DOCKETED

Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	265803
Document Title:	Sealed, Inc. Comments - Sealed's Comments on the HOMES Pay-for-Performance Solicitation Concept Paper & Workshop
Description:	N/A
Filer:	System
Organization:	Sealed, Inc.
Submitter Role:	Public
Submission Date:	8/28/2025 9:24:43 AM
Docketed Date:	8/28/2025

Comment Received From: Sealed, Inc.
Submitted On: 8/28/2025
Docket Number: 23-DECARB-01

Sealed's Comments on the HOMES Pay-for-Performance Solicitation Concept Paper & Workshop

Additional submitted attachment is included below.

August 28, 2025

California Energy Commission (CEC)
Docket No. 23-DECARB-01

Re: HOMES Pay-for-Performance Solicitation Concept Paper & Workshop

Dear California Energy Commission Staff and Commissioners:

Sealed greatly appreciates the opportunity to provide comments on California's HOMES Pay-for-Performance (P4P) Solicitation Concept Paper & Workshop. We commend the CEC for advancing the HOMES measured pathway, which will strengthen the grid, drive market transformation, promote equity and consumer protection, and maximize energy savings. This approach will also help California maintain its leadership in measured savings and retrofit its building stock at scale.

These comments are provided by Sealed, a tech company on a mission to stop home energy waste and electrify homes. Sealed is an aggregator in existing California residential energy efficiency programs, and we are excited about the opportunity to participate as an aggregator in California's statewide HOMES Pay-for-Performance Program.

In addition to addressing the questions below, Sealed would like to offer two overarching recommendations. First, the CEC should prioritize launching the program as quickly as possible to provide certainty and create market opportunities for contractors and households. By moving expeditiously to stand up the program, the CEC can foster robust aggregator participation, attracting both new and existing market actors. Second, a core value of a pay-for-performance approach is that it reduces friction for contractors by evaluating project quality based on actual, verified energy savings to deliver meaningful benefits to households. To preserve these advantages, the CEC should avoid adding requirements beyond the already robust Department of Energy (DOE) guidance and instead focus on delivering a streamlined, accessible program.

We appreciate the opportunity to provide comments and look forward to working with the CEC to implement this critical program.

Sincerely,

David Kolata
Vice President of Policy
Sealed, Inc.

A. General

3. **For potential implementers or others: are there any issues or concerns resulting from recent federal actions or orders that may influence your entity's interest in this solicitation?**

Despite recent federal action, Sealed remains extremely interested in participating in the program as an aggregator. We urge the CEC to stand up the HOMES Pay-for-Performance Program as quickly as possible to provide market certainty and create opportunities for broad participation.

4. **DOE staff has advised it does not expect to allow "partial payments" for the HOMES measured pathway, prior to the 12-month Measurement & Verification (M&V) period. In addition, CEC does not foresee any state funds being available for this action.**
    a. **What are options for financing the rebate value, given that HOMES and state funds are not available?**
    b. **Do aggregators have the capacity to finance all or part of rebate values? Do recent federal actions impact aggregators' ability to access financing?**

Sealed has the capacity and ability to finance rebate values, and recent federal actions have not impacted our access to financing. However, we recommend that the CEC continue to explore opportunities to allow partial payments to reduce carrying costs.

First, we encourage the CEC to continue to examine options for leveraging state funds to support rebate financing. For example, the CEC could explore leveraging existing financing tools such as Go Green Financing and the California Infrastructure and Economic Development Bank (IBank) to provide aggregators with lower-interest capital.

Second, the CEC should permit the use of "super aggregators" — aggregators with the ability to partially or fully finance rebates processed by contractors or other aggregators. This approach may reduce the cost of capital based on volume, although it will likely not be as low as government-backed or provided financing (as super aggregators do not necessarily have preferential financing terms). Enabling super aggregators would, however, broaden participation by enabling smaller contractors and aggregators without significant financing capacity to participate in the program.

Finally, we urge the CEC to continue engaging with DOE to seek flexibility on partial payments for the HOMES measured pathway. Allowing partial payments during the M&V period would significantly improve contractor cash flow and reduce financing barriers, ultimately supporting greater program uptake and impact.

B. Agreement Structure

5. **CEC intends to release the solicitation as a Grant Funding Opportunity (GFO). Under this structure, the awardee will not be reimbursed for profit. Under a federally funded GFO, the awardee will also follow federal Subrecipient provisions. CEC encourages parties interested in this forthcoming solicitation to review the sample federal terms and conditions and flowdown requirements, viewable on the workshop event page at (https://www.energy.ca.gov/event/workshop/2025-08/solicitation-concept-workshophome-efficiency-rebates-homes-pay-performance). Parties should also review federal financial assistance regulations at 2 CFR Part 200 as amended by 2 CFR Part 910, including federal cost principles and provisions on indirect costs, profit or fees, and other requirements.**
    a. **For potential implementers and others: will your entity respond to a solicitation structured as a GFO?**
    b. **What factors would influence your decision to bid/apply?**
    c. **If you are typically not inclined to bid on/apply to a GFO, could your existing business model be modified to accommodate a grant agreement vehicle?**

As an aggregator, Sealed does not intend to bid on the solicitation for a SWI. However, it is important that implementers with experience in pay-for-performance programs are encouraged to bid for the SWI role, as their expertise will be critical to the program's success. We also urge that the program be rolled out as quickly as possible to ensure households and contractors can begin realizing benefits.

C. Roles and Responsibilities

7. **Which types of companies or organizations are likely to step into the residential aggregator role for the HOMES P4P Program? What capacities (for example: existing tools or platforms, financing) do they have? Are these entities likely to be working locally, across the state, or across the country?**

Sealed believes that the state should provide opportunities for diverse types of companies, organizations, and other entities to participate as an aggregator in the HOMES Pay-for-Performance Program. As explained in comments from the Flex Coalition, 39 companies sent a letter to the CEC in October 2023 expressing interest in participating in the California pay-for-performance program as aggregators and other market participants.[1] Furthermore, the 2024 California Statewide Market Access programs Process Evaluation Report Draft identified 45 participating aggregators, and 109 "near participant" aggregators who expressed interest in

[1] See: https://flexcoalition.org/wp-content/uploads/CA-Flex-Coalition_Aggregators_Allies-State-Sign-On-Letter-for-the-HOMES-Rebate-Program-Measured-Savings-Path.pdf

the programs.[2] The Report also states that most of these aggregators "were small businesses in terms of staffing and revenue. Just over two-thirds (69%) of the interviewed aggregators were smaller companies with between 2 and 30 employees." MAP reporting data indicates that many small companies are interested in serving as aggregators but have not yet participated. Broad participation will depend on the state establishing a clear and accessible program framework, as aggregators are unlikely to fully invest until the program is in place. By moving quickly to launch, the CEC can unlock this market interest and accelerate program participation.

Aggregators bring differing capacities — ranging from software platforms and rebate processing tools to financing arrangements and market support services. The CEC should provide flexibility in program design to accommodate these differences, enabling a variety of business models to participate that meet program requirements and ensuring broad market engagement.

As an aggregator in existing energy efficiency programs in California and other states, Sealed provides software and solutions directly to contractors to help them access home energy rebate programs, including pay-for-performance programs. Sealed's software provides the following four functions:

- Qualification: Sealed provides contractors with project and customer eligibility determinations based on inputs aligned with program requirements.
- Calculation: Sealed assumes full responsibility for undertaking energy savings calculations and providing contractors with rebate estimates.
- Processing: Sealed manages rebate processing, utilizing the project inputs provided by contractors to efficiently process the rebate.
- Payment: Sealed provides rebates to the contractor upfront and assumes the energy savings risk.

8. **What tools or resources will the SWI need to provide to aggregators to facilitate participation and project success? Are there different needs for experienced, established aggregators versus new and emerging aggregators? Please describe and prioritize.**

Aggregators should be allowed to leverage their own software and tools for energy savings estimates, contractor interfaces, and project tracking and submission. The SWI should rely on an open, transparent measurement and valuation framework (e.g., OpenDSM, formerly OpenEEmeter) and provide a flexible platform interface that accommodates the different software systems used by aggregators.

[2] See: https://pda.energydataweb.com/api/view/3985/CPUC%20CA%20Statewide%20Market%20Access%20Program%20Evaluation%20Process%20Report%20_PUBLIC%20DRAFT_2024-06-03.pdf

9. **What tools or resources (for example: tools to gather and submit required data, energy savings estimators, rebate value estimators) will the SWI need to provide to contractors (installers) to facilitate participation and project success? What tools or resources do contractors (installers) typically already have access to? Are any provided by existing aggregators?**

Aggregators will primarily support contractors with project data collection, energy savings estimations, and interaction with the program's submission portal. Many aggregators and contractors already use established systems for estimating project savings, and the CEC and SWI do not need to designate specific tools or methods as preferred solutions. The CEC and SWI should therefore avoid establishing a single software product. Instead, the SWI should focus on providing regular portfolio performance feedback and program updates — such as budget status — to aggregators, enabling them and contractors to compare actual project outcomes with estimated savings and make informed business decisions. For example, California's Home Electrification and Appliance Rebate (HEEHRA) Program provides regular budget updates as well as hosting weekly office hours to keep stakeholders informed, address questions in real time, and ensure transparency throughout program implementation.

10. **Marketing and outreach will need to be developed with guidance and approval from CEC staff. What marketing and outreach activities should be conducted by the SWI? What marketing and outreach activities should be conducted by aggregators?**

Aggregators play a critical role in driving contractor participation by simplifying enrollment and providing tools to help contractors engage customers with rebate programs. The SWI can help aggregators and contractors be more successful and drive greater customer interest by providing program-branded marketing materials that can be leveraged by aggregators, contractors, and other trade allies. In addition, the SWI should market the program to households to drive interest in the program. In our experience, California's HEEHRA Program was very successful in driving household interest, and the HOMES Pay-for-Performance Program should leverage similar marketing and outreach activities to maximize uptake and impact.

D. Utility Data and M&V

11. **If CEC were to provide access to the CEC's Interval Meter Data for the SWI, and the SWI were to share granulated aggregated data, such as zip code + four lists of potentially high-impact geographic areas with aggregators, what measures have been or could be implemented to protect consumers against customer harassment or aggressive upselling?**

While access to interval meter or highly granular geographic data provides value, it is not essential to achieving successful program outcomes. To the extent such data is shared, the program should enforce clear participation standards that protect customers, including prohibiting harassment or aggressive upselling. For example, contractors or aggregators with repeated, confirmed customer complaints could be placed on probation or removed from the program.

12. **CEC staff understands that in other California pay for performance programs, "data sufficiency checks" are necessary to confirm access to sufficient utility baseline data for conducting M&V. CEC's intent is to make the statewide HOMES P4P Program available to as many Californians as possible, including those who have may been ineligible for other performance-based programs such as customers who:**
    - **have been in their homes less than 12 months**
    - **have recently installed, or plan to install, solar photovoltaic systems**
    - **have recently installed, or plan to install, electric vehicle charging infrastructure**
    - **are served by a small publicly-owned utility (POU), for whom the POU would provide monthly billing data, but the data would likely not be available until post project analysis.**

    a. **Can CalTrack/OpenEEmeter currently support the inclusion of the above segments? If not, what would be needed to include these categories of customers?**

Sealed shares the CEC's intent to make the HOMES Pay-for-Performance Program widely available. As an aggregator, Sealed can support projects where baseline energy usage can be established using OpenDSM (formerly OpenEEMeter). If baseline energy usage cannot be established, the aggregator can help connect the household to a different program they are qualified for.

Some pay-for-performance programs include alternative pathways for homes that do not meet data sufficiency requirements. While Sealed would support the CEC and SWI establishing such a pathway for the HOMES pay-for-performance program, it would need to be compliant with DOE guidance and the IRA statute. Therefore, creating an alternative pathway could slow program implementation and introduce friction for contractors due to BPI 2400 compliance requirements. As a more streamlined solution, aggregators could instead help customers who are ineligible for HOMES participate in other rebate programs, such as the California HEEHRA Program or TECH Clean California.

b. Given the above context, is a "data sufficiency check" necessary for the HOMES P4P Program? If yes, what are the options for when and how data sufficiency checks are conducted using the CEC's Interval Meter Data?

Data sufficiency checks are an important tool for confirming household eligibility for pay-for-performance programs and should be conducted by whoever has access to the energy data, whether it be the SWI or the aggregator. If the aggregator has access to the energy usage data, they should share that with the SWI, and vice versa. In other words, aggregators should be allowed to Bring Your Own Data (BYOD) in cases where the SWI does not have access to sufficient data.

The program should therefore allow both data sufficiency checks and M&V to be supported by a variety of energy usage data sources, including energy usage bills, direct access to energy usage data, and third-party data access tools.

c. Could a customer-provided questionnaire be used as an alternative to standard data sufficiency checks for customers of small POUs when data is not available until after the performance period?

Given that data is needed to estimate and measure energy savings, a customer-provided questionnaire would not be a good alternative to a standard data sufficiency check. In cases where energy usage data is not available to the SWI, aggregators should be able to leverage a BYOD option and supply it to the SWI, as explained in Question 12b.

E. Utility Data and M&V

13. How can the statewide HOMES P4P Program leverage and support existing local Market Access Programs authorized by the California Public Utilities Commission?

a. What is the feasibility of developing and administering a shared application portal for both the HOMES P4P Program and local programs?

The current DOE guidelines for the HOMES Program require substantially more project data than existing local programs. Creating a shared application portal for both would likely add unnecessary complexity to existing programs and increase the time required to launch the program.

b. What are other potential roles and responsibilities for coordinating participation in both types of programs?

The CEC and SWI should align aggregator participation requirements for the HOMES Pay-for-Performance Program with existing programs to minimize barriers and ensure consistency for aggregator participation. In addition, the CEC should avoid imposing additional data collection or contractor certification requirements for the HOMES Pay-for-Performance Program. DOE's existing data requirements are already robust, and imposing certifications beyond those normally required to practice in the trade would create unnecessary barriers and discourage contractor participation.

F. Workflow Related Questions

14. Do stakeholders agree with the overall sequence of project steps -- project initiation, rebate reservation, project installation, project submittal, QA/QC, M&V, and final rebate payment?

In general, Sealed recommends that all household-facing steps include the aggregator or contractor as the intermediary between the program, since these are the entities households are most familiar with. Specifically, for Step 11, we recommend that the program allow the Participation Agreement to be sent to the homeowner by the aggregator. The aggregator can then send the completed Participation Agreement to the program implementer. This approach ensures the aggregator has visibility into when the agreement is signed and is standard practice in the 3C-REN Market Access Program, for example.

Sealed recommends that the utility data sharing agreement be provided to households earlier in the rebate lifecycle. In the California HOMES Pay-for-Performance Program Project and Rebate Lifecycle Draft Workflow, we suggest moving this step — where households receive and sign the agreement — from Step 11 to Step 2 or 3. Earlier access to utility data enables aggregators to generate more accurate energy savings and rebate estimates. Moreover, based on our experience, households are typically willing to sign a utility data sharing agreement at an earlier stage in the process.

While Sealed generally agrees with the overall sequence of project steps, we recommend that the CEC create a process to allow emergency equipment replacements to be eligible for the program**.** Most HVAC and water heater replacements — up to 90% — occur under emergency conditions, leaving households unable to wait for rebate pre-approval timelines.[3] This challenge is especially acute for low-income households, who are more likely to wait until equipment failure and lack

[3] See: https://sealed.com/how-small-program-design-choices-make-or-break-participation/

the financial means for temporary solutions like space heating or cooling, hotel stays, or travel, making extended pre-approval timelines particularly unworkable. As a result, customers needing emergency equipment replacements are often excluded from rebate opportunities, leading to like-for-like replacements of lower-efficiency, higher-emissions systems. While programs may grant exceptions for emergencies, case-by-case approvals increase administrative burden and create uncertainty for contractors.

We recommend that the CEC and the SWI implement a formalized, repeatable pathway for post-installation reservation requests (e.g., within 14 days of installation) to allow emergency replacements to qualify for the program, while ensuring that aggregators are financially responsible for any upfront payments provided prior to reservation confirmation. In this structure, aggregators assume all of the risk, and households and contractors still receive a rebate in cases where a rebate is initially promised but the household is ultimately found ineligible. By creating a structured pathway for emergency installs, CEC can expand participation, protect vulnerable households, and strengthen market transformation goals without overburdening program staff.

15. **When should the various eligibility checks (customer and address eligibility, project and measure eligibility, etc.) as well as project compliance checks (for example: bill impact estimated provided, safety testing, permits closed, etc.) be performed in relation to the above steps, particularly rebate reservations and payment?**

Customer eligibility checks (such as address and income) should be completed as early as possible, ideally before rebate reservation, as is standard practice in California's HEEHRA Program as well as the TECH Clean California program. A simple online tool that contractors can share with households prior to visiting the home would allow upfront confirmation and help avoid wasted effort or costs. Project and measure eligibility rules should also be transparent so contractors and households know what qualifies before scoping a project. While formal confirmation of project eligibility can occur at reservation approval, contractors and households should be allowed to proceed with installations at their own risk before reservation approval, since many projects — particularly emergency replacements as mentioned in Question 14 — cannot wait.

Project compliance checks should be timed to balance program integrity with workflow efficiency. Bill impact estimates should be submitted to the program at the rebate reservation stage. Safety testing should occur post-reservation and be included in the final enrollment package prior to rebate payment. In both the California HEEHRA Program and the TECH Clean California Program, compliance checks, safety testing, and quality inspection documentation are conducted after a reservation is made but before payment is issued. If necessary, open permits should be submitted during the rebate reservation process. Existing California rebate programs have required only proof that a permit has been opened. Similarly, if proof of a HERS report is required, the program should accept confirmation that a contractor has requested a HERS rater. Scheduling a HERS test often takes weeks and, in other existing programs, the requirement for proof of test completion has created significant friction.

The income verification process in the Rebate Lifecycle Draft Workflow could be refined to further reduce friction and better support contractors, aggregators, and households. In the current workflow, income qualification is handled directly by the program implementer, and contractors/aggregators do not receive confirmation of a customer's income qualification status. Without visibility into whether a household qualifies as low-income or market-rate, it is difficult for the aggregator to accurately calculate rebate values.

We recommend that, once income qualification is verified, the program provide a confirmation (via PDF or email) that includes the customer's name and address, along with their income qualification status. Households should have the option to designate a secondary recipient (e.g., contractor or aggregator) to receive this confirmation, ensuring accurate rebate calculations and smoother program participation. Additionally, income verification documents should be reusable so that customers are not tied to a specific contractor, similar to Wisconsin's Home Energy Rebate Programs, where customers complete verification independently and receive a document they can share with multiple contractors.

16. **Are the roles of the contractor (installer), aggregator, and SWI aligned with how you see the project process? Particularly for the SWI, are there missing responsibilities or responsibilities that should be assigned to others?**

Sealed agrees with the outlined project process and associated responsibilities for the contractor, aggregator, and SWI. We encourage the CEC to model these workflows with those used in existing Market Access Programs, such as 3C-REN, which have demonstrated successful coordination between parties, clear role delineation, and efficient project execution. Leveraging proven workflows will reduce administrative burden, minimize confusion among market actors, and support timely program launch.

17. **How can the workflow best support an efficient sales process for the customer and contractor (installer) while minimizing the risk that a contractor completes a noncompliant project? Who bears the risk that a project is ultimately found to be not in compliance?**

Aggregators should be responsible and bear the risk for non-compliance, ensuring contractors can focus on delivering high-quality installations without taking on administrative or compliance burdens. To best support an efficient sales process, the CEC should avoid adding unnecessary requirements that slow contractor workflows. In particular, the CEC should not impose additional data collection or contractor certification requirements for the HOMES Pay-for-Performance Program. DOE's existing data requirements are already robust, and layering on certifications beyond those normally required to practice in the trade would create unnecessary barriers and discourage contractor participation.

Additional Comments

In the HOMES P4P Solicitation Concept Workshop Supplemental Q&A, the CEC asked for feedback on protecting low-income households from differences in estimated and actual energy savings. Pay-for-performance programs inherently protect low-income households by tying rebates to verified, real-world energy reductions, as opposed to other program designs that often overestimate savings.[4] This structure shifts performance risk away from households and onto aggregators. As a result, aggregators have an incentive to work with contractors to correct their work in cases where the savings realized afterward aren't as great as projected. Because rebates in pay-for-performance programs are contingent on actual savings, these programs also create strong incentives for high-quality retrofits. This helps to ensure that work is completed correctly the first time and avoids improperly installed equipment that could otherwise lead to costly repairs and lower-than-promised energy bill savings — outcomes that are particularly critical for low-income households, who have the least ability to absorb unexpected costs. Additionally, the incentive structure of pay-for-performance programs inherently rewards contractors with robust training and quality standards, as they are best positioned to consistently deliver the highest-quality projects.

[4] See: https://sealed.com/real-energy-savings-matter-most-for-low-income-households/