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Comments of the Greenlining Institute, on the CEC RFI on IRA Contractor Training Program

Additional submitted attachment is included below.



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August 28, 2023

California Energy Commission

Re: Docket No. 23-DECARB-01

Via Electronic Commenting System

Re: Docket No. 23-DECARB-01; Comments of the Greenlining Institute, on the California Energy Commission California Request for Information on Inflation Reduction Act Contractor Training

Introduction

The Greenlining Institute respectfully submits our responses to the California Energy Commission (“CEC”) *Request for Information on Inflation Reduction Act Contractor Training*. The Greenlining Institute (“Greenlining”), works toward a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. Greenlining greatly appreciates the opportunity to submit public comments on the California Energy Commission’s Request for Information to guide the implementation of the Contractor Training Program for the Residential Energy Rebate Programs created by the Inflation Reduction Act. We submitted public comments with equity-focused recommendations in response to the Home Energy Rebates Program Request for Information at the Department of Energy.¹ Greenlining has also submitted letters on the Equitable Building Decarbonization program.² Our experiences advocating for equitable building decarbonization and the creation of high quality jobs for low income communities of color at the state and federal level inform our perspective on the questions below. In addition we would like to uplift the recommendations provided in the comments of the High Road Training Partnership. Equity must be an active, ongoing and evolving process in the program’s design and implementation to be successful in addressing injustices. We welcome the opportunity to work with the CEC to develop an equity centered program that will benefit the most vulnerable members of our communities.

6. What performance metrics and numerical targets should California use to measure impact throughout the 48-month period of performance of DOE funding sought by the CEC to provide contractor training for the IRA residential energy rebate programs?

¹ See “Equity Groups Home Energy Rebates RFI Response” <https://greenlining.org/wp-content/uploads/2023/06/Equity-groups-Home-Energy-Rebates-RFI-response.pdf>

² See “” <https://efiling.energy.ca.gov/GetDocument.aspx?tn=250897&DocumentContentId=85809>

Having clear metrics that capture workforce diversity and equity goals is critical. To advance accountability, equity, and transparency in the metrics and evaluation process, the CEC should:

- Require tracking of Minority, Women Owned and Disadvantaged Business Enterprise (“MWDBE”) status
 - Currently, Black workers and women are underrepresented in the energy efficiency industry.³ Working to increase the inclusivity and diversity of the building decarbonization industry means creating intentional pathways for greater participation from MWDBEs both within unions and small businesses. The CEC should require reporting on MWDBE status as a start.
- Require collection of race/ethnicity data from household participants
 - Race is the number one indicator of living near a toxic waste or polluting site. The Climate and Economic Justice Screening Tool (“CEJST”), does not explicitly account for race which makes it difficult to assess whether the racial disparities are being addressed with benefits being directed towards the broader definition of disadvantaged communities. While this RFI focuses on the Contractor Training program, this point is very relevant to the overall program design, and contractors should be trained to respectfully collect all relevant data.
- Include qualitative data into the required metrics:
 - The CEC should strive to include qualitative data that captures the experience of contractors during the training and installation process and how households experienced working with the contractors. This could include questions for contractors like 1) How prepared did you feel to conduct the installation? 2) Were there any challenges you encountered? Examples of questions for households include 1) On a scale of 1-5, how comfortable were you to have this contractor in your home 2) On a scale of 1-5, how would you rate the communication of the program benefits 3) On a scale of 1-5, how would you rate communication of your consumer rights through this program. Page 16 of the The Solar on Multifamily Affordable Housing Second Triennial Evaluation Research Plan has examples of additional qualitative and quantitative metrics that could be adapted for the Home Energy Rebates program.⁴
 - The types of qualitative metrics described above can also inform reporting on the Community Benefits Plans which are discussed further in the Answer to Question 7.
- Establish regular reporting intervals with a process for integrating feedback over the duration of the training sessions
 - Contractors are often asked for input which can be burdensome and take time out of their schedules that they could be spending on business development or installations.

³ See “Black People Are Being Shut Out of the Clean Energy Boom”
<https://www.vice.com/en/article/88n4n5/black-people-are-being-shut-out-of-the-clean-energy-boom>

⁴ See “Solar on Multifamily Affordable Housing (SOMAH) Program Second Triennial Evaluation Research Plan”
https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/somah/2023_research_plan_somah-evaluation.pdf

Reporting on metrics or gathering information through surveys should be done through venues where contractors are already present (e.g. training workshops) to avoid creating additional burden. In addition, having a standardized set of questions for contractors after each training and installation will create uniformity in assessing progress and milestones throughout the training period and during program implementation.

- The CEC should establish and publicly communicate a process for incorporating feedback received from contractors and households over the 48-month period of the program into the training and the implementation of the rebates.

7. In the Community Benefits Plan required as part of the CEC application for DOE funding for contractor training for IRA residential energy rebate programs, how should the program ensure the delivery of measurable community and jobs benefits, and: 1) support meaningful community and labor engagement; (2) invest in America's workforce; (3) advance diversity, equity, inclusion, and accessibility; and (4) contribute to President Biden's goal that 40 percent of the overall benefits from certain federal investments flow to disadvantaged communities under the Justice40 Initiative.

The Greenlining Institute's Making Equity Real Framework is a relevant tool to ensure that equity is at the core of the entire program in every step of the Community Benefits Plan including the goals, process, implementation, and evaluation.⁵ We believe officials designing these grants must make a conscious, thoughtful effort to embed social equity into all aspects of the Home Energy Rebates program, including workforce development. The California Energy Commission should ensure the following in the Community Benefits Plan throughout the program by:

- **Establishing equitable goals for the contractor training program:**
 - **Prioritize contractors with experience serving homes with the greatest potential for pollution reduction and economic benefits** - Currently, the guidance requires that ~40% of the funding is allocated to low income households and an additional 10% is allocated towards low-income multifamily buildings. We recommend that this should be a minimum, and ideally as close to 100% as possible of funding should go towards disadvantaged communities, and that the contractor training program should be designed to help achieve this objective. As part of the Community Benefits Plan workforce goals, the CEC should prioritize including contractors that have existing relationships and trust in disadvantaged communities and have a history of using

⁵ Mohnot, S., Paykar, V., & Sanchez, A. (2019). Social Equity in California Climate Change Grants: Making the Promise Real. The Greenlining Institute. <https://greenlining.org/publications/2019/social-equity-in-california-climate-change-grants-making-the-promise-real/>

multilingual and culturally respectful outreach and communication materials on the qualified contractors list.

- **Clearly define what benefits are anticipated and the metrics that will be used to assess success using input from community based groups, labor unions, contractor organizations, and environmental justice and equity focused advocacy groups -** Establishing clear definitions and prioritization of benefits can help guide the implementation and evaluation of the success of the program. As a starting point, Page 11 of the Department of Energy’s Justice40 Guidance has several example metrics of assessing benefits associated with job creation, contracting with MWBDEs etc.⁶ This process should be directly informed by labor and community groups.
- **Establishing an equitable process for the contractor training program:**
 - **Include community based, labor, and workforce development organization perspectives on drafting and iterating upon the Community Benefits Plan -** In addition to the one required formal public input session, we recommend that the CEC set up monthly or bi-monthly meetings with interested parties (such as organizations in the H RTP) to informally discuss progress on the program implementation and solicit feedback. This can ensure that community and labor groups are included throughout the process of the development and implementation of the program and allows the CEC to collect valuable feedback to iterate continuously. This ongoing input mechanism can be coordinated with but should be in addition to meetings with advocates about related programs such as the Equitable Building Decarbonization program.
 - **Fairly compensate community based groups, labor unions, contractor organizations, and environmental justice and equity focused advocacy groups for their input on the goals included in the Community Benefits Plan -** The Department of Energy “DOE” guidance for the Home Energy Rebates program specifies that administrative costs can include compensation for stakeholders and enabling more accessible outreach events (that include food, childcare etc.). Up to 20% of the funding is available to states for administrative costs, but states can request more than 20% of their allocations for project-related costs. The CEC should build a substantial and sufficient budget for including groups in developing and implementing the Community Benefits Plan, and should be prepared to request additional administrative funding if needed for this purpose. This additional funding can supplement funding from the Contractor Training program to ensure participation from MWBDEs, union contractors, labor groups, and community groups.
 - **Ensure flexibility in the definitions of disadvantaged communities -** Providing communities that may not be captured under CalEnviroScreen or Climate and Economic Justice Screening Tool (CEJST), but experience high pollution and economic burdens the ability to petition to be able to be included under J40 can help prioritize benefits based on lived experiences in addition to quantitative data. This is important in areas such as

⁶ See “Final DOE Justice40 General Guidance,” <https://www.energy.gov/sites/default/files/2022-07/Final%20DOE%20Justice40%20General%20Guidance%20072522.pdf>

rural or tribal areas that might not be appropriately represented in government datasets or disadvantaged groups that are in close proximity to wealthy areas. One potential solution is to allow a self-nomination process for communities to identify as a disadvantaged community based on lived experiences. The Illinois Solar for All provides an opportunity for communities to apply to designate their communities if they are not captured by the mapping platform used.⁷ It would be important to put in guardrails to ensure that a self-nomination mechanism is not abused and does not pose an undue administrative burden. The CEC should provide clarity and transparency around these definitions during the Contractor Training program.

- **Establishing a process for equitable implementation:**
 - **Ensure quality assurance in addition to quantity with the bonuses for installing in Disadvantaged Communities** - We commend that states are required to provide a contractor or aggregator a \$200 for each dwelling unit located in a disadvantaged community upon completion and verification of the installation. However, we want to underscore the importance of quality assurance in the implementation and evaluation processes to ensure that there is not a perverse incentive to perform a greater quantity of poor quality projects in disadvantaged communities to maximize incentive amounts. Including high quality contractors in the qualified contractor list and ensuring that quality assurance is prioritized in the Contractor Training program can help mitigate this potential risk.
 - **Make sure small businesses and/or MWBDEs are resourced adequately to attend required training and meet criteria set in the Community Benefits Plan** - The CEC should provide support as needed to small businesses and/or MWBDEs to manage administrative burdens and achieve high road job specifications. This could include technical assistance, access to peer learning networks, and trainings to ensure that smaller businesses and MWBDEs are not excluded from projects because they might not have prior experience or as much capacity to manage increased reporting standards associated with some of the high road jobs criteria stipulated in the Community Benefits Plan. The terms of participating in the program and training sessions should be as accessible as possible. For example, the Solar on Multifamily Affordable Housing program has regular online training sessions to make it easy for prospective contractors to learn about the requirements of participating in the program.⁸
 - **Include MWBDEs in the qualified contractor list** - In the State's Consumer Protection Plan, the CEC would be required to describe a process for creating a qualified contractor list. As part of this process, the CEC should explicitly commit to including at least 40% MWBDE contractors and providing the training and support needed for groups to qualify. The CEC should prioritize contractors with established trust and experience working in disadvantaged communities, especially those who have multilingual outreach

⁷ See "Illinois Solar for All Environmental Justice Communities," <https://www.illinoisfa.com/environmental-justice-communities/>

⁸ See "Events and Webinars: Solar on Multifamily Affordable Housing," <https://calsomah.org/event-detail/629>

capabilities. To the extent possible, these contractors should also be trained and included in programs like the Equitable Building Decarbonization program to improve efficiency of coordinating and stacking available funding.

- **Incorporating equity in the evaluation of the contractor training**
 - **Provide a clear pathway to implementation of the Community Benefits Plan including the workforce benefits** - The DOE's Home Energy Rebates guidance states that states must establish at least one Specific, Measurable Attainable, Realistic, and Timely ("SMART") milestone per calendar year to measure progress on the proposed actions. We recommend providing quarterly updates on a publicly available website. These goals should also reflect the objectives of the Contractor Training program. In addition to SMART goals, we recommend including qualitative metrics and input from community members receiving the rebates as well as contractors in the program to ensure that the benefits are actually being experienced on the ground. This information can be used to adjust the goals and milestones and increase transparency and accountability.
 - **Ensure that workforce goals in the Community Benefits Agreement are included in the data collection and evaluation process** - Currently the Data and Tools Requirements Guide does not include any metrics about contractors or workforce beyond basic contact information and whether contractors are collecting the \$200 bonus for installing in a Disadvantaged Community.⁹ It would be helpful to collect information about whether the businesses qualify as MWBDEs and if they meet other criteria in the CBP such as paying prevailing wages, partnerships with organizations that serve underrepresented communities, hiring from apprenticeship programs, supporting unionization etc. It would also be helpful to collect demographic information from program participants and contractors to identify and address any disparities in which groups are receiving the environmental and economic benefits. Contractors should be trained on the data collection and evaluation process to guide program participants as needed.

8. Input on other topics welcome.

- **The CEC should train contractors about and coordinate workforce development efforts across existing local, utility, state, and federal building decarbonization programs** - This can help maximize business opportunities for contractors if they are qualified to meet the requirements of several of these programs. Coordinated contractor training can also help contractors better advise customers on how to finance programs to reduce their costs, especially in disadvantaged and/or low income areas. Creating a centralized portal (or updating an existing one like theSwitchIsOn) can reduce contractor and customer confusion.¹⁰ A recent report by the Climate Center, Building Decarbonization Coalition, and AECOM contains a table on pages 9-15 with a list of existing building decarbonization programs in California.¹¹

⁹ See "IRA Home Energy Rebates: Data and Tools Requirements Guide" <https://www.energy.gov/scep/articles/ira-home-energy-rebates-data-and-tools-requirements-guide>

¹⁰ See "The Switch is On" <https://switchison.org/>

¹¹ See "Building Decarbonization Policy Brief: Financing a Climate-Safe Future: Low- and Moderate-Income Residential Building Decarbonization"

- **The CEC should train contractors about the stipulations in the Customer Protection Plans including consumer feedback, conflict resolution procedures, onsite inspections and quality assurance, and installation standards as well as renter protections** - Providing training to contractors can better protect customers and ensure quality work as well as establish trust and enable further business opportunities for contractors serving disadvantaged communities. In addition, the CEC should consider strengthening the renter protections and educating contractors about these standards so they can advise clients who are renters.

Conclusion

The Greenlining Institute appreciates the opportunity to comment on the process of implementing contractor training for Inflation Reduction Act Residential Energy Rebate programs and we urge the CEC to address the recommendations and concerns outlined above. We look forward to continuing to track progress on this effort, and we hope it will deliver tangible outcomes for low income communities and workers of color. Please do not hesitate to reach out to Sneha Ayyagari (sneha.ayyagari@greenlining.org) with any questions or to schedule time to discuss our recommendations further.

Respectfully submitted,

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