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**BDC et al comments on CEC Equitable Building Decarbonization  
Direct Install Program Draft Guidelines**

*Additional submitted attachment is included below.*



**Comments of the Asian Pacific Environmental Network, Association for Energy Affordability, Building Decarbonization Coalition, Building Electrification Institute, California Green New Deal Coalition, California Housing Partnership, City of Oakland, Climate Center, EarthJustice, Greenlining Institute, Human Impact Partners, Leadership Council for Justice and Accountability, Natural Resources Defense Council, Physicians for Social Responsibility Los Angeles, Public Health Law Center, Rising Sun Center for Opportunity, RMI, SCOPE, and Sierra Club on the CEC’s Draft Guidelines for the Equitable Building Decarbonization Direct Install Program**

Docket Number: 22-DECARB-03

Submitted: June 30, 2023

**I. Introduction**

The signatories respectfully submit the following comments on the California Energy Commission (CEC) Draft Guidelines (Guidelines) for the Equitable Building Decarbonization (EBD) Direct Install (DI) Program. We appreciate the opportunity to comment on the Guidelines for this important program, which is critical to advancing California’s building electrification (BE) targets in a way that centers environmental justice and historically divested communities. In Section II, we share overarching considerations that will be vital to the success of this program. In Section III, we provide detailed responses to the CEC staff questions.

**II. Key Overarching Recommendations for Program Success**

Many of the groups that worked together on these comments have developed a set of principles to guide our collective work. The overarching recommendations below are based on those principles, which can be found in [Appendix I](#).

- **Center Community-Led Decisionmaking in Program Administrator Selection**

A critical characterization of an equitable program is community-led decision making. We strongly recommend that the CEC clarify and strengthen the role of community-based organizations (CBOs) in the EBD program implementation to reflect and represent the communities this program intends to serve. To that end, we suggest the Solar On Multifamily Affordable Housing (SOMAH) program as a model. We provide more information on this in our response to Questions [3](#) and [4](#). We understand that administrator selection criteria will be considered through a public competitive solicitation request for proposals. We offer the following questions that should be included in the solicitation and given considerable weight to determine the strength of the applications to be part of the Program Administration team (PA team):

1. Does the proposal demonstrate strong partnerships with clear decision-making roles for CBOs that work with communities in the program region?
2. Does the proposal detail the relationship and role delineation between the CBOs and program administrators?
3. Does the proposal establish CBO decision-making power in all aspects of the program and specifically in determining household prioritization?

- **Establish Stronger Accountability and Enforcement Mechanisms**

We strongly recommend the CEC set clear enforcement and reporting on established program guidelines to ensure greater accountability and transparency in implementation. The CEC, along with or through CBOs, should perform annual audits on a random sampling of households to ensure that participants are receiving stated program benefits and have not been harmed by the program. Importantly, the CEC should ensure a clear role and resources for CBOs to conduct outreach and education to tenants to ensure that they know their housing rights. This can support compliance and enforcement of tenant protections within this program and beyond. Our response to [Question 12](#) outlines further recommendations for the CEC to ensure enforcement of tenant protections. Without the CEC establishing these monitoring mechanisms, requirements for household prioritization, and tenant protections in the guidelines, these important issues can fall to the wayside during implementation of this program.

- **Ensure Direct Benefits for Participants**

One of the primary goals stated for the EBD program is to advance energy equity, which recognizes the disproportionate impacts of pollution, energy burden, and lack of access to clean energy for low-income communities of color. Additionally, maintaining affordability is a key principle for all of our organizations, as stated in our “General Principles” included in [Appendix I](#). To work towards these goals, the EBD program should explicitly identify any potential bill increases due to electrification and develop a plan on how to mitigate these affordability issues. For instance, the CEC should work with the CPUC on rate design to ensure affordable bills for EBD program participants in the long-term. This could be a reduced “electrification rate” or bill protection specifically for participants in the DI Program. The CEC should also highlight potential programmatic impacts on affordability by reframing the prioritization of “households most likely to experience bill savings” to households experiencing high energy burden. The PA

team should also ensure that whenever feasible, participating households be enrolled, where eligible, in other programs, specifically those that bring down the overall utility costs including access to solar, energy efficiency, and utility debt relief.<sup>1</sup> Lastly, the PA team should be tasked with educating residents on how to effectively and efficiently use their new electric appliances, understanding bill impacts, alternative rates, and utility debt relief options.

- **Pave the Pathway Towards Holistic Whole-Home Upgrades**

We recommend that the CEC align this program with a holistic whole-home upgrade model. Holistic home upgrades are inclusive of health and safety home repairs, structural remediation, weatherization, energy efficiency, electrification, and connection to clean energy measures. Having a single place for households to access all these measures enables them to live in a healthy home, have greater energy reliability, and maintain energy affordability. Each project should be considered in context, but having options open for a wide range of improvements ensures households with the most need are able to decarbonize affordably and improve their quality of life. We provide further recommendations on how the CEC can move towards this model in our responses to Questions [8](#) and [10](#).

### III. Detailed Responses to CEC Staff Questions

#### Question 1: Section C (Program Components) and Section D (Budget)

***Specific Recommendations:***

- The CEC should only allocate \$30 million dollars to existing programs if it would help distribute money faster and specifically benefit low-income households. If distributed, the money should go to programs that target low-income households such as the CSD Low-Income Weatherization Program (LIWP) multifamily program or the CEC TECH multifamily program, not rebate or IOU programs. We recommend that these funds come from the incentives portion of the EBD program, if possible, not the direct install portion of the EBD funds.

***Explanation:***

The goal of investing funds into existing programs is to ensure that funding leads to project implementation as quickly as possible, given the urgent need for building decarbonization in disadvantaged communities. The budget allocation of \$30 million for existing programs should only be made if it helps distribute money faster to programs that provide holistic upgrades and prioritize low income households in disadvantaged communities, and does not cause delays to building out the EBD program. These funds should not go to rebate programs, which do not serve the same demographics as the EBD program, nor should the money go to existing IOU programs, which have many limitations and do not have a track record of successfully offering community-centric holistic upgrade programs. We recommend that CEC considers existing low-income programs such as the CSD LIWP multifamily program or the CEC TECH multifamily program. Importantly, these funds should only come from the incentives portion of the EBD program, not the direct install portion of the EBD funds.

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<sup>1</sup>[Self Generation Incentive Program](#), [Low Income Home Energy Assistance Program \(LIHEAP\)](#), IOUs' [Energy Saving Assistance \(ESA\) programs](#), and [Arrearage Management Plan \(AMP\)](#)

We also support the set-aside for manufactured homes; however, a 5% set-aside risks not having sufficient funds to support holistic improvements to manufactured homes, which are a large source of affordable housing to low-income residents in climate vulnerable zones. We discuss our recommendations for the manufactured home set-aside further in response to [Question 7](#).

## Question 2: Section A (Regional Funding Allocation)

### ***Specific Recommendations:***

- We recommend that the CEC sets rough targets for funding allocations in a greater number of regions than three, but the CEC should not require a strict allocation of funding by region as this should be flexible and responsive to the needs on the ground and the guidance of a CBO-led Advisory Council that would provide guidance to a single statewide program administrator (see response to [Question 3](#)).

### ***Explanation:***

We agree that having rough regional funding targets will help create a more equitable program that touches all regions in the state. However, the proposed three regions are too large. Each of these three regions encompasses a vast territory that does not share likeness in economic, climate, or demographic qualities and could lead to inequitable implementation of the program, and ultimately not meeting the legislative intent of the program. Such large territories could lead to inadequate attention and funding to be given to many parts of the state. For example, the Los Angeles metro area is vastly different from the Inland Empire and Coachella Valley. Funding targeted to smaller regions will allow for more attention and focus to be given to each region, and there will be greater accountability and potential for dialogue with local communities.

As described in [Question 3](#), we support having a single statewide program administration team (PA team) selected by the CEC that provides core administrative and technical functions, combined with many locally-based CBOs that lead program design, implementation, and outreach in a greater number of regions. Each of these regions should have a rough percentage of the total funding as a starting place for planning, but the CEC should not require a strict allocation of funding by region as this should be flexible and responsive to the needs on the ground and the guidance of a CBO-led Advisory Council.

We do not have a recommendation for the specific regions or number of regions, but the following are examples of regional sub-divisions that could inform this program. The State Treasurer's Office (STO), when allocating low-income housing tax credits (LIHTC), has eleven geographic apportionments that take into account housing needs, incomes, costs of building, and other factors related to housing.<sup>2</sup> California's Fourth Climate Change Assessment breaks the state up into nine regions based on climate-related risks.<sup>3</sup> We recommend the CEC consider these examples, and group similar communities with similar needs into a greater number of regions than the three proposed.

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<sup>2</sup> [State Treasurer's Office Geographic Apportionment](#)

<sup>3</sup> [CA Fourth Climate Change Assessment - List of Regions](#)

We also recommend that in determining the regional funding distribution, CEC considers a more diverse set of factors in alignment with the prioritization criteria described below, which includes disadvantaged communities, climate vulnerability, and home type. Referencing only the “relative population of under-resourced communities” is not sufficient to address households and regions with more severe needs.

### Question 3: Section B, Selection of Administrators

#### ***Specific Recommendations:***

- Instead of three separate regional administrators, the CEC should select a single, statewide program administration team (PA team), composed of multiple, complementary organizations based on specific expertise and role, which subcontract with local CBOs across the state. This is consistent with the successful administration approach of the Solar on Multifamily Affordable Housing (SOMAH) program further detailed in the Program Handbook.<sup>4</sup>
- The CEC should require the statewide PA team to create a CBO-led Advisory Council, as is done with the SOMAH program, to help guide the administration of the EBD program.
- The CEC should require the selected PA team to clearly detail the roles and responsibilities amongst all the organizations involved in implementation, including CBOs; as mentioned, the CEC should consider the SOMAH program as a model for administrative versus CBO-specific roles.
- The CEC should ensure the availability of funding for CBOs who are involved with program administration and implementation to compensate for relevant tasks before and after project installation.
- The CEC should require some organizations on the PA team to have expertise and resources for multiple building types including multifamily and manufactured homes.

#### ***Explanation:***

Instead of three separate regional administrators, the CEC should select a single, statewide program administration team (PA team), composed of multiple, complementary organizations based on specific expertise and roles, which subcontracts with local CBOs across the state. This is consistent with the successful administration approach of the Solar on Multifamily Affordable Housing (SOMAH) program further detailed in the Program Handbook.<sup>5</sup> The SOMAH program has a single team of statewide technical administrators and eight CBOs that all perform different tasks.<sup>6</sup> In addition, SOMAH also has an Advisory Council composed of labor, residents, and community members that help shape the program and provide ongoing feedback on significant programmatic changes. We recommend that the CEC build upon this SOMAH model for statewide program administration of the EBD program, and require the PA team to create such an Advisory Council.

This design will allow efficient administration of core statewide functions, which might include project data reporting, reporting of program metrics, bill analysis, training and technical assistance, and facilitating the “layering” of complementary programs. While at the same time engaging a range of local CBOs to help design the local program offering, directing implementation, and doing outreach at the local

<sup>4</sup> [Solar of Multifamily Affordable Housing \(SOMAH\) Program Handbook](#)

<sup>5</sup> [Solar of Multifamily Affordable Housing \(SOMAH\) Program Handbook](#)

<sup>6</sup> [Solar of Multifamily Affordable Housing \(SOMAH\) Program Handbook](#) and [Community-Based Organizations](#)

and regional levels. The CBO-led Advisory Council would also provide overall guidance to the program administrator to ensure accountability.

This model is consistent with the statute that created the EBD program. Statute provides that the CEC "may" administer the program through "regional direct install third-party implementers." Our proposal would have the CEC select a PA Team that includes regional third-party CBOs that would lead the regional implementation efforts. As required by statute, these CBOs would ensure "the provision of culturally-appropriate outreach, education, and support to households participating in the direct install program" and engage "entities that employ workers from local communities" (Cal. Pub. Resources Code § 25665.3).

The role of CBOs is essential. CBOs are experts in communicating and collaborating with the communities they work with and therefore are incredibly important to accessing low-income households. The work they do is difficult, time-consuming, and requires building relationships and knowledge with the communities they are working in collaboration with. We recommend the explicit requirement to include funding and resources for CBOs in each region given their expertise and the resources needed to efficiently implement these projects. These funds and resources will support CBOs in the potential roles and responsibilities they can choose to fulfill including but not limited to: targeted outreach, tenant training, directing initial program focus areas, organizing communication efforts such as community meetings and translation services, recommending upgrades that fulfill community needs, acting as the point of contact for feedback, and assisting in reporting efforts.

Finally, our experience with the Weatherization Assistance Program demonstrated different needs for technical assistance for different housing types, and therefore we recommend that the CEC ensure there are specific expertise and resources for implementation in multifamily housing and manufactured housing provided by the program administrator. For example, funding retrofits in multifamily properties is different because they often have other funding sources, private and public, that need to be managed, unlike the single family homes. These building type specific resources are demonstrated by the CSD LIWP multifamily program.<sup>7</sup> Similarly, given the additional challenges of servicing manufactured homes there should be expertise and resources targeted to serve this housing type.

#### Question 4: Section D, Initial Community Focus Areas

##### ***Specific Recommendations:***

- The CEC should encourage PA applications where CBOs lead in identifying initial community focus areas for each region.
- The CEC should develop a community-led definition of "benefits" for each region.
- The CEC should encourage the PA team, in addition to deferring to CBO expertise, to prioritize communities based on a range of factors, such as strong candidates for gas decommissioning.

##### ***Explanation:***

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<sup>7</sup> [Low-Income Weatherization Program](#)



We believe there is overlap between Sections D, E, and F. The CEC needs to clarify the scale of the initial focus areas and most importantly, rather than the CEC pre-defining how to target the initial focus areas, we recommend that CBOs lead identification of initial focus areas for their regions. These organizations know which populations in their communities are most in need. Depending on the region's needs and CBO's expertise, the program guidelines should allow for a focus area to be a geographic division (e.g., set of Census tracts) or a community that may be spread across a broader area (e.g., farmworker housing).

Following consultation with CBOs, we recommend these general guidelines for program administrators to establish priorities and avoid gaps:

- **Communities should identify and prioritize benefits.** The CEC currently recommends that within focus areas “the program will target households/properties most likely to benefit from decarbonization retrofits” but has no explicit definition for benefits. We recommend that the CEC identify a definition of benefits aligned with the Justice40 guidance<sup>8</sup> to intentionally direct implementation and set metrics to ensure equity throughout the program. The CEC should also give the PA team and CBOs flexibility in determining which benefits are most important in a given community. In some communities, access to health-protective cooling may be of primary importance, while in others bill savings for energy burden households may be the focus. CBOs and the PA team should demonstrate a plan for seeking feedback on initial focus areas from the communities they serve.
- **Bill savings should not be the only priority.** Sometimes upgrades will result in increased energy use (and potentially higher bills) but improve quality of life. For example, adding air conditioning for the first time will cause a household to use more energy, but their health and safety could be improved. These households should still be eligible for this program. These households should be connected with energy efficiency and bill assistance programs to help offset any additional costs.
- **Target areas for gas decommissioning.** We support targeting areas that are candidates for gas decommissioning where this is a local priority and opportunity. This should be coordinated with existing efforts at the CPUC and local governments that are pursuing decommissioning pilots as part of an existing building decarbonization strategy.

In addition, we recommend that CBOs and program administrators consider the following indicators (all available at the Census tract level) when selecting initial community focus areas:

- Rates of emergency department visits for asthma and/or cardiovascular disease<sup>9</sup>
- Housing habitability<sup>10</sup>
- Proportions of low-income homeowners and renters facing severe housing cost burden<sup>15</sup>
- Lead exposure risk for children living in older housing<sup>14</sup>
- Historic underinvestment<sup>11</sup>
- Disadvantaged and low-income communities

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<sup>8</sup> [Department of Energy General Guidance for Justice40 Implementation](#)

<sup>9</sup> [CalEnviroScreen 4.0](#)

<sup>10</sup> [Healthy Place Index](#)

<sup>11</sup> [Climate and Economic Justice Screening Tool](#)

- Extreme heat and climate vulnerable zones<sup>12 13 14</sup>
- Energy burden<sup>15</sup>

## Question 5: Section E, Household/Property Eligibility

### *Specific Recommendations:*

- The CEC should, in the first phase of the program, prioritize 100% of funds for households earning below 80% AMI.
- The CEC should define multifamily housing as five or more units at a property level, which is consistent with other multifamily program criteria.
- The CEC should ensure that self-certification or categorical eligibility is offered so that documentation does not become a barrier to program participation.

### *Explanation:*

We appreciate CEC's focus on avoiding barriers to participation while creating requirements to guide EBD funding to the households who can benefit most. We offer the following recommendations for household and property eligibility:

- **Prioritize the lowest income households.** Historically, programs that serve low and moderate income households tend to benefit moderate income households owing to ease of implementation. Given the scale of demand and historical disinvestment in low-income disadvantaged communities, the CEC should prioritize 100% of the program funds for households that earn below 80% AMI. The lowest income residents often face the highest energy burden; this will increase as they bear the cost of the gas system as more households electrify.<sup>16</sup> We do not think moderate income households should be eligible in the first phase of the program due to the high need for housing upgrades among low income households. Opening up to higher income households should be an option for later in the program implementation if funds are available.
- **Align the definition of multifamily housing with that used in other programs.** Generally, multifamily housing is considered to be five or more units. It is important to differentiate units with buildings, as well. Many multi-family properties have multiple buildings with less than five units, but the property itself has more than five units. This will facilitate layering of EBD funding with other funding sources (e.g, the federal Home Energy Rebates).
- **Create alternative eligibility verification pathways for immigrant communities and others that may lack documentation.** The EBD program must include specific language that exempts these communities from excessive documentation requirements and provides alternative verification methods. For these populations, self-certification or categorical eligibility should be available, especially when partnering with a trusted CBO that can verify and work with the

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<sup>12</sup> [California Healthy Places Index: Extreme Heat Edition](#)

<sup>13</sup> [Cal-Adapt Cooling Degree Days and Heating Degree Days](#)

<sup>14</sup> [Cal-Adapt Extreme Heat Days and Warm Nights](#)

<sup>15</sup> [LEAD Tool](#)

<sup>16</sup> [Who will pay for legacy utility costs.](#) Energy Institute at Haas

household. The Californians for Alternative Rates for Energy (CARE)<sup>17</sup> program has been successfully using a self-attestation and post-enrollment verification process of random audits with an approach that balances the desire for the maximum number of eligible customers to participate with the need to verify participant eligibility. Further, CEC could allow eligibility based on participation in other income-based federal, state, or local benefit programs. Examples of those types of programs can be found in our response to [Question 10](#). Other California programs use this categorical eligibility and self-certification approach, which also reduces program administrative burdens.

## Question 6: Section F, Household/Property Targeting

### ***Specific Recommendations:***

- The CEC should prioritize CBO expertise for household targeting and also consider waitlists of existing low-income energy programs
- The CEC should not allow the development of a new tool to delay implementation of this sorely needed program
- The CEC should empower CBOs to develop a prioritization framework for household targeting that reflects the communities' needs for their region (see example provided)

### ***Explanation:***

We are concerned that the creation of a tool will cost a significant amount of money and delay program implementation for low-income households. As noted in our responses to Questions [11](#) and [4](#), CBOs are a better resource for targeting households and will provide more granular insights that are backed up by experience working with communities. We urge the CEC to uplift and compensate CBOs on-the-ground expertise to identify participants instead of directing resources to develop a tool. Furthermore, programs like LIWP have a waitlist that the EBD program administrators could use for initial participant targeting. If still needed, we recommend that the CEC not wait until the tool is ready to implement the first phase of the program.

Rather than developing a new tool from scratch, the CEC should draw on the variety of existing mapping tools from other state and federal agencies, such as CalEnviroScreen 4.0,<sup>18</sup> Cal-Adapt,<sup>19</sup> the California Healthy Places Index,<sup>20</sup> the Low-Income Energy Affordability Data (LEAD) Tool,<sup>21</sup> the Climate and Economic Justice Screening Tool,<sup>22</sup> and OPR's forthcoming Climate Equity and Vulnerable Communities platform.<sup>23</sup> Further, the CEC can build on the SB 350 Barriers Study and its energy equity indicators.<sup>24</sup> The California Housing Partnership has a tool that maps all deed-restricted affordable housing in the state that can layer with other maps, including CalEnviroScreen, and has released a report mapping non-deed restricted affordable housing which can help the CEC identify regions with the greatest need for home

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<sup>17</sup> [CPUC CARE](#)

<sup>18</sup> [CalEnviroScreen 4.0](#)

<sup>19</sup> [Cal-Adapt](#)

<sup>20</sup> [California Healthy Places Index](#)

<sup>21</sup> [LEAD Tool](#)

<sup>22</sup> [Climate and Economic Justice Screening Tool](#)

<sup>23</sup> [Climate Equity and Vulnerable Communities Platform](#)

<sup>24</sup> [SB 350 Barriers Study](#)

upgrades.<sup>25, 26</sup> Finally, tools developed as part of local building decarbonization and climate strategies could inform the CEC. For example, the City of Sacramento commissioned the development of a tool to help residents plan home retrofits<sup>27</sup> and Berkeley Lab’s CalTHRIVES tool maps heat resilience in Fresno.<sup>28</sup>

In each region, CBO partners should be empowered to develop a prioritization framework that reflects the region’s unique resources and needs. For instance, the State Treasurer’s Office uses a point system combined with set-asides to allocate LIHTC for affordable housing. An example of what that may look like with our general prioritization is in the appendix. Whatever framework administrators use, it must be able to balance a variety of data from an individual household level to location. We recommend this framework include factors organized into prioritized or weighted “tiers,” as follows:

Priority “Tier”	Factor
1 (highest)	<ul style="list-style-type: none"> <li>Income (prioritize extremely low-income, very low-income, low-income)</li> <li>Located in a disadvantaged community (DAC) designated by CalEPA for purposes of SB 535 (De León, Chapter 830, Statutes of 2012)<sup>29</sup></li> <li>Located near specific polluting sites within a DAC</li> </ul>
2	<ul style="list-style-type: none"> <li>High energy burden (&gt; 6%)<sup>30</sup></li> <li>Located in an extreme heat or climate vulnerable zone<sup>31, 32</sup></li> <li>Household member with asthma or other respiratory illness</li> <li>Housing type (prioritize multifamily and manufactured housing)</li> </ul>
3 (lowest)	<ul style="list-style-type: none"> <li>Other factors mentioned in the initial focus areas section</li> </ul>

See [Appendix II](#) for an example weighted point system.

## Question 7: Section H, Set-Aside for Manufactured Homes

### ***Specific Recommendations:***

- The CEC should require program administrators to have expertise and resources for manufactured homes
- The CEC should clearly identify all possible ownership structures eligible for the program

<sup>25</sup> [Affordable Housing Map and Benefits Calculator](#)

<sup>26</sup> [Naturally-Occurring Affordable Homes At-Risk](#)

<sup>27</sup> [City of Sacramento tool](#)

<sup>28</sup> [CalTHRIVES Fresno Tool](#)

<sup>29</sup> [Health & Safety Code Section 39711](#)

<sup>30</sup> [LEAD Tool](#)

<sup>31</sup> The Healthy Places Index includes an Extreme Heat Edition with 2035 to 2064 projections of extreme heat days by census tract. Source: [California Healthy Places Index: Extreme Heat Edition](#)

<sup>32</sup> Cal-Adapt includes mid-century and end-century projections of [cooling/heating degree days](#) and [extreme heat days/warm nights](#) by census tract

- The CEC should have different eligible measures and higher cost caps (if cost caps are adopted) for manufactured homes

***Explanation:***

More than half of the manufactured homes in California were built before 1980.<sup>33</sup> Given that the U.S. Department of Housing and Urban Development (HUD) developed the Manufactured Home Construction and Safety Standards in 1976, this means that the majority of manufactured homes throughout the state are severely dilapidated and energy inefficient.<sup>34</sup> Administrators in the San Joaquin Valley Affordable Energy Proceeding’s Pilot Projects reported that total remediation for manufactured homes in some cases exceeds \$30,000 and requires upgrading the home subpanel and associated electrical wiring from the main panel. Additionally, the process of acquiring permitting requirements from the California Department of Housing and Community Development (HCD) was a unique challenge for manufactured homes given that they are typically privately owned and placed on privately owned land parcels instead of a manufactured home community.<sup>35</sup>

Manufactured homes are very different from site-built single and multi-family properties in terms of decarbonization needs, costs, and processes. Therefore, each administrator should have specialized expertise and targeted resources for manufactured homes. Eligible uses for the manufactured home set aside should be tailored to the improvements commonly needed in manufactured homes.

Additionally, many manufactured home units are built with materials that pose increased risks for fires<sup>36</sup> and respiratory illnesses.<sup>37</sup> To equitably decarbonize this sector, rehabilitation materials should be used that do not replicate existing risks. The process for manufactured homes also needs to consider the complex ownership arrangement of these homes which impacts permitting and implementation of projects. The CEC should clarify that all owned units on owned land, owned units on rented land, and rented units on rented land are eligible for funding.

A 5% set aside is low given the high need and expense of doing holistic improvements for manufactured homes. We recommend that the CEC determine the number of eligible manufactured homes in each region to have a better understanding of the required set aside per region. Some regions may merit a set aside of 10% or more. Lastly, as detailed in [Question 9](#) we recommend that there are no cost caps, however, in the case that cost caps are implemented we recommend a higher average per-home/unit cost cap that would be applied to manufactured homes given their greater need for holistic remediation.

**Question 8: Section I, Eligible Measures**

***Specific Recommendations:***

- The CEC should allow heat pump replacement for other existing fuel sources such as propane, and wood, not just gas.

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<sup>33</sup> [California Affordable Housing Need and the Role of Manufactured Housing](#)

<sup>34</sup> [Manufactured Homes Construction and Safety Standards](#)

<sup>35</sup> [SJV DAC Pilot Projects Process Evaluation](#)

<sup>36</sup> [KOED: Fire Can Be Risky, Deadly Drawback of Living in Mobile Homes](#)

<sup>37</sup> [Gan, et al., "Different types of housing and respiratory health outcomes", Prev. Med. Rep., Vol. 7, 2017](#)

- The CEC should closely coordinate program implementation with existing low-income solar programs, and under exceptional circumstances, consider solar and battery storage as eligible measures for low-income households in disadvantaged communities who wouldn't otherwise have access.
- The CEC should leave flexibility for window replacements to be an eligible measure in cases where windows are broken or severely damaged.

***Explanation:***

We recommend the CEC provide additional clarity on the uses of the eligible measures. We are concerned that the heat pump requirements are structured in a way that would exclude households that utilize propane, wood, or other fuels for heating. We recommend that heat pumps for space heating and cooling should be eligible regardless of the current heating fuel, including electric resistance, propane, and wood.

Following our general recommendation that the CEC move towards a holistic home upgrade model, we recommend that the CEC leverage and coordinate with existing low-income solar programs, like the Solar on Multi-Family Affordable Housing (SOMAH) or Self-Generation Incentive Program (SGIP) or local community solar programs. We also encourage the CEC to help customers stack any federal and local level incentives for solar and storage in addition to state level programs. We see access to solar and battery storage as an important pairing with the EBD program, where possible, to increase households' energy reliability and to help avoid any bill increases from electrification. However, some properties may not be eligible for SOMAH, SGIP, or other funding sources, and these technologies may be especially important in some cases to avoid bill increases or because they are of particular importance to the community being served. For example, if there were extremely low-income households living in a master metered building that experience PSPS events, they would not have eligibility for other programs. Only in these types of exceptional cases, we recommend that the CEC allow solar and battery storage as eligible measures on a case-by-case basis for households that would otherwise not have access and where bill increases cannot be otherwise avoided. We are also recommending the CEC pursue rate structuring to ensure that households that participate in the EBD program do not see energy bill increases as well as coordinating households enrollment in rate assistance programs.

We recommend the CEC also consider clarifying the use cases of window replacements as an eligible measure. Windows leak the most heat in a building envelope, and while it is more effective to do insulation and air sealing, in cases where windows are broken or severely damaged, window replacement should be an eligible measure. If not replaced, there could be increases in greenhouse gas emissions when air heating and cooling are installed. The CEC should also consider expanding the program's list of eligible measures to include passive cooling strategies like glazing or adding window film.<sup>38</sup>

**Question 9: Section J, Pricing and Cost Caps**

***Specific Recommendations:***

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<sup>38</sup> [Passive cooling designs to improve heat resilience of homes in underserved and vulnerable communities - ScienceDirect](#)

- The CEC should not set cost caps for remediation and electrical work in the first round of program funding.
- The CEC should ensure a transparent process for electrical and remediation work to make sure that homes that have significant deferred maintenance are not excluded.
- The CEC should establish best practices around electrical panel upsizing including establishing need, contractor education, local code official education and use of low-voltage appliances.
- The CEC should streamline the process for PAs to work with the utilities to expedite panel upsizing requests for program participants.

***Explanation:***

We recommend against setting any cost cap (average or otherwise) for electrical and remediation measures across the program. These caps have been shown to interfere with effective, timely, and responsive deployment, as was seen in the San Joaquin Valley pilots. The Program Administrators and CBOs will be motivated to demonstrate good use of funds and to serve as many residents as possible - we strongly recommend that, at least for the first round of EBD program funding, program administrators be given flexibility to find the best ways to both meet the program’s decarbonization objectives and best serve the local community. The CEC should ensure clear tracking of costs and a transparent process for electrical and remediation work done, to make sure that homes that have significant deferred maintenance are not excluded and that information is gathered about these costs to inform future rounds of program funding.

However, the CEC should establish best practices to avoid electrical panel upsizing when possible including; encouraging power efficient and lower voltage (120V) appliances where appropriate, requiring electricians to use the National Electric Code calculation that does not overestimate the sizing of panels needed (NEC 220.87), and educating contractors on strategies to avoid panel upsizing. Electrification can sometimes require electrical panel upsizing whether due to capacity limits on the existing panel, space constraints, or because the panel is older and unsafe to use. Electrical panel upsizing can represent a significant cost in retrofits, averaging \$3,000 and can be up to \$10,000 to \$20,000 depending on the situation if service line and distribution system upgrades are needed. Furthermore, the permits required and utility coordination can add months to a project timeline, increasing costs. The CEC, along with the PAs, should coordinate with the utilities to expedite permitting for panel upgrades for program participants so there is no delay and additional costs in upgrading these homes.

**Question 10: Section A, Program Coordination and Incentive Layering**

***Specific Recommendations:***

- The CEC should coordinate with other funding to ensure timely retrofits, especially for multifamily where funding is time sensitive.
- The CEC should allow for cross-eligibility in other programs to leverage and maximize benefits.
- The CEC should assist households in enrolling in eligible discount rate programs.

***Explanation:***

Often, all work is done at the same time for a retrofit, especially for a multifamily building. For affordable housing, this coordination should happen so that housing providers can get the retrofit done in a timely

manner. This coordination should also include HCD funding and TCAC tax credits. Such program leveraging could reduce administrative costs while supporting holistic home upgrades and reducing burdens on participants who need to navigate complex and often different program eligibility requirements. As noted in our response to [Question 5](#), the CEC can streamline this by allowing automatic eligibility if the property used other programs, like LIWP, SOMAH, or other state and federal programs including the Home Energy Rebates Programs. If that cannot be done, aligning eligibility with those programs will facilitate leveraging. Furthermore, the CEC should coordinate concurrent enrollment with rate assistance programs and plans like TOU, utility bill savings programs, and alternative financing mechanisms to mitigate any bill increases expected from participation in the program. Additionally, households participating in the EBD DI Program who are eligible for CARE, FERA, EAPR, or another income-qualified electric rate but are not enrolled should be assisted with enrollment.

## Question 11: Section B, Metrics and Data Collection

### ***Specific Recommendations:***

- The CEC should provide PAs access to technical assistance for reporting on metrics and coordinate on identifying reporting metrics that are accessible to the PAs.
- The CEC should establish any required monitoring equipment as an eligible measure for funding.
- The CEC should include non-energy benefits in the EBD program’s potential metrics.
- The CEC should include race/ethnicity as a metric.

### ***Explanation:***

Some of the possible metrics listed in the guidelines will be difficult to obtain and PAs will have different capacity restraints. We recommend the CEC provide technical assistance and a standardized process for calculating certain metrics, like greenhouse gas emission modeling, for PAs who do not have experience. Additionally, there are cases where data collection could be impossible. For example, PAs may not always have access to individual utility bills. Similarly, ensuring rent restrictions is a huge lift for administrators. For one, property owners might not have easy-to-navigate rent rolls, documents that have the rents for each unit among other information about a property, and getting them can be difficult. The CEC should work with program administrators to identify metrics that are accessible to them in iterations of the program. For potential metrics that would require monitoring (i.e. change in indoor pollutants), if equipment needs to be installed, the CEC should fund the installation of the equipment.

In general, we recommend that the CEC design metrics that are directly related to the CEC’s definition of benefits, ideally coordinated with the Justice40 definition of benefits. The CEC should include more non-energy benefits in the “advance energy equity” metrics, including occupant comfort, pride in home, and desire to stay in housing. Additionally, the CEC needs to include race/ethnicity as a metric in the EBD program. Race is the number one predicting factor for proximity to a hazardous location. People of color also face higher energy burdens,<sup>39</sup> live in less energy efficient homes<sup>40</sup>, and are exposed to higher

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<sup>39</sup> [Sociodemographic disparities in energy insecurity among low-income households before and during the COVID-19 pandemic](#)

<sup>40</sup> [Racial inequity in household energy efficiency and carbon emissions in the United States: An emissions paradox - ScienceDirect](#)



levels of indoor air pollutants<sup>41</sup> as a result of discriminatory housing and energy policies. To advance energy equity, the CEC must collect data for the EBD program around race/ethnicity to ensure we are investing in these historically marginalized communities. As one recent article put it, “If the U.S. tries to cut greenhouse gases based on income or other factors instead of race, communities of color could suffer more from air pollution”.<sup>42</sup>

## Question 12: Section C, Tenant Protections

### ***Specific Recommendations:***

- The CEC should maintain housing affordability with rent caps and/or deed restrictions based on the tenant circumstances (see examples below).
- The CEC should require that any landlord that participates in the program cannot evict tenants for 15 years for any reason other than nonpayment.
- The CEC should establish protections to avoid or mitigate temporary displacement and disruption (see recommendations below).
- The CEC should require penalties (see recommendations below) for failure to follow these tenant protections.
- The CEC should institute clear mechanisms for the enforcement of these protections (see recommendations below).
- The CEC should target funding to affordable housing providers and smaller landlords and discourage funding to large corporate landlords.

### ***Explanation:***

The EBD program aims to benefit low-income households across California. Any program that aims to benefit such households will not do so if households see an increase in housing costs, or worse, eviction, as a result of the program. Thus, it is imperative that tenant protections are included, such as strong rent caps, eviction protections, and other mechanisms to extend the longevity of existing affordable housing.

Importantly, not all tenants have the same protections or circumstances. For example:

- Local rent control: some tenants are protected by local rent stabilization ordinances, which provide rent caps and eviction restrictions;
- State rent control: others are protected only by the State’s rent control, AB 1482 (Chiu, 2019), which is weaker than local rent control and has a clause that allows for eviction for substantial remodel, which could be triggered by the EBD program improvements;
- Affordable Housing: some live in nonprofit Affordable Housing which has deed restrictions that could expire in the next 20 years;
- No Protections: there is a segment of renters that do not have any protections at all, such as tenants in single family homes or buildings less than 15 years old

Affordable Housing and “naturally occurring” private rental housing serving low-income households should have different protections. We define Affordable Housing as any unit of housing that is

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<sup>41</sup> [PM2.5 pollutants disproportionately and systemically affect people of color in the United States | Science Advances](#)

<sup>42</sup> [Study: Race must be a factor in combatting air pollution](#)

deed-restricted, covenanted, income-restricted, or subsidized in some way. This type of housing often offers residents more protections and greater affordability, but in some cases, this may not be maintained over the long run without additional protections.

Different tenant status requires different protections. Below are initial recommendations for protections that ensure benefits and avoid harm to low-income households that rent their homes.

### **1. Maintain affordability with rent caps and deed restrictions.**

Low-income tenants are almost always rent burdened, and most tenants would prefer to forgo a retrofit rather than have their rent increased.

*For Affordable Housing:*

- Wherein an Affordable Housing rental unit participates in the program, the CEC should require that any existing deed restriction should be in place for 10 years, similar to the SOMAH program. For context, the average per unit rebate for SOMAH is \$7,500.

*For private rental housing:*

- The bulk of the state's affordable housing stock is largely without deed restriction, and the owners of those properties have an option to increase rents to fund the cost of decarbonization measures or associated improvements (even if they do not pay the full cost of the retrofit). This is the case even if they are protected by local rent stabilization laws.
- When a private rental unit that is below market rate and houses low-income families (protected by rent control or not) participates in the program, they should be subject to a **rent cap of 3% annually for 15 years**, and they should not be allowed to use existing cost "recovery programs" to collect additional rents. Property owners should only be allowed to raise rents due to documented actual increases in property taxes, actual costs of amortizing improvements to the property outside of decarbonization, and due to actual increases in expenses of maintaining and operating the property.
- There should be a stipulation if a tenant voluntarily vacates during the determined period, the new tenant must have a household income where affordable rent is at or below 60% of the Fair Market Rent<sup>43</sup>.
- There are two ways to ensure affordability. The most protective option is for the owner to agree to the recordation of a deed restriction. This maintains affordability even in the event that a property is sold. The second, less protective option, is to attach a lease rider to the lease or rental agreement. This would not protect future tenants and be challenging to enforce if the property is sold.

### **2. Protect tenants from eviction**

Without explicit eviction protections, the EBD program cannot ensure the recipients of this program actually benefit. Landlords frequently evict tenants using the AB 1482 loophole, which allows eviction

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<sup>43</sup> [Fair Market Rate Database from HUD](#)

with remodel work. This type of landlord behavior is rampant; for example, the recent case of Barrington Plaza in Los Angeles, where tenants are being evicted for sprinkler retrofits. These evictions can allow landlords to raise rents substantially, which may be particularly appealing if the improvements make the unit more marketable.<sup>44</sup>

*Eviction protections for all properties:*

- The CEC should require that landlord participating in the EBD program cannot evict tenants for 15 years for any reason other than nonpayment (cannot be evicted for owing less than one month of Fair Market Rent for unit size), an illegal activity, or severe nuisance.

### **3. Avoid or mitigate temporary displacement and disruption**

Short term displacement may be required in a few cases to enable retrofits. If temporary displacement is needed, the following requirements should be in place:

- **Notification:** The CEC, regional PA, and partner CBO must be notified of the displacement so that it can be tracked and monitored closely.
- **Right to return:** The resident should be granted the right to return to the same unit with the same rent rate.
- **Tenant relocation support:** Funding should be available to relocate tenants. Additionally, if tenants are placed in a hotel versus an accommodation with a kitchen, those tenants should be provided per diem rates for food. Whenever possible, tenants should be relocated in housing within a two-mile radius of their existing housing.

In addition, the CEC should adopt the following guidelines regarding disruptive construction work:

- **Training:** Direct installers and all associated contractors should receive tenant sensitivity trainings to minimize harm and disruption to tenants
- **Regulation of construction:** Design program to ensure upgrades can be made without disrupting tenants' living conditions
- **Length of work:** landlords may not carry out work for more than 30 days and may not terminate tenancies for retrofit work
- **Health and Safety:** assess scope of work and determine if it is safe for tenants to remain in place, if not, require relocation
- **Relocation:** if a tenant must be relocated due to retrofit projects, the property owner must re-house the tenant within a two-mile radius of the existing home and of equally suitable accommodations. Landlords must also provide a per diem relocation allowance similar to the GSA rates in addition to rehousing
- **Time:** allowable times for construction work to take place should happen within reasonable time frames (9AM-4PM, M-F) and be done on consecutive days

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<sup>44</sup> Kramon, Charlotte. [Barrington Plaza residents sue owners over alleged misuse of state law for mass evictions](#). June 14 2023. Los Angeles Times

- **Notice:** require prior notice to residents about the upcoming upgrades, including information about the scope of work, expected timeline, and any disruptions that may occur during the construction or installation process

#### **4. Failure to follow these protections should result in penalties**

The only way to ensure these protections is to have credible penalties for misconduct. We recommend the following:

- In the event of a breach of the agreement, the owner should reimburse the CEC in the amount equal to the cost of all the improvements made to the property, including equipment, labor, and overhead, as well as attorney’s fees, court costs, and interest at the statutory rate for judgments from the time of the breach
- Owner should also be liable for damages to a tenant or applicant for tenancy in the amount of \$100 per day
- If landlord cannot repay costs, a lien should be placed against their property
- Owner is banned from future public funding for any buildings they own

#### **5. Institute clear mechanisms for enforcement**

The EBD program must also be set up to enable active enforcement of these protections. We recommend the following:

- Have the landlord, CBO case manager, and tenant sign an agreement outlining all the requirements and restrictions. All parties receive a copy of the agreement. Include CBO contact information so the tenant can get in contact in the event of Owner violations
- Require every 6 months or one year that landlords certify that the same tenant and rent rate exists and make them attach annual registration information with their respective cities, if that is required
- The CEC should ultimately be responsible for monitoring, but CBOs that have the capacity should be provided the option and authority to support CEC efforts. Some potential roles are as follows:
  - CBOs may provide tenants with notice of their legal rights and the specific provisions of the agreement with detailed explanation of rights, liabilities, and avenues of legal recourse
  - CBOs may work to ensure the contract is being followed by conducting 6 month follow-ups, talking to both property owner and tenant, and requiring property owners certify they have followed the agreement
  - CBOs should be given the authority to investigate complaints made by the tenant and conclude if the property owner violated the Agreement
- To operationalize this, the CEC could construct the money as forgivable loans that are clawed back in cases of non-compliance, and the CEC should set up a rent registry for all non-deed restricted properties receiving funds. To help with monitoring, the CEC could consider contracting with HCD, the California Housing Finance Agency (CalHFA), the Treasurer’s Office, or local government entities who already have monitoring systems in place. CEC may also elect

to also establish an internal enforcement unit to ensure social, racial, and climate equity throughout the program.

## **6. Target funding to affordable housing providers and smaller landlords**

Subsidies to rental properties should be targeted to affordable housing and smaller non-corporate landlords that may not have the means to upgrade buildings. Here we define affordable housing as any housing with long-term affordability attached to the property which includes LIHTC developments, community land trusts, and affordable, social housing. Since 2000, the proportion of housing in corporate hands has increased dramatically. This trend started in the 1990s with the birth of the Real Estate Investment Trust (REIT) and the Limited Liability Company (LLC) and accelerated dramatically because of the 2008 foreclosure crisis. This transformation is apparent in Los Angeles, where investment vehicles own 67% of rental housing.

These landlords often have the resources to upgrade their properties. There is also well-documented harmful behavior of large corporate landlords in Los Angeles that suggests they should not be prioritized for public funding and would be more likely to take advantage of renovations to evict tenants and raise rents.<sup>45</sup> The City of LA provides a framework to define large corporate landlords as where the beneficial owner owns no more than four units of residential property and a single family home on a separate lot.<sup>46</sup> To address issues with corporate landlords, we recommend the following:

- Prioritize affordable housing providers and smaller landlords
- In particular, discourage any funding going to large corporate landlords, trusts, or investment vehicles that have owned the property for less than 5 years

## **Question 13: Section D, Workforce Standards and Requirements**

### ***Specific Recommendations:***

- The CEC should require the DI work to be bundled or aggregated to enable and encourage the participation of high road contractors.
- The CEC should require that project work funded through the DI program pay prevailing wages.
- The CEC should require that bundled project work funded through the DI program utilize a skilled and trained workforce.
- The CEC should require that a specific percentage of project work hours be performed by workers enrolled and participating in state certified apprenticeship programs,
- The CEC should establish specific requirements and goals regarding the hiring of disadvantaged workers (e.g. women, BIPOC, unhoused, etc) and require contractors to demonstrate a long-term commitment to these goals through participation in state certified apprenticeships and pre-apprenticeships.
- The CEC should provide technical assistance for BIPOC and/or women-owned contractors and small businesses.

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<sup>45</sup> Ferrer, A.F. (2021, March), *Beyond Wall Street Landlords*. Strategic Actions for a Just Economy. [https://www.saje.net/wp-content/uploads/2021/03/Final\\_A-Just-Recovery-Series\\_Beyond\\_Wall\\_Street.pdf](https://www.saje.net/wp-content/uploads/2021/03/Final_A-Just-Recovery-Series_Beyond_Wall_Street.pdf)

<sup>46</sup> [Mom-and-Pop Determinations for Landlord Occupancy](#)

- The CEC should consult with the California Workforce Development Board (CWDB) to integrate their expertise into the development and implementation of these workforce standards and requirements.

***Explanation:***

We agree with and support the comments submitted by the Bay Area High Road to Building Decarbonization Partnership (Bay H RTP) led by Rising Sun Center for Opportunity. Rather than reproduce their comments here, we want to emphasize a few main points of our own.

The scale of funds allocated for the EBD DI program and the fact that it is a direct install model presents a huge opportunity for the CEC to demonstrate leadership in the clean economy by creating a high road program that will enable economic mobility for working class people and their families and communities across California. While other clean technology programs have failed to create or support good jobs, the CEC can raise the bar through more detailed and specific requirements in this section of the program guidelines.

The types of building decarbonization work to be performed through this DI program—including appliance installations, weatherization, and home repair and remediation—largely fall into the sector of residential construction work, which is a notoriously low road industry with rampant labor issues that, more often than not, have resulted in low quality jobs.<sup>47</sup> It is critical that the CEC provide specific and intentional high road workforce standards and requirements in the program guidelines to ensure that the public funds utilized for the DI program generate high quality careers and training opportunities, particularly for workers from disadvantaged communities. This EBD DI program is a key opportunity to tie together equity for community residents and workers by providing climate resilient homes and good jobs in low-income communities that have historically lacked access to both.

Public funds should generate public benefits in the form of high quality career pathways for workers, particularly in vulnerable communities that this program is intended to serve. A high quality career is one that provides fair compensation, family-sustaining wages, benefits (e.g., paid family and sick leave, health care, retirement, etc.), a career ladder with opportunities for advancement, a safe and healthy work environment (e.g., safe from occupational or environmental hazards, safe from retaliation, inclusive workplace free of discrimination, etc.), and the right to organize. Through apprenticeships and pre-apprenticeships in the building trades, the unionized construction sector has a well developed workforce training infrastructure that provides access to high quality careers and economic mobility for individuals who have experienced barriers to employment.

We also draw attention to the need for skilled and trained workers to perform proper appliance installation and home repair work at scale. In order to function effectively and efficiently, heat pumps and other zero-emission appliances must be properly installed and tested. This work, in addition to building envelope and remediation, requires a high level of skill and experience, especially if the work is bundled to allow for economies of scale. Improper appliance installation has been shown to increase energy usage,

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<sup>47</sup> Jacobs, Ken and Kuochih Huang. The Public Cost of Low-Wage Jobs in California’s Construction Industry. UC Berkeley Labor Center, June 2021. <https://laborcenter.berkeley.edu/the-public-cost-of-low-wagejobs-in-californias-construction-industry/>.

cause damage to homes, and result in higher repair costs. The CEC has previously found that poor quality HVAC installations can result in a 20-30 percent increase in energy use and that up to 85 percent of replacement HVAC systems are not properly installed.<sup>48</sup> The CEC can ensure that building owners and occupants benefit from this program and receive proper, safe, effective installations and remediation work by requiring the use of skilled and trained workers on bundled project work funded through the DI program.

Below are our seven main recommendations for strong workforce standards and requirements:

- **Bundling:** The CEC should require the DI work to be bid out in bundles large enough to enable and attract the participation of high road contractors. The CEC should ensure that program administrators integrate this consideration of scale in the development of their packages of measures as well as in the selection and targeting of households and properties. Bundling or aggregating the work can also support economies of scale and greater efficiency in the work performed.
- **Prevailing wages:** It is essential to ensure that workers are paid a prevailing wage as a component of creating high quality careers in the building decarbonization industry. We recommend that the CEC strengthen its language and require that all participating contractors satisfy prevailing wage and hour requirements. Specifically, contractors should pay all workers performing construction work a total wage and benefits package that is at least equivalent to the general prevailing wage rate as determined by the Department of Industrial Relations pursuant to Sections 1773 and 1773.9 of the California Labor Code. If a determination is made that the prevailing wage does not apply to project work, then the CEC should provide a wage floor provision similar to that in the SOMAH program.<sup>49</sup>
- **Skilled and trained workers:** The CEC should require all contractors in the DI program to utilize a skilled and trained workforce as set forth in Public Contracts Code section 2600. All work should be performed by a workforce that meets the following requirements: (a) has completed an applicable California or federal accredited apprenticeship; (b) is currently enrolled in an applicable California or federal accredited apprenticeship program; or (c) has completed at least five years of work experience at the journey level as defined by the California Department of Industrial Relations and passed a practical and written system installation competency test applicable to the work being performed and received credentialed training specific to the installation of the technology being installed. The relevant building trades have highly specialized training programs on the installation, testing, repair, and maintenance of electric, zero-emission appliances such as heat pumps.
- **Apprenticeship utilization:** The CEC should require that contractors employ apprentices enrolled in a state-approved apprenticeship program in the same manner and same minimum ratio as set forth in Labor Code section 1777.5 for public works projects. Apprenticeship is the way to ensure that this program and the investment of public funds in it create long-term career paths for

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<sup>48</sup> California Energy Commission, Strategic Plan to Reduce the Energy Impact of Air Conditioners (June 2008), CEC-400-2008-010 at p. 5

<sup>49</sup> <https://calsomah.org/resources/program-handbook>

disadvantaged workers. State approved apprenticeship programs are required by law to adopt an equal opportunity program with an affirmative action plan to recruit women and minority applicants. As a result, a majority of apprentices in the building trades statewide are BIPOC. According to the latest Department of Apprenticeship Standards numbers, across California, plumbing, electrical and sheet metal apprentices are all over 63% BIPOC workers. In Los Angeles, apprentices in those three crafts are over 80% BIPOC workers.

- **Targeted hire:** The CEC should set specific requirements and goals regarding local and targeted hiring. These should include but not be limited to the hiring of workers residing in disadvantaged communities, women, BIPOC, unhoused or formerly unhoused, and individuals in reentry. Require participating contractors to demonstrate a long-term commitment to providing career pathway opportunities to workers from disadvantaged communities through participation in state certified apprenticeships and pre-apprenticeships.

Specifically, contractors should either participate in an apprenticeship program approved by the California Division of Apprenticeship Standards and subject to the State of California Plan for Equal Opportunity in Apprenticeship or have: (1) a formal First Source Hiring Agreement with a governmental, community college, trade school, multi-craft core curriculum pre-apprentice program, or non-profit workforce development agency that has a proven track record of training and providing career opportunities to disadvantaged workers; and (2) adopted workforce diversity and inclusion goals including a process to monitor and track success in meeting these goals.

- **Technical assistance to support the participation of small and minority owned businesses:** Smaller and minority owned contractors have fewer resources to be able to meet these workforce standards. The CEC should provide multiple avenues of support to encourage their participation in this program, such as technical assistance, mentorship, and alternative financing options for BIPOC and/or women-owned contractors.
- **Consult with the California Workforce Development Board (CWDB):** Consult with the CWDB to learn more about the high road model and to utilize their expertise in designing and developing high road workforce standards in climate and energy programs. The CWDB's High Road Construction Careers (HRCC) program highlights how targeted hiring and pre-apprenticeships that connect workers directly to state certified apprenticeships provide equitable, inclusive access to high quality careers and training for workers in disadvantaged communities, through partnerships with community colleges and local workforce development boards across the state.

#### IV. Conclusion

We appreciate the opportunity to comment. As advocates who have been deeply engaged in the creation and funding of the EBD program, we are invested and committed to its success. We encourage the CEC to view us as partners and resources, and we welcome and appreciate the opportunity to continue supporting the development and implementation of this program.

Sincerely,



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## APPENDIX I

### General Principles

At a high-level, the CEC should broadly adhere to the following principles developed by BIPOC-led, environmental justice and housing justice organizations<sup>50</sup> to correct the course of disproportionate investments and impacts of climate policies and programs in California.

- **Address immediate material needs.** Ensure electricity service stays on and living costs remain affordable for residential ratepayers.
- **Target investments and benefits in frontline communities towards impacted ratepayers.** Prioritize investments for the communities with the least resources and who are most vulnerable to negative impacts and have borne the burden of extraction.
- **Avoid 'one-size fits all' approaches.** Design programs that allow for variation based on local community needs and neighborhood contexts.
- **Protect and mitigate against false solutions and harms.** Embed tenant protections, anti-displacement requirements, and other affordability protections to mitigate the potential for energy policies to further displacement for populations at-risk of losing housing, or of negatively impacting the affordability, and availability of housing moving forward.
- **Embed high-road jobs and workforce development.**
  - Support high-road labor and job quality standards through contractor requirements, including family-sustaining wages and employer-provided benefits, career pathways, and safe and healthy working conditions.
  - Use targeted hiring especially for folks traditionally left out of the clean energy workforce (e.g., formerly incarcerated, women, immigrant and refugee communities, communities of color).
- **Promote community resilience to climate change.** Prioritize protecting communities from intensifying climate disasters such as extreme heat, power outages, and wildfires.
- **Rely directly on community leadership and expertise.** The communities we organize with and advocate alongside speak on their own behalf. We fight to maintain ownership and autonomy over the policy decisions that impact our communities' daily lives. Meaningful resources are needed for community organizing and engagement.

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<sup>50</sup> This is an abridged version of the energy justice principles separately developed by [California Environmental Justice Alliance](#) and the [Building Energy Equity & Power Coalition](#).

## APPENDIX II

### Point System Example:

- Income category (up to 60 points)
  - 20% or more units have rents for extremely low income households: 60 points
  - Average rents serve 50% AMI or lower households: 40 points
  - All rents serve at or below 80% AMI households: 20 points
- Located in a disadvantaged community (DAC) designated by CalEPA for purposes of SB 535 (De León, Chapter 830, Statutes of 2012)<sup>51</sup> (10 points - up to 20 points)
  - Located near specific polluting sites within a DAC (additional 10 points)
- Located in the 90th percentile of an extreme heat or climate vulnerable zone (10 points)<sup>52, 53</sup>
- The household being served is energy burdened (up to 5 points)
  - Severe energy burden of greater than or equal to 10% (5 points)
  - High energy burden of greater than or equal to 6% (4 points)
- The housing type is manufactured housing or multifamily (5 points)

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<sup>51</sup> [Health and Safety Code Section 39711](#)

<sup>52</sup> The Healthy Places Index includes an Extreme Heat Edition with 2035 to 2064 projections of extreme heat days by census tract. Source: [California Healthy Places Index: Extreme Heat Edition](#)

<sup>53</sup> Cal-Adapt includes mid-century and end-century projections of [cooling/heating degree days](#) and [extreme heat days/warm nights](#) by census tract