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Addressing Preapproval Barriers to Equitable Access for Low-Income Households

Public Comment on HEEHRA Program Rules: Addressing Preapproval Barriers to Equitable Access for Low-Income Households

Date: October 21, 2025

Dear California Energy Commission Members and Staff,

I am writing to express strong support for the Home Electrification and Appliance Rebates (HEEHRA) program under the Inflation Reduction Act, administered through TECH Clean California. As a critical tool for advancing clean energy adoption and reducing household energy costs, HEEHRA has the potential to deliver transformative benefits, particularly for low-income Californians facing disproportionate energy burdens. However, the current program rulesâ€”specifically the requirement that all rebate reservations must be fully approved prior to initiating any installationâ€"create insurmountable barriers for the very households this program is designed to serve. I urge the Commission to revise these rules to allow installations to proceed before preapproval, with post-installation rebate processing, or to implement a streamlined emergency approval pathway. Such changes are essential to ensure equity and maximize program impact.

Under existing guidelines, HEEHRA reservations cannot be converted to claims until after full preapproval, and installations are explicitly prohibited until this step is complete.[1] The preapproval process, which includes income verification and project screening, routinely takes two weeks or longer, even under optimal conditions.[1] A simple errorâ€”such as a mismatched document or incomplete household-contractor pairingâ€"triggers resubmission, adding another multi-week delay.[2] For low-income families, who comprise the program's primary beneficiaries (eligible at 80-150% of area median income), these timelines are not merely inconvenient; they are exclusionary. Low-income households often lack the financial cushion to delay critical repairs or upgrades, such as replacing a broken heat pump water heater during a heatwave or a malfunctioning HVAC system in winter. As noted in recent program feedback, "many participants access [HEEHRA] for emergency repairs, and lengthy pre-approval times can diminish their ability to secure rebates," potentially delaying urgent work or deterring participation altogether.[1] In California, where energy costs consume up to 20% of low-income budgets, these delays exacerbate vulnerability to shutoffs and health risks from inefficient appliances.[3]

This rigidity contradicts the behavioral realities of low-income households, who purchase appliances and make home repairs based on immediate need rather than long-term planning. Research consistently shows that financial constraints force these families to prioritize survival imperativesâ€”food, shelter, and urgent fixesâ€”over anticipatory investments. For instance, low-income households allocate a substantial portion of their income to basic needs, leaving "little available for savings or financial security against future contingencies," driven by loss aversion and the imperative to minimize current hardships.[4] They are far more likely to engage in reactive, bargain-driven purchases, such as second-hand or emergency replacements, due to inability to invest in energy-efficient options upfront.[4] A comprehensive analysis of expenditure patterns confirms: "Low-income households may prioritise immediate needs over long-term financial stability, driven by a focus on minimising current losses rather than maximising future gains."[4] Requiring weeks of preplanning excludes those who cannot wait, perpetuating inequities. Coalition advocates, including The Greenlining Institute and others, have echoed this in comments on HEEHRA's Community Benefits Plan, noting that rebate programs often fail low-income participants due to upfront capital barriers and administrative burdens that delay access.[^5] Without reform, HEEHRA risks mirroring past programs like TECH Clean California, where only 10% of single-family funding reached disadvantaged communities despite targeted goals.[5]

To align HEEHRA with its equity mandate, I recommend the following immediate actions:
1. Permit Post-Installation Rebates for Emergencies: Allow qualified low-income households to install eligible equipment first, then submit for rebate approval within 120 days of installation (mirroring the current claim window).[6] This would accommodate need-based timing while maintaining program integrity through audits.
2. Accelerate Preapproval to 3 Days or Less: As suggested by program stakeholders, target a 72-hour turnaround for income verification and reservations, with dedicated support for error-prone submissions.[1]
3. Establish a Prioritized Approval Pathway for Low-Income Households: Create a dedicated fast-track process for households at or below 80% of area median income (AMI), aiming for processing times under 72 hours, by de-prioritizing moderate-income (80-150% AMI) applications to reallocate administrative resources toward serving the most vulnerable first. This tiered approach builds on the program's existing fund reservations for low-income households and would enhance equity without expanding overall capacity.[5]

These changes would not only boost uptakeâ€”potentially increasing low-income participation by addressing the 90% historical underreach in similar programsâ€—but also advance California's climate goals by electrifying more homes faster.[5] HEEHRA is a once-in-a-generation opportunity to deliver justice alongside efficiency; let's ensure it reaches those who need it most, when they need it.

Thank you for considering this comment. I am available for further discussion and urge swift rulemaking to implement these reforms before Phase II funding launches.

Sincerely,
Jason Phillips, Contractor

[1]: Sealed Response to RFI on Inflation Reduction Act Residential Energy Rebate Programs, California Energy Commission (Jan. 10, 2025), https://efiling.energy.ca.gov/GetDocument.aspx?tn=261033.

[2]: TECH Clean California Single Family Reservations Guidelines (2025), https://frontierenergy-tech.my.site.com/contractorsupport/s/article/Claim-Reservation-Rules-SF (noting approvals up to two weeks and resubmission needs).

[3]: Northeast Energy Efficiency Partnerships, Addressing Energy Burden (2023), p. 5, https://neep.org/sites/default/files/media-files/addressing_energy_burden_1.pdf (citing up to 29% in areas like Riverside, CA).

[4]: Navigating Scarcity: An Analysis of Expenditure Patterns Among Low-Income Households, ResearchGate (Nov. 9, 2024), https://www.researchgate.net/publication/385686465_Navigating_Scarcity_An_Analysis_of_Expenditure_Patterns_Among_Low-Income_Households.

[5]: The Greenlining Institute et al., Comments on HEEHRA Phase 1 Community Benefits Plan, California Energy Commission (2024), https://efiling.energy.ca.gov/GetDocument.aspx?tn=258076&DocumentContentId=94021.

[6]: TECH Clean California Program Guidelines (2025), https://techcleanca.com/ (standard 120-day claim window post-installation).