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**CALIFORNIA
ENERGY COMMISSION**



California Energy Commission

PROGRAM GUIDELINES

Equitable Building Decarbonization Tribal Direct Install Program Draft Guidelines

Gavin Newsom, Governor
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ABSTRACT

These draft guidelines for the Equitable Building Decarbonization Tribal Direct Install Program outline the proposed initial rules and requirements for the program, including funding allocations, household and property eligibility requirements, and eligible measures. Assembly Bill 209 (Committee on Budget, Chapter 251, Statutes of 2022) directed the California Energy Commission to develop the Equitable Building Decarbonization Direct Install Program. A direct install program is a type of program that provides and installs energy-efficient electric appliances, energy efficiency measures, and related upgrades directly to consumers at minimal or no cost.

The Tribal Direct Install Program will serve residential buildings owned or managed by California Native American tribes or California tribal organizations, and residential buildings owned by members of California Native American tribes. The primary goals of the program are to reduce greenhouse gas emissions and advance energy equity. All California Native American tribes will have an opportunity to participate in the program.

Keywords: California Native American tribes, tribal, Equitable Building Decarbonization Program, decarbonization, buildings, equity, direct install, energy efficiency, electrification

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CHAPTER 1:

Program Overview

A. Introduction

The Equitable Building Decarbonization Tribal Direct Install Program (Tribal Direct Install Program) will provide energy efficient electric appliances, energy efficiency improvements, and related upgrades at no cost. Buildings eligible to receive upgrades include single-family homes, multifamily buildings, and manufactured homes in California that are owned or managed by California Native American tribes or tribal organizations, or owned by California Native American tribal members. This program is for residential buildings (homes) in California.

Throughout this document, “tribe” will refer to a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004.¹ “Tribal organization” will refer to a corporation, association, or group controlled, sanctioned, or chartered by a California Native American tribe that is subject to its laws, the laws of the State of California, or the laws of the United States.² “Tribal member” will refer to an individual who is an enrolled member of a California Native American tribe residing in California.

B. Background

The State of California is committed to a just and equitable transition to carbon neutrality by 2045.³ Residential and commercial buildings account for about 25 percent of California’s greenhouse gas emissions,⁴ so the decarbonization of buildings is essential to achieving the state’s carbon neutrality goal. Based on the results of the *California Building Decarbonization Assessment*, the *2021 Integrated Energy Policy Report* recommended the state adopt a goal of 6 million heat pump installations by 2030 and direct funding toward building decarbonization retrofits in low-income and disadvantaged communities.⁵ The goal of 6 million heat pumps by 2030 was endorsed by Governor Gavin Newsom in July 2022.⁶

1 Public Resources Code Sections 25665(a) and 21073.

2 Public Resources Code Section 25665(b).

3 [Executive Order B-55-18 To Achieve Carbon Neutrality](https://archive.gov.ca.gov/archive/gov39/wp-content/uploads/2018/09/9.10.18-Executive-Order.pdf), signed by Governor Edmund G. Brown Jr. on September 10, 2018, <https://archive.gov.ca.gov/archive/gov39/wp-content/uploads/2018/09/9.10.18-Executive-Order.pdf>.

4 Kenney, Michael, Nicholas Janusch, Ingrid Neumann, and Mike Jaske. 2021. [California Building Decarbonization Assessment](https://www.energy.ca.gov/data-reports/reports/building-decarbonization-assessment). California Energy Commission. Publication Number: CEC-400-2021-006-CMF, <https://www.energy.ca.gov/data-reports/reports/building-decarbonization-assessment>

5 Kenney, Michael, Jacob Wahlgren, Kristina Duloglo, Tiffany Mateo, Danuta Drozdowicz, and Stephanie Bailey. 2022. [Final 2021 Integrated Energy Policy Report, Volume I: Building Decarbonization](https://www.energy.ca.gov/publications/2021/2021-integrated-energy-policy-report). California Energy Commission. Publication Number: CEC-100-2021-001-V1, <https://www.energy.ca.gov/publications/2021/2021-integrated-energy-policy-report>

6 [Letter from Governor Newsom to Chair Laine Randolph, California Air Resources Board. July 22, 2022](https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf), <https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>

Assembly Bill 209 (Committee on Budget, Chapter 251, Statutes of 2022) directed the California Energy Commission (CEC) to develop and implement an Equitable Building Decarbonization (EBD) Program, including a direct install program and a statewide incentive program. The Legislature directed that, within the direct install program, preference be provided for buildings meeting the following criteria:⁷

- The building is located in an underresourced community.⁸
- The building is owned or managed by a California Native American tribe or a California tribal organization.
- The building is owned by a member of a California Native American tribe.

The EBD Program will also advance the purposes of Assembly Bill 32 (Núñez, Chapter 488, Statutes of 2006), Senate Bill 375 (Steinberg, Chapter 728, Statutes of 2008), and Senate Bill 32 (Pavley, Chapter 249, Statutes of 2016) by investing in projects that reduce greenhouse gas emissions.

In October 2023, following an extensive public process, the CEC adopted guidelines for the Statewide Direct Install Program, which will serve low-income households in underresourced communities.⁹

During development of the Statewide Direct Install Program Guidelines, the CEC sought input on how to most effectively provide a preference for tribes and tribal members in alignment with the statutory direction. Comments received at a scoping workshop in December 2022 and written comments submitted to the docket indicated that tribal communities in California have unique needs and recommended setting aside a portion of the EBD funds for a program focused specifically on tribes. In alignment with this input, and recognizing the unique needs of tribes and tribal communities, CEC set aside funds for a separately administered Tribal Direct Install Program, to be developed through consultation and engagement with tribes and a public process.

In addition to the scoping workshop in December 2022, the CEC conducted four tribal roundtables in 2023 and 2024 to solicit input on the design of the Tribal Direct Install Program. These draft guidelines were developed based on input received during public workshops, tribal roundtables, and written comments to the docket,¹⁰ in addition to the program goals and requirements established by AB 209.

7 Public Resources Code Section 25665.3(a).

8 Public Resources Code Section 25665(i) states that an underresourced community “has the same meaning as defined in Public Resources Code Section 71130,” which is “a community identified pursuant to Section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005.”

9 Maneta, Diana. 2023. [Equitable Building Decarbonization Direct Install Program Guidelines](#). California Energy Commission. Publication Number: CEC-400-2023-003-CMF.

<https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program-guidelines>
10 [Docket 22-DECARB-03](#). <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-DECARB-03>.

C. Program Goals

The primary goals of the Tribal Direct Install Program are to reduce greenhouse gas emissions from existing buildings, advance energy equity, and fulfill the statutory direction to prioritize buildings owned by a member of a California Native American tribe or owned or managed by a California Native American tribe or tribal organization. The program also encourages resiliency to extreme heat, air quality improvements, energy affordability, grid reliability, and local workforce opportunities. Additionally, this program supports the CEC's commitment as part of the Resolution Committing to Support California Tribal Energy Sovereignty to increase tribal set-asides within State programs and funding opportunities.¹¹

Through collaboration with tribes, the Tribal Direct Install program will contribute to the state's goal of 6 million heat pump installations by 2030, 3 million climate-ready and climate friendly homes by 2030, and 7 million climate-ready and climate-friendly homes by 2035.¹²

The CEC is required to report progress toward these goals annually to the Legislature.¹³ See Chapter 4 for more information about data collection and reporting.

D. Budget

As of the release of these draft Guidelines, the proposed budget for the Tribal Direct Install Program is approximately \$30 million. The program is predominantly funded by the Greenhouse Gas Reduction Fund as part of the California Climate Investments initiative overseen by the California Air Resources Board. See Chapter 4 for more information about California Climate Investments. Program funding may be adjusted.

E. Funding Allocation for Tribes

All California Native American tribes will be eligible to participate and receive a minimum guaranteed funding allocation of \$75,000 to be spent on building decarbonization retrofits and related services. When tribes opt to participate in the program, they will have the option of requesting additional funds beyond the \$75,000 minimum.

Tribes who participate in the program will have the choice to either:

- Receive their funding allocation in the form of a grant and be responsible for implementing the program for their tribe, or;
- Receive their funding allocation in the form of services from the program implementer, who will implement the program for the tribe.

¹¹ [Resolution Committing to Support California Tribal Energy Sovereignty](https://www.energy.ca.gov/filebrowser/download/5280).
<https://www.energy.ca.gov/filebrowser/download/5280>

¹² [Letter from Governor Newsom to Chair Laine Randolph, California Air Resources Board. July 22, 2022](https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf),
<https://www.gov.ca.gov/wp-content/uploads/2022/07/07.22.2022-Governors-Letter-to-CARB.pdf>

¹³ Public Resources Code Sections 25660.2 and 25665.7.

Tribes opting to receive a direct grant are referred to in this document as implementing tribes. Tribes opting to receive services through the implementer are referred to in this document as non-implementing tribes.

The program structure and application process for tribes are described further in Chapter 3.

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CHAPTER 2:

Eligibility

A. Program Eligibility

Households and residential properties must meet the following criteria to be eligible for funding through the Tribal Direct Install Program.

Eligible Building Types

The Tribal Direct Install program is limited to residential buildings within California, including:

- Single-family homes, including two- to four-unit residential properties.
- Multifamily residential properties of five or more units.
- Townhouses and condominiums.
- Farmworker housing consistent with the definition in Health and Safety Code Section 50199.7(h)(2).
- Residential buildings such as assisted living facilities, transitional housing, and group homes. This list does not include nonresidential buildings used as emergency makeshift shelters. Buildings used as vacation homes or vacation rentals are not eligible under this program.
- Mixed-use buildings that include residential units. Only the residential portion, including common areas, is eligible for the program.
- Manufactured homes, mobile homes, and multifamily manufactured homes, as defined in Health and Safety Code Section 18007 et seq.

Eligible buildings may be either owner-occupied or rented. Manufactured homes are eligible regardless of whether the home or the land it sits upon is owned or rented by the occupant.

The Tribal Direct Install program is limited to residential buildings constructed before January 1, 2020. New construction is not eligible.

Buildings that meet the eligibility requirements for this program may also be eligible for the EBD Statewide Direct Install Program. However, a building may not participate in both programs.

Eligible Fuel Types

To be eligible, a building must use natural gas, propane, or another fossil fuel as the primary fuel for space heating or water heating.

Building Ownership

To be eligible, a building must be an occupied primary residence which is one of the following:

- Owned or managed by a California Native American tribe or a California tribal organization
- Owned by an enrolled member of a California Native American tribe who resides in California

A California Native American tribe is defined as a tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004.

Building Location

Eligible buildings must be in California and are not required to be on tribal land.

Household Income

The Tribal Direct Install program is intended to support low-income households, but the CEC is not establishing an income threshold. Participating tribes will be responsible for selecting homes to serve and will be expected to select households most in need of the benefits offered by the program. See Chapter 2 for additional details.

B. Equipment Eligibility

Required Measures

All building retrofits conducted by the Tribal Direct Install program will, at a minimum, include the following elements.

- Replace existing gas-fired¹⁴ heating equipment with a heat pump for space heating and cooling, or replace an existing gas-fired water heater with a heat pump water heater.¹⁵
- At the conclusion of the retrofit, at least two of the following four end uses in the building must be electric: space heating, water heating, cooking, and clothes drying. Full building electrification is encouraged but not required.

Eligible Measures

Eligible measures for the program include efficient electric equipment, including but not limited to, heat pump water heaters and heat pumps for space heating and cooling, as well as weatherization and energy efficiency improvements. See the EBD Statewide Direct Install

14 In this document, “gas-fired” refers to equipment fueled by natural gas, propane, or another fossil fuel.

15 Homes that receive a heat pump water heater to replace a gas-fired heat pump may also receive an HVAC heat pump even if their existing heating system is not gas-fired. This may include an HVAC heat pump replacing electric resistance heating equipment. For homes that use a wood-burning heat source, an HVAC heat pump may be installed without removal of the wood-burning heat source.

Program Guidelines¹⁶ for a list of all eligible measures and detailed requirements associated with each eligible measure¹⁷. Any future changes to the eligible measures for the EBD Statewide Direct Install Program will also apply to the Tribal Direct Install Program.

All work funded by the program must be done by a California licensed contractor. Work must comply with applicable standards and manufacturers' installation instructions and obtain required permits. This includes compliance with the California Energy Code (Title 24, Part 6). See Chapter 5, Section A for more information about workforce requirements.

Ineligible Measures

The following measures are not eligible for funding through this program but may be installed in participating homes through coordination with complementary programs that offer these measures.

- Solar photovoltaic systems.
- Battery storage not directly integrated into one of the four key appliances identified in Section B above.
- Window replacement (other than for remediation/safety).

The following measures are not eligible for funding through this program.

- Any new system or equipment that uses natural gas, propane, or any other fossil fuel.
- Installation of electric resistance heating to serve as the primary heat source for a home.

Exceptions to Measure Eligibility Requirements

The implementing tribes or implementer may submit to the CEC executive director a request to approve equipment that does not meet the eligibility criteria described in this chapter. Such requests must include documentation of the reason the exception is needed and specifications of the proposed substitute equipment in relation to the eligibility criteria described in this chapter. The proposed substitute equipment shall be selected to minimize any negative impact on the goals of the program (see Chapter 1, Section C) and shall not use natural gas, propane, or any other fossil fuel. An approval to substitute equipment will be effective for a limited period of time specified by the executive director, not to exceed one year. If an implementing tribe or implementer must install ineligible equipment beyond the period approved by the executive director, the implementing tribe or implementer shall submit a new request to the executive director.

16 Maneta, Diana. 2023. [Equitable Building Decarbonization Direct Install Program Guidelines](https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program-guidelines). California Energy Commission. Publication Number: CEC-400-2023-003-CMF.
<https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program-guidelines>.

17 In addition to the eligible measures listed in the Statewide Direct Install Program Guidelines, wiring to make the building solar-ready is also an eligible measure for the Tribal Direct Install Program.

Electrical Upgrades

As shown in Table 1, upgrades to the electrical system of a building and upsizing of the electrical panel are eligible measures. However, the CEC encourages building retrofits that avoid the need for electrical panel upgrades, when possible and appropriate. While electrical panel upgrades may be needed in some homes, avoiding unnecessary panel upgrades will allow projects to be completed more quickly and at a lower cost. The implementer shall encourage contractors to use strategies to avoid unnecessary panel upgrades, such as:

- Use of the load calculation method described in California Electrical Code Section 220.87 to determine whether a panel upgrade is needed.
- Selection of low-power appliances, such as 120-volt (V) heat pump water heaters and heat pump clothes dryers, where appropriate.
- Installation of automatic circuit sharing devices as an alternative to upgrading the electrical panel, where appropriate.
- Avoiding the installation of space-heating and water-heating systems that have resistance heating elements, where appropriate.

Use of subpanels to make the addition of new circuits easier or when there are not enough open slots to accommodate new circuits in the existing panel. Implementing tribes are also encouraged to utilize the strategies above to avoid unnecessary panel upgrades and reduce retrofit costs.

Packages of Measures

The implementer will be responsible for developing a set of packages of eligible measures to be applied to participating buildings. Packages should be designed to achieve bill savings and greenhouse gas emission reductions in participating households while improving air quality, resiliency, and grid reliability, where possible. The intent of packages is to simplify and streamline the program for participants and contractors with highly replicable activity and avoid the need for a custom solution to be developed for each building. The expectation is that some packages will include a broad range of eligible measures, while other packages will include a more limited number of measures.

Packages should consider variations in appropriate measures based on property attributes such as building type and characteristics (including packages appropriate for manufactured homes), age and condition of existing appliances, climate zone, utility service territory, and site conditions.

Program participants should be provided with choices among packages for which they are eligible, whenever possible. The implementer shall maintain flexibility to modify packages on a case-by-case basis as required to meet the needs and preferences of participating households.

Equipment Removal

Replaced equipment must be removed from the site and properly recycled or disposed of in accordance with federal, state, and local regulations. Removal and disposal of appliances

containing refrigerant with GWP greater than 150 must follow refrigerant recovery procedures required by California Code of Regulations Section 95390 and Code of Federal Regulations Title 40, Part 82, Subpart F.

Eligible Use of Funds

In addition to the costs of eligible measures listed above, Tribal Direct Install Program funds may be used to cover associated costs, including installation labor, permitting, engineering design services for multifamily buildings, equipment removal and recycling/disposal, and Home Energy Rating System (HERS)¹⁸ field verification and diagnostic testing. In addition, Tribal Direct Install Program funds may be used to cover the costs of administrative activities necessary to implement the program as described in Chapter 3, Section D, Roles and Responsibilities.

Cost Controls

The implementer will be required to carry out mechanisms to control costs, such as cost analysis, competitive bidding, bulk purchasing, and standard pricing for eligible measures. Implementing tribes will also be required to control costs through approaches such as soliciting quotes from multiple contractors. The Tribal Direct Install program will cover 100 percent of the net cost of eligible measures for participating households after applying other applicable incentives.

The per-home cost of remediation and safety measures, including wiring and electrical panel upgrades, shall not exceed the maximums listed in Table 1. **These cost caps apply only to the costs of remediation and electrical wiring/panel upgrades. They do not apply to the costs of other eligible measures including heat pumps for heating and cooling, heat pump water heaters, and other electric appliances (see Eligible Measures section above).** The implementer will be expected to collect detailed information on actual remediation measures and costs, and maximum costs may be adjusted based on this information.

Table 1: Maximum Electrical and Remediation Costs

Type of Home	Maximum Cost for Electrical and Remediation Measures
Single-family and multifamily buildings (per unit)	\$6,000
Manufactured and mobile homes	\$7,200

Source: CEC Staff

¹⁸ Starting on January 1, 2026, the HERS Program will be renamed the Energy Code Compliance (ECC) Program. However, the substantive elements of the two programs will remain the same.

CHAPTER 3:

Program Implementation

A. Program Structure

All California Native American tribes will be eligible to participate and receive a minimum guaranteed funding allocation of \$75,000 to be spent on building decarbonization retrofits and related services. When tribes opt to participate in the program, they will have the option of requesting additional funds beyond the \$75,000 minimum.

Tribes who participate in the program will have the choice to either:

- Receive their funding allocation in the form of a grant and be responsible for implementing the program for their tribe, or;
- Receive their funding allocation in the form of services from the program implementer, who will implement the program for the tribe.

Tribes opting to receive a direct grant are referred to in this document as implementing tribes. Tribes opting to receive services through the implementer are referred to in this document as non-implementing tribes.

Tribes will indicate their choice for implementation option through an application process described in Section B.

B. Application Process for Tribes

Following the adoption of the Tribal Direct Install Program guidelines, the CEC will make an application publicly available to California Native American tribes seeking funding for eligible building decarbonization retrofits as described in Chapter 2.

The application will consist of, at minimum:

- Indication of interest to participate in the Tribal Direct Install Program.
- Election to either receive funding allocation as a direct grant or in the form of services from the program implementer.
- General proposed project description.
- Request for additional funds, if any, beyond the \$75,000 minimum allocation (see Request for Additional Funds section below).

Application Period

The application for the Tribal Direct Install Program will be posted on the CEC website and will remain open for a period of six months. During this six-month period, the CEC will host virtual office hours to answer questions that tribes may have and to assist with the application process as needed.

At the conclusion of the six-month application period, the CEC will process applications and finalize funding allocations based on requests received and subject to funding availability.

Request for Additional Funds

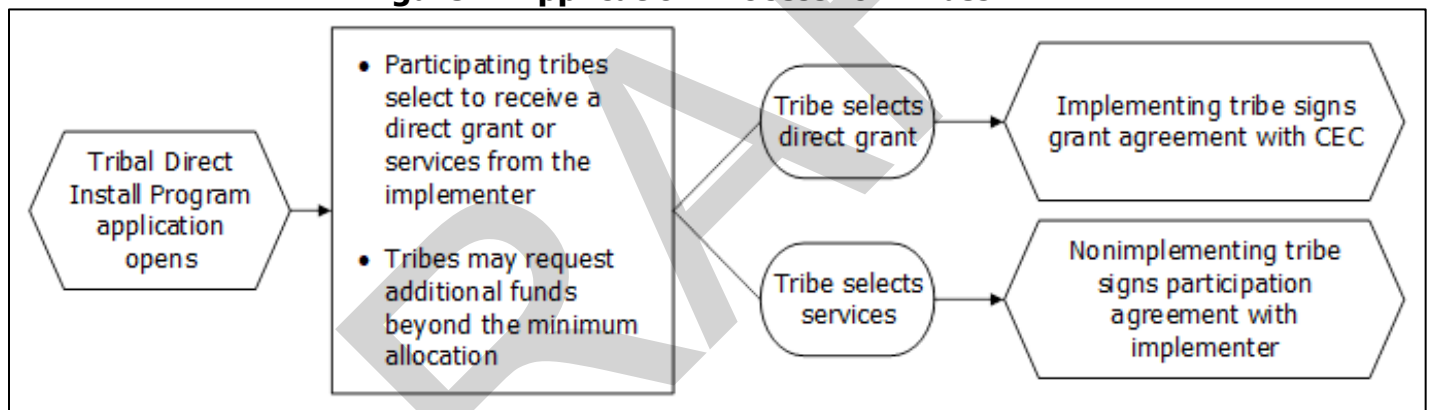
Participating tribes may request additional funds beyond the \$75,000 minimum allocation. After the application period has ended, CEC staff will determine the allocation of additional funds to California Native American Tribes requesting more than the \$75,000 minimum allocation. Tribes will not be guaranteed to receive all additional requested funds, but they will be guaranteed the minimum allocation of \$75,000.

Criteria by which additional funds will be awarded may include, but are not limited to:

- Amount of remaining funding available
- Number of tribal residents or homes proposed to be served
- Description of housing stock and retrofit need

Figure 1 below illustrates the application process for all tribes.

Figure 1: Application Process for Tribes



Following the application process and the subsequent signing of agreements between tribes and either the CEC or the implementer, implementation of projects will be authorized to begin.

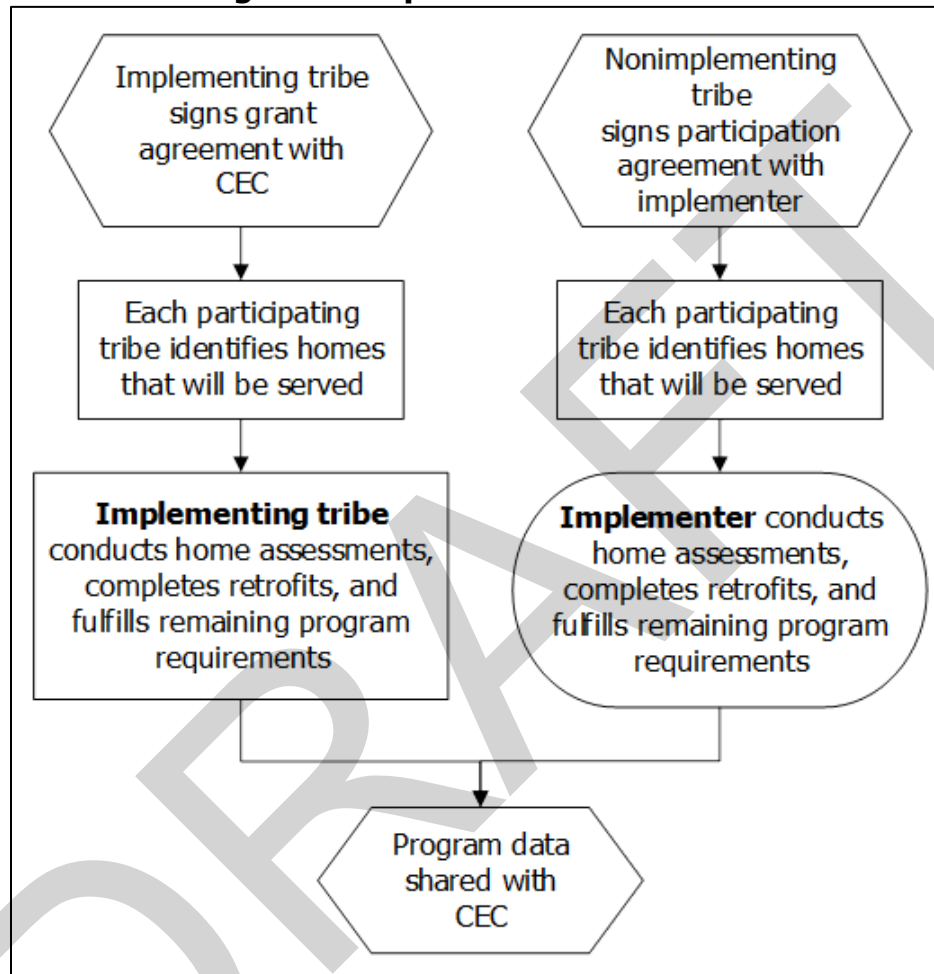
C. Third Party Program Implementer

Following the adoption of the program guidelines, the CEC will issue a competitive solicitation available for a third party to serve as the program implementer. The implementer will be responsible for implementing the Tribal Direct Install Program for non-implementing tribes.

D. Roles and Responsibilities

This section describes the roles and responsibilities of participating tribes and the program implementer. Figure 2 illustrates an overview of the process for decarbonization implementation.

Figure 2: Implementation Process



Additional details on the tasks necessary to complete the decarbonization process are outlined in Table 2, and described in further detail below.

Table 2: Roles and Responsibilities of Tribes and Implementer

Task	Implementing Tribe's Responsibilities	Nonimplementing Tribe's and Program Implementer Responsibilities
Identify homes to serve	Implementing Tribe	Nonimplementing Tribe
Conduct home assessment	Implementing Tribe	Program Implementer
Contractor enrollment	Implementing Tribe	Program Implementer
Program coordination and layering	Implementing Tribe	Program Implementer
Retrofitting homes	Implementing Tribe	Program Implementer
Quality control	Implementing Tribe	Program Implementer
Reporting to CEC	Implementing Tribe	Program Implementer

Source: CEC staff

Identifying Homes and Households to Serve

Participating California Native American tribes will be responsible for identifying eligible homes and households, as described in Chapter 2, to receive retrofits. Tribes will be responsible for ensuring that buildings are owned by enrolled tribal members when selecting households to serve. In addition, the Tribal Direct Install program is limited to residential buildings constructed before January 1, 2020. New construction is not eligible. Tribes are encouraged to take the following criteria into consideration when selecting homes to serve:

- Low-income households¹⁹
- Households with a high energy cost burden
- Homes vulnerable to extreme heat/cold weather conditions
- Homes occupied by vulnerable tribal members, such as the elderly, young children, or those living with disabilities or chronic illnesses

Table 3 summarizes the roles and responsibilities of each party related to identifying homes to serve.

¹⁹ Tribes may define low-income with reference to the [income limits](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits) developed by the California Department of Housing and Community Development (<https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>), or they may use their own definition.

Table 3: Identifying Homes to Serve

Party	Role
Implementing tribes	Identify eligible homes to serve
Non-implementing tribes	Identify eligible homes to serve
Implementer	Assist non-implementing tribes with identifying eligible homes to serve, upon request. Develop educational materials and coordinate with participating tribes to help engage with tribal members.

Source: CEC staff

Home Assessments and Identification of Retrofit Measures

Implementing tribes and the implementer will be responsible for conducting assessments of homes to be retrofitted. A home assessment gauges the existing condition of the home and guides the selection of recommended retrofit measures for the home.

A recommended approach to the home assessment includes the following elements:

- Interview with the homeowner/occupant about any concerns or issues they may have related to the performance of their home
- Evaluation of the home's systems/appliances for heating, cooling, water heating, clothes drying, cooking, and lighting
- Evaluation of the home's insulation level, air leakage, duct work, and air filtration
- Identification of any electrical hazards and evaluation of the main electrical panel condition, open slot availability, and capacity to support full home electrification, identification of building-related health and safety conditions that may require remediation to allow for the installation of electric equipment and other decarbonization measures

Implementing tribes and the implementer will be responsible for using the information collected in the home assessment to identify recommended measures for the home from among the EBD-eligible measures described in Chapter 2.

Before conducting retrofits, implementing tribes and the implementer will be responsible for ensuring that project information is communicated clearly to property owners and occupants.

Project information communicated to the property owner and occupant shall include, but is not limited to:

- Measures to be installed, including warranty information.
- Benefits and energy bill impacts expected from installed measures.
- Expected duration of construction and construction hours.
- Number to call regarding any concerns related to a project funded by this program.

Table 4 summarizes the roles and responsibilities of each party related to home assessments and identification of retrofit measures.

Table 4: Home Assessments and Identification of Retrofit Measures

Party	Role
Implementing tribes	Conduct home assessments, identify recommended measures for the home, and ensure that project information is communicated clearly to the property owner/occupant. These tasks may be performed by qualified tribal staff or by a third party hired by the tribe.
Non-implementing tribes	Option to work with the implementer to facilitate communication with the household occupants regarding the home assessment and project information.
Implementer	Conduct home assessments, identify recommended measures for the home, and ensure that project information is communicated clearly to the property owner/occupant. These services are for non-implementing tribes only.

Source: CEC staff

Contractor Enrollment

Details on contractor enrollment and workforce requirements can be found in Chapter 5, Section A: Workforce Requirements.

Table 5 summarizes the roles and responsibilities of each party related to contractor enrollment.

Table 5: Contractor Enrollment

Party	Role
Implementing tribes	May hire contractors of their choice who meet the training and experience requirements described in Chapter 5. Will have the option of selecting from a list of enrolled contractors prepared by the implementer.
Non-implementing tribes	Option to recommend qualified contractors to the implementer for potential inclusion on the enrolled contractors list.
Implementer	Perform outreach to a diverse set of licensed contractors, with a focus on local contractors that meet one or more of the criteria listed in Chapter 5. Establish a list of enrolled contractors who meet the training and experience requirements described in Chapter 5 and who will conduct all home retrofits. Provide the list of enrolled contractors to implementing tribes upon request.

Source: CEC staff

Program Coordination and Layering

Numerous federal, state, utility, regional, and local programs offer direct installation or incentives to advance energy efficiency, weatherization, electrification, and decarbonization in California tribal homes. The CEC encourages coordination and layering with other relevant programs or funding sources to maximize the number of tribal households that benefit from the Tribal Direct Install Program and allow participating homes to receive measures not eligible for EBD funding, such as solar and battery storage, where possible.

Program coordination may include:

- Coordination with programs that provide funding for one or more measures that are also eligible through the Tribal Direct Install Program, such as remediation, smart thermostats, electrical panel upgrades, or heat pumps. Complementary funding sources should be applied to a project prior to Tribal Direct Install Program funds whenever possible.
- Coordination with programs that provide funding for complementary measures that are not eligible for Tribal Direct Install Program funding, such as solar photovoltaic panels, electric vehicle charging, shade trees, and battery storage.

Table 6 summarizes the roles and responsibilities of each party related to program coordination and layering.

Table 6: Program Coordination and Layering

Party	Role
Implementing tribes	Option to identify, apply for, coordinate, and fulfill the requirements of any additional programs to be layered with EBD funds.
Non-implementing tribes	Option to communicate additional priorities to the implementer to identify if relevant funding opportunities exist which can be layered with EBD funds.
Implementer	Identify complementary funding sources based on availability and tribal priorities. For non-implementing tribes, apply for and fulfill the requirements of complementary programs on behalf of participating households. Create a list of relevant programs and provide that information to implementing tribes upon request.

Source: CEC staff

Retrofitting Homes

The home retrofit process will include the installation of appropriate eligible measures identified in the home assessment, pre and post retrofit photos, programming of equipment (including set up of load shifting equipment to avoid the region's peak energy hours), and removal and proper recycling or disposal of old appliances, refrigerants, and debris.

All work funded by the program must be done by a California licensed contractor. Work must comply with applicable standards and manufacturers' installation instructions and obtain required permits. This includes compliance with the California Energy Code (Title 24, Part 6).

Project construction should be limited to 30 days, whenever possible. Projects should be designed to minimize disruption to occupants, avoid the need for temporary displacement if possible, and reduce the duration of displacement if it is necessary.

Table 7 summarizes the roles and responsibilities of each party related to retrofitting homes.

Table 7: Retrofitting Homes

Party	Role
Implementing tribes	Schedule contractors and coordinate with household occupants to carry out retrofits.
Non-implementing tribes	Option to assist the implementer to ensure that the household is aware of the retrofit timeline and coordinate with the occupants as needed.
Implementer	Schedule contractors and coordinate with household occupants to carry out retrofits. These services are for Non-implementing tribes only.

Source: CEC staff

Quality Control

Quality control is intended to ensure the successful operation of installed, eligible equipment. Quality control includes ensuring that the equipment was installed correctly, is operating as expected, and that households have the means to reach out for support if needed.

Table 8 summarizes the roles and responsibilities of each party related to quality control.

CEC may elect to audit or visit retrofit home sites to verify work completeness and ensure quality control and compliance with program requirements.

Table 8: Quality Control

Party	Role
Implementing tribes	Establish a means for quality control of work associated with eligible measure installation. Ensure that households receive operating instructions and warranty information for installed equipment and have a point of contact if any problems arise post installation. Ensure participating households are enrolled in the most appropriate rate plan available from their utility, as well as any rate discounts and demand response program for which they are eligible.
Non-implementing tribes	Option to assist the implementer with quality control.
Implementer	Establish a means for quality control of the work associated with installation. Ensure that households receive operating instructions and warranty information for installed equipment and have a point of contact if any problems arise post installation. Ensure households are enrolled in the most appropriate rate plan available from their utility, as well as any rate discounts and demand response programs for which they are eligible. Conduct follow-up surveys of participating households. These services are for non-implementing tribes only.

Source: CEC staff

Reporting

Implementing tribes and the implementer will be required to report detailed project-level data to the CEC and assist in meeting its reporting obligations to the Legislature and the California Air Resources Board. See Chapter 4 for additional details.

Table 9 summarizes the roles and responsibilities of each party related to reporting.

Table 9: Reporting

Party	Role
Implementing tribes	Collect and report on specified data from program activities as described in Chapter 4.
Non-implementing tribes	Option to assist the implementer with reporting.
Implementer	Collect and report on specified data from program activities as described in Chapter 4. These services are for non-implementing tribes only.

Source: CEC staff

E. Program Cost Categories

The program funds for this program will be separated into three categories: Project Costs, Project-Related Costs, and Administrative Costs. Table 10 below defines these three cost categories and illustrates which activities they are applicable to.

Table 10: Program Cost Categories

Funding Type	Application
Project Costs	Cost of home retrofit including equipment, permits, and installation labor.
Project-Related Costs	Activities directly related to home retrofits, not including the retrofit itself. This includes identifying homes to serve, home assessments, quality control, and follow-up surveys.
Administrative Costs	<p>All other costs necessary for the effective administration of the program, including but not limited to contractor enrollment, program coordination and layering, and reporting.</p> <p>A maximum of 10 percent of the total funds received by implementing tribes and implementer may be spent on Administrative Costs.</p>

CHAPTER 4:

Data Collection and Reporting

The implementer and implementing tribes will be required to collect and report specified data from Tribal Direct Install program activities and submit the data to CEC. These data will be used to inform the CEC's required reporting to the California Air Resources Board (CARB) as part of California Climate Investments, as well as the CEC's required reporting to the Legislature under Public Resources Code Sections 25660.2 and 25665.7. All individuals and entities participating in the implementation of the program must follow all applicable laws, including to protect all confidential information and personal information from unauthorized disclosure. These protections include, but are not limited to, implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the privacy, confidentiality, security, integrity, and availability of confidential information, including electronic or computerized confidential information.

At a minimum, the CEC will collect the following data on each household retrofitted by the program:

- Home address
- Number of household members
- Name of tribe
- Whether the household meets the state definition of low-income²⁰
- Measures installed in the home
- Equipment removed
- Estimated energy savings of the project (electricity and gas)
- Gas and electric utility names and meter numbers
- Total project cost
- Project labor and equipment costs, separated
- Project start and end date

In addition to data about homes receiving retrofits, implementing tribes and the program implementer will be required to report data about workers paid with funding from the Tribal

²⁰ A low-income household is defined as a household earning 80 percent or less of the area median income. Low-income thresholds by county and household size are available from the [Department of Housing and Community Development](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits) at <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>.

Direct Install program. To meet California Climate Investments reporting requirements, the CEC will need to collect the following data for each worker employed by the program:

- Level of education and/or training required for the position
- Benefits received, including employer-paid health insurance, paid leave, or a retirement plan or a combination
- Whether the position is subject to public works requirements
- Hourly wages
- Total project work hours

In addition to the data fields above, the implementer will be required to report detailed project level data to a database developed and maintained by the CEC. Data will be collected at the time of initial enrollment, home assessment, installation of retrofit measures, and for up to 12–24 months after installation.

To satisfy the reporting requirements for CARB, the CEC will work with CARB to develop consistent methods for measuring greenhouse gas emissions reductions and other economic, environmental, and public health co-benefits.

The CEC will also use utility meter data to measure actual energy saving and utility bill impacts for participating households after retrofits have been completed. In order for CEC to measure actual energy savings, the implementing tribe and implementer will be required to work with the home occupant to give CEC access to the home's meter data if the home is outside the utility territories of Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, Sacramento Municipal Utility District, and Los Angeles Department of Water and Power. The CEC receives meter data from these five utilities under the authority of California Code of Regulations Title 20, Section 1353, and therefore access to utility meter data for those territories is not necessary.

CHAPTER 5:

Administration

A. Workforce Requirements

All work funded by the Tribal Direct Install Program must be done by appropriately licensed contractor. Work must comply with applicable standards and manufacturers' installation instructions and obtain required permits. Implementing tribes and the implementer shall be responsible for ensuring households receive high-quality installations.

To encourage the creation of local, high-quality jobs in the communities served, the implementer shall establish a list of enrolled contractors who meet the training and experience requirements listed below. The CEC encourages qualified tribal members to be included in the workforce, wherever possible.

Implementing tribes may hire contractors of their choice and will have the option of selecting from the list of enrolled contractors prepared by the implementer.

Training and Experience Requirements

The implementer shall establish minimum training and experience requirements for construction workers, including hands-on training to install equipment and appliances eligible for the program. In addition to any legal requirements, workers who have either (1) graduated from a state-approved apprenticeship program or (2) possess at least three years of relevant installation experience and have received training and certification in the type of equipment being installed shall be deemed to have adequate training. At least one-third of all construction workers on a project shall meet the established minimum training and experience requirements.

All electrical panel upgrades shall be installed by electricians licensed by the Contractors State Licensing Board.

Contractor Outreach

When developing the list of enrolled contractors, the implementer shall perform outreach to a diverse set of licensed contractors, with a focus on local contractors that meet one or more of the following criteria:

- Are based in the community or county where the work will occur.
- Have experience working in tribal communities or geographically isolated communities.
- Comply with "skilled and trained workforce" standards as defined in Public Contracts Code Section 2600, et seq.
- Participate in relevant state-approved apprenticeship programs.

- Employ targeted hiring strategies to create jobs for residents of tribal, underresourced, or low-income communities, and individuals with barriers to employment.²¹

Prevailing Wage

Under Public Resources Code Section 25665.3(f), “Projects funded pursuant to the direct install program shall be performed by workers paid prevailing wage where possible and when applicable.” Building retrofits conducted using Equitable Building Decarbonization Direct Install Program funds, including the Tribal Direct Install Program, may trigger public works laws (Labor Code Section 1720, et seq.), a requirement of which is to pay prevailing wages. Implementing tribes and the implementer are fully responsible for complying with all applicable laws, which can include California public works requirements.

B. Tenant Protections

The purpose of tenant protections is to avoid negative effects on tenants in buildings served by the Tribal Direct Install Program. It is important to avoid the possibility of tenants being evicted or their rent being increased as a result of retrofits funded by the program.

The CEC encourages participating tribes to ensure that tenants in any rented buildings served by the program are protected.

Project construction shall be limited to 30 days, whenever possible. Projects should be designed to minimize disruption to occupants, avoid the need for temporary displacement if possible, and reduce the duration of displacement if it is necessary.

C. California Climate Investments

The EBD Program is predominantly funded by the Greenhouse Gas Reduction Fund as part of the California Climate Investments initiative (CCI). CCI is overseen by the California Air Resources Board, a statewide program that puts billions of Cap-and-Invest program, formerly known as Cap-and-Trade program, dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment, particularly in disadvantaged communities. The Cap-and-Invest Program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at <https://www.caclimateinvestments.ca.gov>.

Programs part of California Climate Investments are required to meet minimum levels of investments to projects that benefit residents of disadvantaged communities, low-income

²¹ “Individual with a barrier to employment” is defined in the federal [Workforce Innovation and Opportunity Act of 2014](https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf), Section 3, Part 24, <https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf>.

communities, and low-income households, collectively referred to as “priority populations.” The following investment targets have been established for the EBD program portfolio as a whole.

- 60 percent of funds targeted to households in disadvantaged communities
- 5 percent of funds targeted to households outside but within one half-mile of a disadvantaged community
- 25 percent of funds targeted to low-income communities or households
- 90 percent of funds targeted to priority populations.

While the CEC is not imposing explicit requirements on this program related to the amount of funding spent in disadvantaged communities, low-income communities, or households, some households served by the program will naturally fall into these categories and contribute to achieving these targets for the portfolio of EBD programs.

As required by California Climate Investments, the CEC will use benefit assessments tools to determine if projects have a direct benefit to priority populations. Benefit assessments tools for this program will be available at arb.ca.gov/cc-resources.

D. Guidelines Authority

These program guidelines are adopted under Public Resources Code Division 15, Chapter 7.6 added by Assembly Bill 209 (Committee on Budget, Chapter 251, Statutes of 2022), which directs the CEC to establish the Equitable Building Decarbonization Program. Under Public Resources Code Section 25665.6, the Administrative Procedure Act (Chapter 3.5 [commencing with Section 11340] of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the adoption of these guidelines.

E. Effective Date of Guidelines

The Tribal Direct Install Program guidelines will take effect only after they have been adopted by the California Energy Commission at a CEC business meeting. Once finalized, the CEC will post the adopted guidelines on the [EBD Program web page](https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program) (<https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program>).

F. Interpretation

Nothing in these guidelines shall be construed to abridge the powers or authority of the CEC or any CEC-designated committee as specified in Division 15 of the Public Resources Code, commencing with Section 25000, or Division 2 of Title 20 of the California Code of Regulations, commencing with Section 1001.

G. Changes to Guidelines

Substantive Changes

After adoption, substantive changes to the adopted program guidelines may be made with the approval of the CEC at a publicly noticed meeting. Before adopting any substantive revisions to the guidelines, CEC staff will provide an opportunity for public comment and host one or more staff workshops to discuss the proposed changes. Notice of the workshop and changes shall be provided to the associated CEC subscription lists, the CEC website, and the program docket. Unless stated otherwise in the resolution approving the substantive changes, such changes shall take effect upon adoption by the CEC.

Non-substantive Changes

If the program guidelines require non-substantive changes, such as reorganization of text, grammatical corrections, or other changes that do not materially affect the program, CEC staff will provide a notice of the changes to the associated CEC subscription lists, the CEC website, and the program docket. A public workshop may be held.

H. California Environmental Quality Act

In general, the CEC must comply with the California Environmental Quality Act (CEQA),²² which requires public agencies to identify and consider potential environmental impacts of proposed projects when the CEC supports proposed projects with grants or other subsidies.²³

The CEC has made an initial determination that the development of these guidelines is not a project for purposes of CEQA. However, if the guidelines are a project, the CEC has made an initial finding that they are exempt from CEQA under California Code of Regulations, Title 14, Sections 15307 and 15308. These provisions exempt actions taken by a regulatory agency pursuant to state law to “assure the maintenance, restoration, or enhancement of a natural resource” and actions taken to “assure the maintenance, restoration, enhancement, or protection of the environment” where the action involves procedures for protection of the environment. The CEC has also made an initial determination that the guidelines are exempt from CEQA under the common-sense exemption, California Code of Regulations, Title 14, Section 15061(b)(3), because there is no possibility that the guidelines may have a significant effect on the environment, as defined by CEQA.

²² Public Resources Code Section 21000 et seq.; see also California Code of Regulations, Title 14, Section 15000 et seq.

²³ Public Resources Code Section 21065(b).

CHAPTER 6:

Glossary

Term	Definition
Area median income (AMI)	Median household income based on household size of a geographic area of the state, as annually updated by the Department of Housing and Community Development.
California Energy Commission (CEC)	California's primary energy policy and planning agency.
California Native American tribe	Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004.
California tribal organization	A corporation, association, or group controlled, sanctioned, or chartered by a California Native American tribe that is subject to its laws, the laws of the State of California, or the laws of the United States.
Confidential information	Information the CEC has designated as confidential pursuant to Title 20 of the California Code of Regulations, Section 2505 et seq., information that the CEC has otherwise deemed or stated to be confidential, and other information exempt from disclosure under the Public Records Act or any other applicable state or federal laws.
Decarbonization	Activities that reduce or eliminate greenhouse gas emissions, such as by replacing the use of fossil fuels (in buildings, vehicles, industry, and electric power generation) with clean and renewable technologies.
Disadvantaged community	An area identified as disadvantaged by the California Environmental Protection Agency per Senate Bill 535 (Chapter 830, Statutes of 2012) based on geographic, socioeconomic, public health, and environmental hazard criteria. A map of disadvantaged communities is available at https://calepa.ca.gov/EnvJustice/GHGInvest/
Energy burden	The percentage of household income spent on energy costs.
Greenhouse gas (GHG)	Gases that trap heat in the atmosphere, such as carbon dioxide (CO ₂), methane (CH ₄), and nitrous oxide (N ₂ O).
Heat pump	An appliance that uses electricity to transfer heat from a cool space to a warm space, providing an energy-efficient way to heat and cool buildings or heat water.
High-quality job	A job that promotes economic mobility by providing retirement benefits, vacation and sick leave, training opportunities, and wages at or above the average median wage of a region.

Term	Definition
Implementer	For this document, a competitively selected entity that will provide decarbonization retrofits and related services for tribes that choose to participate in the program and not to receive a direct grant (Non-implementing tribes).
Implementing tribe	For this document, a California Native American tribe that chooses to participate in the program and receive a direct grant to perform decarbonization retrofits and related services.
Low-income community	A census tract with a median household income at or below 80 percent of the statewide median income, or a census tract with a median household income at or below the threshold designated as low-income by the Department of Housing and Community Development.
Low-income household	A household earning 80 percent or less of the area median income. Low-income thresholds by county and household size are available from the Department of Housing and Community Development at https://www.hcd.ca.gov/grants-and-funding/income-limits
Non-implementing tribe	For this document, California Native American tribe that chooses to participate in the program and receive decarbonization retrofits and related services from the implementer.
Personal Information	Sensitive information that if shared improperly can lead to significant risk (that is, financial, personal, or confidential). Financial information is the most sensitive type of data.
Priority population	For California Climate Investments, priority populations include disadvantaged communities, low-income communities, and low-income households. A map of priority populations is available at https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=5dc1218631fa46bc8d340b8e82548a6a&page=Priority-Populations-4_0 .
Retrofit	For this document, upgrades to an existing residential building such as installation of heat pumps, other efficient electric appliances, and other eligible decarbonization improvements.
Tribal member	An individual who is an enrolled member of a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004.
Underresourced community	A disadvantaged community or a low-income community.