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Preapproval Barriers and High-Efficiency Mandates for Equitable Access to Low-Income Households

Public Comment on TECH Clean California Program Rules: Addressing Preapproval Barriers and High-Efficiency Mandates for Equitable Access to Low-Income Households

Date: October 21, 2025

Dear California Energy Commission Members and Staff,

I am writing to express strong support for the TECH Clean California program, a vital initiative under California Climate Investments that incentivizes clean heating technologies like heat pumps to reduce greenhouse gas emissions and lower energy costs. TECH has tremendous potential to deliver transformative benefits, especially for low-income Californians burdened by high energy expenses and outdated appliances. However, current program rules—particularly the requirement for full preapproval of incentive reservations before any installation, and the mandate for ENERGY STAR-certified high-efficiency heat pumps—erect significant barriers for the low-income households the program aims to serve. I urge the Commission to revise these rules to permit installations before preapproval with post-submission processing, streamline timelines, and introduce flexibility in efficiency standards for vulnerable participants. These reforms are crucial to fulfilling TECH's equity goals and accelerating decarbonization.

Under existing guidelines, TECH incentive reservations require preapproval, including eligibility verification and project screening, before contractors can proceed with installations.[1] This process often takes two weeks or more, even in ideal scenarios, with simple errors—like documentation mismatches or incomplete pairings—necessitating resubmission and further delays.[2] For low-income families, targeted through pilots and equity allocations (e.g., 40% of funding reserved for income-qualified customers), these waits are exclusionary.[3] Many lack the financial buffer to postpone urgent repairs, such as replacing a failing water heater in summer or an inefficient furnace in winter. Program evaluations highlight how such administrative hurdles deter participation, with pilots addressing low-income barriers facing delays due to contractor recruitment and data-sharing issues, resulting in only one of seven pilots completing by mid-2024.[4] In California, where low-income households spend up to 20% of their income on energy—far exceeding the 6% affordability threshold—these delays heighten risks of shutoffs, health issues from extreme temperatures, and reliance on costly fossil fuels.[5]

Compounding this, TECH's mandate for ENERGY STAR high-efficiency heat pumps imposes long-term burdens ill-suited to low-income realities. These advanced units, with

variable-speed compressors and smart controls, offer superior energy savings but come with significantly higher maintenance and repair costs—often 20-50% more than standard models due to specialized parts and technician expertise.[6] It's akin to installing a Ferrari in a household that can't afford routine tune-ups: impressive performance until the first breakdown, when repair bills can exceed \$3,000 for compressor failures alone, compared to \$500-700 for basic units.[7] Low-income families, constrained by tight budgets and unstable employment, frequently forgo preventive maintenance, accelerating wear on these "delicate" systems and leading to premature failures.[8] Research shows that in substandard housing common among low-income renters and owners—lacking proper insulation or ventilation—high-efficiency appliances underperform and fail faster without ongoing care, turning intended savings into unexpected debt.[9] Single-family incentives under TECH have reached disadvantaged communities in less than 9% of cases, partly because participants anticipate these post-installation pitfalls.[4] Mandating top-tier efficiency without support for upkeep undermines equity, as low-income households prioritize immediate affordability over speculative long-term gains.[10]

This rigidity clashes with the lived experiences of low-income Californians, who address home needs reactively rather than through extended planning. Financial precarity compels them to focus on survival—emergency fixes over proactive upgrades—with little margin for savings or credit to bridge delays.[11] Studies confirm: "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," often opting for cheaper, less efficient alternatives when faced with complex requirements.[12] Advocates note that rebate programs like TECH fail to equitably serve these families due to upfront and ongoing barriers, mirroring low uptake in disadvantaged areas despite targeted pilots.[4] Without changes, TECH risks perpetuating cycles of energy poverty, as seen in early evaluations where multifamily incentives to disadvantaged communities dropped from 95% to 21% over a year.[4]

To better align TECH with its mandate under Senate Bill 1477 for serving disadvantaged communities and workers, I recommend the following immediate actions:

1. Permit Post-Installation Incentive Claims for Emergencies: Allow low-income households to install eligible heat pumps first, then submit reservations and claims within 120 days, with audits to ensure compliance—accommodating urgent needs while safeguarding funds.[1]
2. Streamline Preapproval to 72 Hours or Less: Implement a fast-track for income-qualified applications, with dedicated support to minimize resubmissions, drawing from ongoing pilots addressing permitting and recruitment barriers.[2]
3. Introduce Tiered Efficiency Standards and Maintenance Support: For households at or below 80% of area median income, permit mid-efficiency heat pumps (e.g., SEER 14+ without full ENERGY STAR specs) to reduce repair risks, paired with a dedicated fund for low-cost maintenance contracts or extended warranties—prioritizing accessibility over peak efficiency for those in poor housing stock.[13]

These reforms would enhance uptake, potentially tripling low-income participation by

tackling the 90%+ underreach in single-family projects to date, while advancing California's clean energy goals.[4] TECH is a cornerstone for just decarbonization; let's redesign it to truly empower those hit hardest by climate and cost crises.

Thank you for considering this comment. I am available for further discussion and urge prompt guideline updates ahead of the next program cycle.

Sincerely,
Jason Phillips, Contractor

[1]: TECH Clean California Incentives Overview (2025), <https://techcleanca.com/incentives/> (detailing reservation approvals prior to installation and 120-day claim windows post-install).

[2]: TECH Clean California Pilot Updates: Streamlining Permitting (May 20, 2024), <https://techcleanca.com/about/news/pilot-addresses-barriers-to-heat-pump-water-heater-permits/> (highlighting delays in low-income pilots due to administrative and recruitment challenges).

[3]: Commentary: Encouraging Heat Pump Technology for San Joaquin Valley Residents (Aug. 5, 2024), <https://www.canarymedia.com/articles/enn/commentary-encouraging-heat-pump-technology-for-san-joaquin-valley-residents> (noting 40% funding commitment to income-qualified customers).

[4]: TECH Clean California: Key Performance Indicator Assessment (Jul. 18, 2024), https://www.calmac.org/publications/TECH_Clean_California_Key_Performance_Indicator_Assessment.pdf (detailing low DAC uptake

[5]: Appliance Utility in Low-Income Housing: On the Relation Between Efficiency and Affordability (Nov. 15, 2024), <https://www.sciencedirect.com/science/article/abs/pii/S0378778824009654> (citing high energy burdens up to 20%+ of income).

[6]: Reforming Energy Efficiency Programs to Increase Heat Pump Adoption (Mar. 26, 2025), <https://rmi.org/reforming-energy-efficiency-programs-to-increase-heat-pump-adoption/> (discussing higher complexity and costs in low-income retrofits).

[7]: How Much Does a Heat Pump Cost? (2025 Pricing), <https://www.thisoldhouse.com/heating-cooling/heat-pump-cost> (comparing repair costs for high-efficiency vs. standard units).

[8]: Benefit or Burden? Perceptions of Energy Efficiency Efforts Among Low-Income Consumers (2016), <https://pmc.ncbi.nlm.nih.gov/articles/PMC4819256/> (noting skipped maintenance due to cost constraints leading to failures).

[9]: Investing in Healthier Low-Income Housing (Oct. 13, 2021), <https://rmi.org/investing->

in-healthier-low-income-housing/ (linking poor housing conditions to accelerated appliance degradation).

[10]: Barriers to Energy Efficiency Adoption in Low-Income Communities (Dec. 9, 2021), <https://kleinmanenergy.upenn.edu/research/publications/barriers-to-energy-efficiency-adoption-in-low-income-communities/> (upfront and ongoing costs as deterrents).

[11]: As Utility Bills Rise, Low-Income Americans Struggle for Access to Clean Energy (Jan. 11, 2024), <https://www.nytimes.com/2024/01/11/us/politics/utility-bills-clean-energy.html> (slower adoption due to savings/credit lacks).

[12]: Navigating Scarcity: An Analysis of Expenditure Patterns Among Low-Income Households (Nov. 9, 2024), https://www.researchgate.net/publication/385686465_Navigating_Scarcity_An_Analysis_of_Expenditure_Patterns_Among_Low-Income_Households (prioritizing immediate over long-term).

[13]: Considerations for Equity in HPWH Programs, ENERGY STAR (2024), https://www.energystar.gov/partner-resources/products_partner_resources/retailer-resources/heat-pump-water-heater-guide/considerations-equity (advocating tailored approaches for low-income, including cost mitigations).