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## Richard Heath & Associates, Inc Response to CEC 05 04 Draft EBDDIP Guidelines

*Additional submitted attachment is included below.*

June 30, 2023

California Energy Commission
Docket No. 22-DECARB-03
715 P Street
Sacramento, CA 95814

Re: Response to Equitable Building Decarbonization Direct Install Program Guidelines

Richard Heath & Associates, Inc. (RHA) appreciates the opportunity to provide input on the California Energy Commission's (CEC) Draft Guidelines.

RHA is a program administrator and implementer with a mission of working together to improve lives by delivering equitable access to socially responsible solutions. RHA has over four decades of experience working with the state of California and utilities to deliver energy efficiency, electrification and resiliency services to low-income households and other vulnerable communities.

RHA supports the CEC's Equitable Building Decarbonization Direct Install Program and recommends consideration of the modifications discussed below:

1. **Alignment of Household/Property Eligibility with the Energy Savings Assistance Program**

The Energy Savings Assistance (ESA) Program is codified in the Public Utilities Code at §2790 and requires implementation by the Investor Owned Utilities of a weatherization program for low-income customers. ESA Program standards apply across the state, including eligibility for both single and multifamily customers and standards for quality. This program serves more than 220,000 customers annually. Given the reach of this program, we recommend that the Commission align the building decarbonization program guidelines with ESA to leverage the ESA platform and support the success of the Equitable Building Decarbonization Direct Install Program. This includes:

- Income eligibility: ESA eligibility is established in SB 756 (Hueso) at 250% of the Federal Poverty Guidelines. This creates uniform statewide eligibility criteria for both single and multifamily customers.
- Multifamily definition: ESA defines multifamily properties as 5 or more units with each unit connected to at least one other unit with a common wall, floor or ceiling.
- Multifamily property qualification: ESA qualifies the property for participation if 80% of tenants in a deed-restricted property or 65% of tenants in a non-deed-restricted property meet the income qualification.

In order to minimize customer and contractor confusion, maximize program coordination and incentive leveraging, and align with utility bill discount programs, we recommend aligning eligibility criteria for the Equitable Building Decarbonization Direct Install Program with that of ESA.

**2. Leveraging of the ESA Workforce**

California ratepayers have invested substantial dollars into training and, early in the COVID-19 pandemic, even sustaining the ESA contractor network. This workforce numbers in the thousands and, in many cases, includes individuals meeting the definition of disadvantaged workers. It is comprised of dozens of small businesses, many of whom also maintain diverse business certifications. We recommend crafting the Equitable Building Decarbonization Direct Install Program in ways that can leverage the ESA workforce and align with current ESA program requirements.

**3. Bill Neutrality Protections**

In most cases, electrification exposes customers in underresourced communities to unintended bill increases. This risk was mitigated in the San Joaquin Valley Disadvantaged Communities (SJV DAC) Pilot by a bill discount, without which nearly all SJV DAC Pilot customers would have experienced a bill increase. The ability to leverage utility bill discount programs (such as CARE and FERA) is a valuable tool in mitigating bill impacts. This is another reason to align program income eligibility criteria with those of ESA and utility bill discount offerings.

**4. Remediation Cap Doesn't Support Electric Infrastructure Upgrades**

Before adding electric load to a customer's home, the electric utilities' service planning department analyzes whether their upstream distribution system can support the additional capacity required. Where the distribution cannot support added load, the utilities must conduct improvements which may include upgrading transformers or service drops or both. This can involve a significant investment of time and resources by the utilities, all of which comes at a cost. In addition, to install a new service panel on the home, the utility bears the cost of sending a meter technician to set the meter on the new panel. This cost is in addition to the approximately $3,500 cost in labor and materials for a contractor to install the new panel.

We do not see that the utility cost is contemplated in the proposed remediation cap, nor do we believe the proposed cap will cover this cost. We encourage the Commission to explore with the electric utilities the average cost of upgrading electric distribution. For the Equitable Building Decarbonization Direct Install Program to succeed, the remediation cap will need a mechanism through which to fund this component as well as the cost of remediation at the customer's home.

Sincerely,

Cynthia Rafferty
Chief Executive Officer