provided opportunity to evaluate programs that required self attestation to distribute funds quickly. To get a sense of the magnitude and drivers of improper payments, we looked at the experience of several large, non-energy government programs, especially the "natural experiment" created by recent pandemic relief programs. The scale and urgency of those programs intensified concerns about improper payments, especially for programs that allow self-attestation. To track and minimize errors and address the tradeoff between speed and accuracy, the interagency Pandemic Response Accountability Committee was established.[27]

That committee tracked, for example, the Small Business Administration's (SBA) Economic Injury Disaster Loans (EIDL) and Advance Grants programs and the Department of Labor's Pandemic Unemployment Assistance program. Those programs only required that applicants confirmed that they met the eligibility requirements through self attestation, though these qualifications did not depend on income.[28] Confirmation of eligibility for EIDL involved the applicant submitting their "Date of Business Established" and verifying that they were "able and available to work but unemployed due to a COVID-19 related reason."[29] Similar to self-attestation of income level in other programs, confirmation of eligibility required no substantiating documentation.

In SBA's $224 billion EIDL program, the inspector general for the SBA found that the agency may have paid out $1.1 billion to potentially ineligible applicants by not checking business establishment dates.[30] At least 51 cases were referred to the Justice Department for fraud, involving "identity theft, false attestation, fictitious or inflated employee counts, and misuse of proceeds."[31] Remarkably, this amount is just 0.5 percent of the total program payout.

One of the largest relief efforts was the Paycheck Protection Program, which gave $800 billion in payments to companies to retain workers during the pandemic. To apply, businesses simply submitted a four-page form that required applicants to "certify in good faith" the answers to ten questions "by initialing next to each one."[32] The program saw $12.5 billion in overpayment due

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[27] Pandemic Response Accountability Committee (PRAC), https://www.pandemicoversight.gov/

[28] Pandemic Response Accountability Committee (PRAC), "Self-certification procedures may increase fraud risk in pandemic response programs," November 13, 2020, https://www.pandemicoversight.gov/news/articles/self-certification-procedures-may-increase-fraud-risk-pandemic-response-programs.

[29] Ibid.

[30] Ibid.

[31] Economic Injury Disaster Loan Program (July 2021). "Additional Actions Needed to Improve Communication with Applicants and Address Fraud Risks." Unite States Government Accountability Office. https://www.gao.gov/assets/720/716282.pdf

[32] Small Business Administration, "Paycheck Protection Program Borrower Application Form Revised March 18, 2021," https://www.sba.gov/sites/sbagov/files/2021-03/BorrowerApplication2483ARPrevisions%20%28final%203-18-21%29-508.pdf.

to improper payments in FY22.[33] However, this was only 1.83 percent of "total outlays" which is "below the 10 percent compliance threshold,"[34] according to Payment Accuracy, an initiative of Treasury, Justice, and the Office of Management and Budget.

A program with much higher Improper payment rates is the long-running Earned Income Tax Credit, for low-income working families. The IRS estimates excess payments in FY22 of over 31 percent, or $18 billion. "Authentication is difficult because the IRS relies primarily on the self-reported information from the taxpayers and there is a lack of internal or external databases available with information that would help the IRS determine eligibility," according to Payment Accuracy.[35] Research suggests that most of the overpayments may have been due to mistakes by taxpayers, especially in how they report children on the forms.[36] Families that share custody of children, for example, may be the most common source of error, with both families claiming the same children for tax purposes.

Even among programs that require documentation of income eligibility, there are overpayments. For example, USDA's Supplemental Nutrition Assistance Program (SNAP) had a 5.19 percent overpayment rate in FY2017.[37] About 62 percent of overpayment claim dollars resulted from errors by recipients in establishing their eligibility, about 28 percent resulted from agency errors, and about 11 percent (0.5 percent of total payments) resulted from recipient fraud, such as selling SNAP benefits.

## Audits

Auditing is the process of validating compliance with program rules, achieved by inspecting a sampling of program data. In the case of income verification, an audit determines whether a sample of participants' incomes are within the threshold required by the program rules. Audits may be conducted regardless of the income verification method used. The entity conducting the audit substantiates the eligibility of a sample of program participants through reviewing applications or requiring further documentation.

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[33] Paycheck Protection Loan Program (PPP), Payment Integrity Scorecard, via Payment Accuracy.gov, High-Priority Programs, accessed July 2023, https://www.paymentaccuracy.gov/payment-accuracy-high-priority-programs/.

[34] PaymentAccuracy. (n.d.). *Payment Integrity Scorecard: Paycheck Protection Loan Program (PPP)*. https://www.cfo.gov/wp-content/uploads/scorecards/FY23-Q2/Paycheck%20Protection%20Loan%20Program%20(PPP).pdf.

[35] PaymentAccuracy. (n.d.). *Payment Integrity Scorecard: Internal Revenue Service – Earned Income Tax Credit*. https://www.cfo.gov/wp-content/uploads/scorecards/FY23-Q2/Internal%20Revenue%20Service%20-%20Earned%20Income%20Tax%20Credit.pdf.

[36] Tax Policy Center, What are error rates for refundable credits and what causes them?, updated May 2020, https://www.taxpolicycenter.org/briefing-book/what-are-error-rates-refundable-credits-and-what-causes-them

[37] Randy Alison Aussenberg, Congressional Research Service, *Errors and Fraud in the Supplemental Nutrition Assistance Program (SNAP)*, September 28, 2018, https://sgp.fas.org/crs/misc/R45147.pdf

For example, the NJ Department of Community Affairs (DCA) administers the New Jersey Low-Income Home Energy Assistance Program (LIHEAP), relying on “application agencies”—local organizations—to “obtain, review, and process” applications. After receiving a complaint about one of the application agencies, the Office of the State Comptroller (OSC) conducted an audit of the LIHEAP program.[38]

OSC investigated 7,500 of the 15,252 approved applications for two suspect program years.[39] It checked these applications against the Social Security Administration database to confirm U.S. citizenship or legal residency and proper use of each social security number. Using ‘judgmental sampling’, i.e., choosing cases that “met specific factors or criteria,” they selected and further investigated 219 applications from the original sample.[40] This further investigation included checking participant income with the Department of Labor and Taxation’s database. OSC found instances of participants receiving improper payments, including six cases of fraud (or 0.08 percent fraud rate from sample).[41]

Another approach to quality assurance is auditing a random sample of participants. For example, Washington State is starting to implement its Bill Discount Rate program which will give significant bill discounts to low-income utility customers. The program will be administered by the state investor-owned utilities partnering with community action agencies (CAAs); depending on the service territory, investor-owned utilities, community action agencies, or both will be able to enroll customers in the program.[42]

Customers will qualify for the program based on income (with higher discounts for lower income households) and will only need to include self-attestation of their income level in their application—i.e., no other documentation will be required.[43] Utilities will randomly select 5-6 percent of customers who are enrolled each month, and those customers will be required to

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[38] The state can spend 10 percent of its LIHEAP funding on administration and oversight and employs a full-time program monitor who is “responsible for conducting onsite inspections of the application agencies to ensure program compliance with DCA’s rules and regulations.” The report also notes that, “the Office of Home Energy Assistance also shares a two-person Income Integrity Unit with other DCA offices that administer income-based programs.” https://www.nj.gov/comptroller/news/docs/1012_liheap_report.pdf

[39] State of New Jersey Office of State Comptroller. (October 12,2016). *Investigative Report: Administration of New Jersey’s Low Income Home Energy Assistance Program*. https://www.nj.gov/comptroller/news/docs/1012_liheap_report.pdf

[40] Ibid.

[41] Ibid.

[42] Berkeley Lab communications with Ross Quigley, Director, Home Improvement Department & Building Performance Center Opportunity Council, July 2023.

[43] Ibid.

provide income documentation to the CAAs. If the CAA finds that a participant's income does not qualify for the program, that participant will be unenrolled.[44]

## Examples of eligibility criteria across different programs

Programs reviewed are listed in Table 1. Authors reviewed community solar and other energy programs as well as some non-energy social programs.

*Table 1: Overview of programs reviewed*

| Program name | Type of program | Income verification criteria | Notes |
|---|---|---|---|
| Low-Income Home Energy Assistance Program (LIHEAP) | Energy assistance | Income documentation, categorial, self-attestation | |
| Clean Energy Connector Tool | Community solar | Categorical | Rolling out in 2024 |
| New Jersey Community Solar Energy Program | Community solar | Categorical, self-attestation (alone) | |
| New Mexico Community Solar | Community solar | Categorical, self-attestation | Self attestation only as placeholder for up to 90 days until categorical eligibility established |
| Illinois Solar for All | Community solar | Geographic, categorical, tax or income documentation | |
| Maryland Community Solar | Community solar | Self-attestation (alone or in combination), geographic, categorical, tax and income documentation | |
| New Jersey Comfort Partners | Energy efficiency | Categorical, documentation (piloting geographic eligibility + self-attestation) | |
| Emergency Rental Assistance (US) | Housing assistance | Self-attestation, categorical, geographic, documentation | |
| Homeowners Assistance Fund (US) | Housing assistance | Generally requires documentation | Eligibility specifics vary by state |

### Low-Income Home Energy Assistance Program (LIHEAP)

The largest energy assistance program in the US is the Low Income Home Energy Assistance Program (LIHEAP). The program is funded by block grants from HHS to states, and administered by states or state partnerships. States have some flexibility in how they determine income eligibility.

[44] Ibid.

The Division of Energy Assistance (DEA) at HHS, which manages LIHEAP, formed a workgroup of LIHEAP grant recipients to review how they were using electronic data verification methods to determine eligibility for their recipients.[45] All members of the working group reported using the databases of other programs to verify eligibility, most commonly SNAP. Cross-checking with other databases is easiest if those programs are administered by the same state agency as LIHEAP, while partnering agencies, such as community action agencies (CAAs), had less access.

According to Akm Rahman and Megan Meadows of DEA, the use of third party vendors such as Equifax is growing.[46] LIHEAP has an additional verification need because the size of the benefit depends on household income. Rather than the binary yes/no eligibility of WAP and other programs, LIHEAP requires some form of income documentation, such as tax returns, paystubs, or Social Security benefits. Self-attestation is not common, and is typically used as a last resort when households have no earned income or records are unavailable.

### Clean Energy Connector Tool

The Clean Energy Connector tool is a software product developed by DOE, the Department of Health and Human Services (HHS), and the National Renewable Energy Lab (NREL) to facilitate enrollment in community solar programs by households already signed up to LIHEAP.[47] Because LIHEAP customers have already been verified as income-eligible, they are categorically eligible for community solar programs with similar eligibility levels.

- Subscription managers will create an account on the Tool, agree to consumer protection requirements, and submit their community solar projects with available subscriptions. Local LIHEAP administrators will also create accounts on the Tool.
- The state program administrator will review and approve new subscription managers, community solar projects, and LIHEAP administrators.
- When households enroll in LIHEAP, they can sign up for a community solar subscription, if available. Local LIHEAP administrators then upload the information to the Connector.
- Subscription managers will then connect with households that have opted-in to community solar to complete enrollment.

As of March 2024, the Connector is being piloted with community solar programs in New Mexico, Illinois, and Washington, DC. After the pilot, the Connector will be available for adoption by other state community solar program administrators.

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[45] HHS, Office of Community Services, Division of Energy Assistance, *Application Streamline and Electronic Verification (ASEV) Workgroup Learnings*, undated, https://www.acf.hhs.gov/sites/default/files/documents/ocs/TTA_LIHEAP_ASEV%20Work%20Group%20Learnings%20Document_FY2023.pdf.

[46] Personal communication with Akm Rahman and Megan Meadows, May 23, 2024.

[47] DOE, Clean Energy Connector, https://www.energy.gov/communitysolar/clean-energy-connector.

New Jersey Community Solar Energy Program

New Jersey launched a pilot community solar program in 2019. Program rules gave a preference to community solar project developers who dedicated at least 51 percent of energy output to households with incomes at or below 80 percent of area median incomes (AMI). All projects selected for the pilot agreed to that condition, meaning income verification would be a critical issue.

Rules for the pilot adopted by the BPU allowed two methods for income verification:[48]

i. Proof of participation in one or more of the following programs: LIHEAP, the Universal Service Fund, Comfort Partners, and/or the Lifeline Utility Assistance Program; or
ii. A copy of the first and second page of the subscriber's three previous years' Federal income tax returns.

The tax return option was dropped after the first year, "since this has proven to be an onerous burden to access for community solar."[49]

> Staff believes that potential community solar subscribers should not be dissuaded from participation by having to produce a tax return, EBT card, or other documentation of income. Individuals may feel uncomfortable providing this personal information to subscriber organizations, and there is concern about subscriber organizations retaining such data.[50]

In April 2023, the staff of the New Jersey Board of Public Utilities (BPU) released for comment its draft rules to make the program permanent after just two years of the pilot program.[51] If the program were to expand, income verification would become even more important, requiring low-cost, non-intrusive, but accurate and scalable methods.

The draft rule had a number of options for income verification:

1. Customers that live on government property that also hosts a community solar project, such as public housing

[48] New Jersey BPU, "Community Solar Energy Pilot Program Rules," N.J.A.C. 14:8-9, adopted January 17, 2019, https://njcleanenergy.com/files/file/R_2019%20d_021%20(51%20N_J_R_%20232(a)).pdf.

[49] NJ BPU, Community Solar Energy Pilot Program Rules, Proposed Amendment #1, https://njcleanenergy.com/files/file/CommunitySolar/PRN%202020-108%20(52%20N_J_R_%202039(a)).pdf

[50] NJ BPU Staff, , Notice: In The Matter of the Community Solar Energy Program, Docket No. QO22030153, April 2023, https://nj.gov/bpu/pdf/publicnotice/Notice%20%20Community%20Solar%20Straw%20Proposal%20with%20Draft%20Rules.pdf, page 16.

[51] NJ BPU Staff, ibid.

2. Categorical eligibility, for customers enrolled in a long list of social programs
3. Geographic eligibility, for customers who live in a census block group in which 80 percent or more of the households earn less than 80 percent of the area median income.
4. Self-attestation through a standardized reporting form
5. An alternate method that would be reviewed and approved by the BPU

The staff made the case for including self-attestation -- by itself -- as a way to determine eligibility, though included a note of caution:

> "Self-attestation was recommended by a variety of commenters, including many community advocates, to ensure inclusion of overburdened communities, since the people with the highest need are often the least able and/or willing to provide the evidence that would otherwise be required. On the other hand, there is concern that developers would falsely identify potential subscribers as LMI, in order to meet the Program's standards."

The Board issued a final ruling for a permanent program in August 2023, seeking 750 MW of new capacity over four years, which could serve over 100,000 households, and thus tens of thousands of income-verified customers.[52] In the order, they expanded the methods of income verification to include additional categorical programs (such as Medicaid and Supplemental Security Income) and self-attestation of household income. Geographic eligibility was not discussed in the final order.

### New Mexico Community Solar

The Public Regulation Commission of New Mexico managed a public process to design the New Mexico Community Solar program, a legislatively authorized initiative. Final rules were published July 12, 2022, and 45 projects totaling 200 MW have been selected for participation.[53,54] The statute requires that at least 30 percent of project capacity be reserved for low-income subscribers.

The New Mexico program automatically validates customers participating in categorical programs, such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), Low-Income Home Energy Assistance Program (LIHEAP), first-time homeowner programs and housing

[52] NJ BPU, "Order Launching The Community Solar Energy Program," Docket No. QO22030153, August 16, 2023, https://nj.gov/bpu/pdf/boardorders/2023/20230816/8F%20ORDER%20Community%20Solar%20Energy%20Program.pdf

[53] New Mexico PRC, "Community Solar," https://www.nm-prc.org/utilities/community-solar/

[54] Michael Schoeck, PV Magazine USA, "Slate of 45 projects selected for New Mexico community solar program," May 23, 2023, https://pv-magazine-usa.com/2023/05/23/slate-of-45-projects-selected-for-new-mexico-community-solar-program/

rehabilitation programs, residence in a low-income/affordable housing facility, or state and federal income tax credit programs. Further, "an entire multi-family affordable housing project may prequalify its entire load as a low-income subscriber." [55] The final rule does not discuss geographic eligibility.

Self-attestation is allowed during the enrollment process, but only as a placeholder until other documents are provided to confirm income levels.

> "A customer … may provisionally qualify as a low-income subscriber by signing a self-attestation that the customer's income and household size qualify the customer as a low-income subscriber, until the customer provides sufficient confirming documentation within ninety days of providing the self-attestation."[56]

This allows for a streamlined enrollment process, but still requires documentation to move from provisional to full eligibility.

### Illinois Solar For All

The Illinois Solar For All program provides detailed instructions to community solar vendors on four methods of income verification. They use a "tiered approach" that "ensures the least invasive methods are tried first, moving progressively through alternate methods until income eligibility is determined."[57]

The methods applied, in order, are:

1. *Income Eligible Census Tract*: using a map lookup tool[58]
2. *Third-Party Qualifying Program Verification*: participation in SNAP, LIHEAP, WAP, Medicaid, and other income-based programs
3. *Tax Transcript Verification*: by a third-party tax transcript vendor
4. *Tax Returns or Pay Stubs*: which are scanned or photographed

All customers, regardless of the verification method, must self-attest to their eligibility by completing and signing a Certification and Consent Form, confirming that their "household makes no more than 80% of area median income or less based on my County of residence and

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[55] New Mexico PRC, Community Solar Rule, Title 17: Public Utilities And Utility Services, Chapter 9: Electric Services, Part 573: Community Solar, Effective July 12, 2022, https://www.nm-prc.org/wp-content/uploads/2022/07/17.9.573.pdf .

[56] Community Solar Rule, section 17.9.573.15 SPECIAL SUBSCRIBER PROVISIONS, page 5.

[57] Illinois Solar For All, *Approved Vendor Manual Version 5.0*, October 20, 2022, chapter 6, https://www.illinoissfa.com/app/uploads/2020/06/ILSFA-Approved-Vendor-Manual.pdf.

[58] Elevate Energy, Illinois Solar for All Income Eligibility Map, https://elevate.maps.arcgis.com/apps/webappviewer/index.html?id=924cfbc202f24e22a88f07f21423fad0

household size."[59] The Certification and Consent Form (self-attestation) by itself is not sufficient to prove eligibility.

Vendors are responsible for collecting and submitting proof of eligibility, though customers can ask to deal directly with the program administrator if they have privacy concerns. Either way, the program administrator reviews the materials to approve eligibility.

### Maryland Community Solar

In legislation passed in May 2023, Maryland allows community solar subscription organizations to use a variety of income verification approaches, alone or in combination.[60]

The law, HB908, allows multiple types of verification: self-attestation without additional documentation, participation in other income-qualified government assistance programs, pay stubs and income tax documents, residence in affordable housing, or residence in a Census tract that is "an overburdened community and an underserved community."[61] The term overburdened under Maryland law refers to Census tracts with high environmental pollution burdens, while underserved means areas with high levels of poverty, non-white residents, or non-English language speakers.[62]

### New Jersey Comfort Partners

New Jersey Comfort Partners, administered by the New Jersey BPU, is a residential energy efficiency program that seeks to lower home energy burdens. While it is aimed at participants in New Jersey's bill assistance program, the Universal Service Fund (USF), it is open to households with income at or below 250% of the federal poverty level (FPL) or who participate in a number of other specified assistance programs. Customers who are not categorically eligible via other assistance programs must provide documentation, such as pay stubs or tax returns.[63]

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[59] Illinois Solar For All, *Approved Vendor Manual Version 5.0*, October 20, 2022, chapter 6, https://www.illinoissfa.com/app/uploads/2020/06/ILSFA-Approved-Vendor-Manual.pdf.

[60] Maryland House Bill 908 – Community Solar Energy Generating Systems Program and Property Taxes, Chapter652 at p. 12 (Passed May 16, 2023), https://mgaleg.maryland.gov/2023RS/Chapters_noln/CH_652_hb0908e.pdf.

[61] Ibid.

[62] Maryland statutes, Article - Environment §1–701,

https://mgaleg.maryland.gov/mgawebsite/Laws/StatuteText?article=gen&section=1-701&enactments=false

[63] Apprise Inc., *New Jersey Comfort Partners Evaluation Report*, January 2021, https://njcleanenergy.com/files/file/Comfort_Partners/Final%202020%20NJ%20CP%20Evaluation%20Report%201-5-21.docx

In an effort to reduce enrollment barriers, NJ Comfort Partners is trying a geographic eligibility pilot.[64] The pilot will use Census tract data to select ten representative low-income neighborhoods throughout the state. Customers in those low-income neighborhoods will be eligible to participate in Comfort Partners without providing income verification documentation, instead self-certifying their income by signing a verification statement.

### Emergency Rental Assistance (ERA)

The federal Emergency Rental Assistance (ERA) program, authorized by Congress in 2021, provided $46 billion in rental payments through grants to state and local agencies during the pandemic.[65] The US Department of Treasury allowed grantees to qualify applicants for the program based on several criteria, including income.

Treasury instructed grantees to determine income eligibility through traditional income verification methods as a first option but encouraged them to include flexible approaches, such as allowing applicants to submit "photocopies or digital photographs of documents, e-mails, or attestations from employers, landlords, caseworkers, or others with knowledge of the household's circumstances."[66]

This flexibility also included three acceptable options involving self-attestation:

1. *Self-Attestation Alone*: If an applicant says that they are unable to provide documentation of their income, the agency can accept self-attestation alone but "must reassess the household's income every three months, by obtaining appropriate documentation or a new self-attestation."[67]
2. *Categorical Eligibility*: An applicant's income has been verified by their inclusion in some other assistance program with the same eligibility level (less than or equal to 80 percent of AMI).
3. *Fact-Specific Proxy*: Self-attestation can be combined with "any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area."[68]

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[64] New Jersey's Clean Energy Program, *FY 2022 Program Descriptions and Budgets, Utility Residential Low Income, Comfort Partners Program Proposed Program Description and Budget*, March 9, 2022, https://njcleanenergy.com/files/file/BPU/2022/Revised%20Comfort%20Partners%20Filing%20Feb%202022.pdf

[65] U.S. Department of the Treasury, Emergency Rental Assistance Program, https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program

[66] U.S. Department of the Treasury, "Emergency Rental Assistance Frequently Asked Questions," Revised July 27, 2022, https://home.treasury.gov/system/files/136/ERA-FAQ-7.27.22.pdf

[67] Ibid.

[68] Ibid.

The National Low Income Housing Coalition surveyed program administrators about how they managed eligibility verification for the ERA program.[69] Of the 514 programs across the country, 29 percent used fact-specific proxy or categorical eligibility, while 62 percent allowed self-attestation for at least one criteria, including "COVID hardships," housing instability, and income.

### Homeowner Assistance Fund

The Homeowner Assistance Fund, another COVID response program, is administered by states, who have some leeway in how they verify income verification.

Guidance from the Treasury Department provides a number of options that state managers of the Housing Assistance Fund can use for income verification.[70] The guidance allows the use of self-attestation if combined with a "reasonable fact-specific proxy for household income, such as … average incomes in the household's geographic area."[71]

For geographic "fact-specific proxies" they recommend using Census tracts rather than block groups, saying, "The tract level provides a good tradeoff between specificity and data quality."[72]

They also discuss an approach using Census Zip Code Tabulation Areas (ZCTAs). ZCTAs are determined by doing a pre-analysis of the intersection of tracts, block groups, and blocks with Zip Codes, using Census income data, to generate a list of qualifying USPS Zip Codes.

Once the ZCTAs are determined, applicants need supply only a Zip code rather than household information. But Treasury warns that it is effective only "in areas where ZCTAs afford adequate precision."[73]

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[69] National Low Income Housing Coalition (NLIHC), *Treasury Emergency Rental Assistance (ERA) Dashboard*, accessed June 2023, https://nlihc.org/era-dashboard

[70] U.S. Department of the Treasury, "Strategies for Determining Eligibility of Homeowners Based on Income," https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund/program-service-design/strategies-for-determining-eligibility-of-homeowners-based-on-income, accessed June 2023.

And: US Treasury, "Using Fact-Specific Proxies to Simplify Documentation Requirements," https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/fact-specific-proxies.

[71] US Department of the Treasury, "Homeowner Assistance Fund, Income Verification," https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/homeowner-assistance-fund/program-service-design/income-verification

[72] Ibid.

[73] Ibid.

"This hybrid approach would allow for a simpler application system in exchange for more data pre-processing when developing the proxy, which may be an attractive tradeoff."[74]

## Conclusion

Traditional methods of income verification, like collecting tax returns or paystubs, can sometimes be a barrier to participation by eligible customers, as well as a burden on program administrators. They are being streamlined by more modern methods, such as using third-party vendors and more sophisticated government databases.

But they can also be bypassed using three common strategies, alone or in combination: categorical eligibility, geographic eligibility, and self-attestation.

*Categorical eligibility* uses a household's participation in other assistance programs as proof of eligibility. This provides an easy and efficient way for administrators to confirm participation, provided households are already enrolled in other assistance programs and the eligibility thresholds are compatible.

*Geographic eligibility* assumes households are eligible based on the income levels of their neighborhood. This verification method can reduce administrative and applicant burden but comes with important tradeoffs between geographic granularity on the one hand and data accuracy and availability on the other. Smaller areas are more likely to have a narrow income range but are less likely to have good data availability. Larger areas may have the opposite problem, with good data but wide ranges of income.

*Self-attestation* allows applicants to attest to their eligibility in writing. It is the simplest verification method, but raises the risk of fraud and error, either by the participant or by subscription managers. As such, it is often used in combination with other verification methods (e.g., categorical, geographic, or traditional income verification). In some cases, self-attestation is allowed as a temporary proof that requires subsequent documentation by more traditional means, such as tax returns or paycheck stubs. Only in rare cases is self-attestation allowed as the sole or permanent method of determining program eligibility. Since the federal Solar for All program and federal low-income tax credit bonuses do not permit self-attestation, state programs that do may create additional complications.

Each of these methods has various tradeoffs. Used alone, categorical and geographic eligibility risk omitting eligible households (and, for geographic, potentially allowing ineligible households) while self-attestation may introduce more risk of fraud and error and incompatibility with large federal programs.

[74] Ibid.

To alleviate concerns, program administrators may want to combine these methods. Effective combinations may reduce the amount of error and make customer enrollment easier, while not imposing undue costs on subscription managers or administrators.

Regardless of verification method, program administrators are still obliged to confirm eligibility, at least through sampling. While enrollment and payment errors do occur in government programs, our review finds it has been publicly documented at fairly low levels and depends on the program. While improper payments can certainly be the result of fraud, they seem more often to stem from misinterpretation or ignorance of rules, poor data, and carelessness.

Given the modest levels of documented fraud occurring in recent pandemic programs that involved significant cash payments, the risk of fraud by participants in less-lucrative community solar programs seems modest. However, if program payments to subscription managers hinge on high levels of LMI customer enrollment, that could create an incentive for marketers to create inflated claims of low-income participation. Community solar program administrators should consider these tradeoffs when making decisions on what income verification methodology to use.

These alternative income verification strategies can supplement or replace traditional eligibility determination for energy programs that aim to alleviate barriers of participation for lower income populations.

## Appendix A: Responses to questions regarding the administration of income verification

Berkeley Lab reached out to administrators of community solar and others program with questions about the specific practices of administering income verification. Below are their responses.

**Illinois**

The Illinois Solar for All program is a state-run community solar and rooftop solar initiative for electricity customers with incomes at or below 80% AMI. Elevate and Shelton Solutions help administer the program and responded to our questions about program administration.

1. **Who receives the information about income eligibility (e.g., the subscriber orgs (SO), the program administrator, a third-party evaluator, or all three)?**

All three. The subscriber orgs collect the income verification and Shelton Solutions verifies it but it has to be uploaded into Salesforce so we have a record of it.

2. **How do you keep records and track the information? What kind of software or protocols do you use? What do you do to ensure customer privacy?**

If the resident doesn't want to do the income verification process with the Approved Vendor, Elevate can do this but it's always verified by Shelton Solutions. This form is used (https://www.illinoissfa.com/app/uploads/2019/11/BIF-Community-Solar-1.pdf) and we try to use the least intrusive method first before doing anything with PII. If something is submitted with PII we reject it. Regarding protocols, we encourage vendors to first attempt to verify by address. This is the least intrusive method. If a subscriber resides in a LMI Census tract, then we simply need them to certify (by signature) that their household income falls below 80% AMI. We also ask for the number of household members (and their ages) and income for each adult. If the address is not in an income eligible census tract, then we encourage the vendor to collect documentation starting with participation in a 3rd party program. To ensure applicant privacy and protect applicant information, once eligibility is determined for any applicant, the electronic and hard copy documentation must be destroyed by the Approved Vendor within one week of eligibility being determined. The Program Administrator will retain required information digitally in compliance with state document retention requirements. Also, various reports are anonymized identifying the applicant only by a unique number.

3. **How do you audit the income eligibility reporting, especially for subscribers that use self-attestation?**

Every income verification is checked by the Approved Vendor or Elevate and then Shelton Solutions. We do not audit any self-attestations. By self-attestation, applicants living in qualified Census tracts do not need to provide income documentation. They simply list their income and certify the information is true and correct by signing the certification & consent form. Additionally, for applicants who do not have income documentation (no tax return or check stub), an income affidavit can be submitted noting the income (if any) and signing to certify the information is true and correct. There is language that gives us permission to obtain data from the Social Security Administration, IRS, credit reporting agencies, etc. but for those using the income affidavit, it is possible that there is no source to confirm the information.

4. **What is the best recourse/remedy is if there is a problem? What can the state do if the SO is not handling the process correctly?**

The Program Administrator may at any time determine that an Approved Vendor is not acting or has not acted in compliance with program requirements and take disciplinary action. Disciplinary measures may include changing the status of the Approved Vendor from active status to probationary status, or suspension of the Approved Vendor from the program.

5. **How many customers do you have that have only used self-attestation as proof of income? How accurate has it been? How is that determined? What lessons can be learned from your experience and how could it be applied to the New Jersey community solar program?**

If self-attestation means the income affidavit or signing the certification and consent form only (for those verified by address, thus not providing additional income documentation), maybe 10% have used the Income Affidavit. Maybe 40% have verified by address.

**Washington**

The Opportunity Council of Bellingham, Washington will be administering (with state Investor-Owned Utilities) the state's upcoming Bill Discount Rates program, which will begin in October 2023. The program will offer discounted utility rates for low-income customers on a sliding scale: the lower one's income, the larger the discount with customers up to 80% of AMI receiving the minimum discount. Income will be verified by self-attestation only.

1. **Who receives the information about income eligibility (e.g., the subscriber orgs (SO), the program administrator, a third-party evaluator, or all three)?**

Multiple state agencies (including the Utilities and Transportation Commission, the Attorney General and the State Department of Commerce, which houses the State Energy Office) along with utilities will oversee the program's implementation. Utilities will collect income eligibility information and share it with the Community Action Agencies that they partner with. Outcomes will be reported to oversight agencies.

2. **How do you keep records and track the information? What kind of software or protocols do you use? What do you do to ensure customer privacy?**

Utilities are adding capacity to their existing data systems to track participation. They will also use these systems to track who is audited and use the analysis to improve program protocols (e.g., program auditing protocols).

3. **How do you audit the income eligibility reporting, especially for subscribers that use self-attestation?**

Utilities will randomly select 6% of participants to verify, which will include asking those participants for income documentation.. Participants will have to re-verify over time—the interval which they have to do this will vary by utility.

4. **What is the best recourse/remedy is if there is a problem? What can the state do if the SO is not handling the process correctly?**

If an audit finds that a participant does not actually qualify for the program (regardless of reason), that participant will be un-enrolled.

5. **How many customers do you have that have only used self-attestation as proof of income? How accurate has it been? How is that determined? What lessons can be learned from your experience and how could it be applied to the New Jersey community solar program?**

In Washington State, where the Opportunity Council is located, programs haven't been running long enough to provide useful data on this. The audits will determine how accurate the self-attestation has been.