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Marin Clean Energy on the RFI RE Contractor Training for Inflation Reduction Act Residential Energy Rebate Programs

Additional submitted attachment is included below.



September 25, 2023

California Energy Commission
Docket Office
715 P Street
Sacramento, CA 95814-5512
Docket@energy.ca.gov

RE: Marin Clean Energy on the Request for Information RE: Contractor Training for Inflation Reduction Act Residential Energy Rebate Programs (DOCKET NO. 23-DECARB-01)

Dear Commissioners, Board Members and Staff,

Marin Clean Energy (“MCE”) strongly supports the goals of the Inflation Reduction Act (“IRA”) Contractor Training Grant program to deliver energy efficiency, electrification and clean energy improvements through beneficial workforce training programs. MCE sees the Contractor Training Grant program as an essential opportunity to support high-road workforce development while simultaneously advancing progress on California’s decarbonization and climate commitments.

MCE provides clean electricity service and cutting-edge energy programs to more than 1.5 million residents and businesses in 37 member communities across Contra Costa, Marin, Napa, and Solano counties.¹ MCE’s mission is to confront the climate crisis by eliminating fossil fuel greenhouse gas emissions, producing renewable energy, and creating equitable community benefits. By buying and building more clean energy, MCE is fighting climate change while saving customers \$68 million in energy costs to date.

Since 2013, MCE is a dedicated program administrator (“PA”) of a host of [energy efficiency \(“EE”\), demand response and decarbonization focused programs](#). MCE programs serve residential, commercial, agricultural and industrial customers. MCE also specifically administers related decarbonization-focused [workforce education and training programs](#).²

MCE offers substantive comments on MCE’s existing residential energy contractor training program,³ and how the program aligns with IRA Contractor Training Grant program goals. MCE’s comments also identify gaps in existing workforce development programs and

¹ MCE is a community choice aggregator (“CCA”). See MCE, About Us, available at: <https://www.mcecleanenergy.org/about-us/> (detailing additional information on MCE and CCAs).

² MCE’s workforce education and training programs include *Workforce Opportunities for Contractors* and *Green Workforce Pathways for Job Seekers*.

³³ MCE’s Green Workforce Pathways program.

Community Benefits Plan strategies and best practices that could be addressed with funding from the IRA Contractor Training Grant program. MCE is also a member of the Bay Area High-Road to Building Decarbonization Training Partnership (“HRTTP”) and formally supports its comments submitted to this Docket.⁴

I. Responses to Input Request

- 1) *Please provide information on available state and federal residential energy contractor training and similar programs in California, including a list of organizations currently providing training, credentialing, and/or wrap around services. Please include references on:*
- a. Residential (single-family and multifamily) and commercial energy auditor availability and readiness;*
 - b. Available skills assessment reports for existing education and training programs, such as on new energy technologies, latest best practices, or newly launching programs.*

Green Workforce Pathways

MCE currently administers the Green Workforce Pathways (“GWP”) program.⁵ Launched in 2020, GWP serves residential service contractors and job seekers in MCE’s service area to advance workforce and decarbonization goals. GWP provides residential service contractors with the essential education and support to expand their businesses to include electric technologies like high efficiency heat pump water heaters (“HPWH”), scale their workforce, and create sustainable, quality green jobs.

For contractors, MCE’s GWP program offers free training opportunities on cutting-edge energy efficiency and carbon-reducing electrification technologies, as well as direct connections to vetted, well-matched job seekers. For job seekers, MCE’s GWP program offers trainings, personalized service support and paid work experience with local contractors.

The GWP offers:

- Stipends to onboard new hires and upskill existing employees on heat pump installations;
- Manufacturer and expert-led trainings to upskill the workforce on the installation and maintenance of heat pump, electrification and energy efficiency technologies;
- Matching job seekers with local energy efficiency contractors for short-term workforce experience placements;
- Recruitment and mentorship support for job seekers; and
- Career development support for job seekers, including interview and resume skills.

⁴ See Re: Docket No. 23-DECARB-01; Comments of the Bay Area High Road to Building Decarbonization Partnership, led by Rising Sun Center for Opportunity, on the California Energy Commission California Request for Information on Inflation Reduction Act Contractor Training, (2023), available for download at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=252127&DocumentContentId=87132>.

⁵ See MCE, Green Workforce Pathways Program, available at:

<https://www.mcecleanenergy.org/contractors/#gwp>.

MCE could leverage and expand its existing GWP strategies and administrative structures to achieve the goals of the Contractor Training Grants program thereby increasing the potential value of an investment with IRA funds. MCE further details opportunities to supplement and expand its existing GWP program to achieve the goals of the IRA Contractor Training program in its **Question 2 Response**.

2) *If IRA Contractor Training funds are used to supplement existing workforce development programs in California, which programs are most closely aligned with the goals of the IRA Contractor Training Program?*

MCE's GWP program is very aligned to advance **Goal 1** and **Goal 3** of the IRA Contractor Training Grant program with supplemental funds.

Goal 1. Reduce the cost of training contractor employees by providing workforce development tools for contractors, their employees, and individuals including, but not limited to, subsidizing available training, testing and certifications.

MCE's GWP program provides the following workforce development tools for contractors, their employees and individual job seekers.

Contractors and Employees

- On site coaching on electrification, building science practices and project design for contractors;
- Educational resources on opportunities in existing energy efficiency and decarbonization incentive programs for contractors;
 - Self-paced online training resources on the basics of the energy industry, heat pumps, and home performance best practices;
- Quality manufacturer and expert trainings on the installation and maintenance of heat pump, electrification and energy efficiency technologies;
- Stipends for contractors to send their employees to heat pump manufacturer trainings, as well as cost recovery for the time lost from participating in trainings;
- Recruiting, vetting and paying the wages of qualified new employees for a set period, allowing both the contractor and the job seeker to assess if the arrangement is a good fit.

Job Seekers

- Career development, job placement support and wraparound services to remove barriers to employment.
 - Matching job seekers with prospective industry employers;
 - Providing soft skills training and assistance with employment readiness including, but not limited to, interview skill building and resume support;
 - Stipend to purchase boots, tools, or similar equipment often required by contractors.

Goal 3. Partner with nonprofit organizations to develop and implement a State sponsored workforce program that attracts and trains a diverse set of local workers to deliver the influx

of new federally-funded energy efficiency and electrification programs—including but not limited to the IRA-funded Home Energy Rebate programs (IRA Sections 50121 and 50122).

High-Road Training Partnerships

The CEC could advance **Goal 3** of the Contractor Grant Training program with additional support to existing H RTP programs and projects. H RTP is a model supported by the [California Workforce Development Board](#) designed to simultaneously advance equity, climate and quality jobs across the state.⁶ “H RTPs are industry-based, worker-focused training partnerships that build skills for California’s high road employers[.]”⁷ MCE is a participating member of the Bay Area⁸ Road to Building Decarbonization High-Road Training Partnership (“H RTP”) led by Rising Sun Center for Opportunity. Participating partners include labor unions, local governments, environmental justice organizations, public agencies, local workforce development boards, racial equity organizations, electrification technical advisors, and high-road technical advisors.⁹ The Bay Area Road to Building Decarbonization H RTP is well suited to support advancing the goals of the IRA Contractor Training Grant program because it serves the residential building decarbonization industry and employs many strategies to support equitable access to quality jobs for disadvantaged workers.¹⁰ These strategies combine targeted advancement of energy and environmental goals like reducing greenhouse gas emissions with creating healthier and more affordable housing benefits for residents, and building more resilient and empowered communities. Deliverables of the Bay Area High Road to Building Decarbonization H RTP include a list of decarbonization industry labor standards, a policy toolkit and industry specific cost analyses.¹¹ The Bay Area Road to Building Decarbonization H RTP is well aligned to support the success of the IRA’s Home Efficiency Rebates and Home Electrification and Appliance Rebates programs.

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⁶ CWDB, High-Road Overview, (2018), available at: https://cwdb.ca.gov/wp-content/uploads/sites/43/2019/09/High-Road-ECJ-Brief_UPDATED-BRANDING.pdf.

⁷ CWDB, Essential Elements of High-Road Training Partnerships, (2020), available at: https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/01/H RTP-Essential-Elements_ACCESSIBLE.pdf.

⁸ Defined as the 9 County San Francisco Bay Area region: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

⁹ Rising Sun Center for Opportunity, Rising Sun Convenes Partnership to Promote Equitable Job Access in the Bay Area’s Post-Carbon Economy, (2021), available at: <https://risingsunopp.org/wp-content/uploads/Rising-Sun-H RTP-Press-Release.pdf>.

¹⁰ See Re: Docket No. 23-DECARB-01; Comments of the Bay Area High Road to Building Decarbonization Partnership, led by Rising Sun Center for Opportunity, on the California Energy Commission California Request for Information on Inflation Reduction Act Contractor Training, available for download at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=252127&DocumentContentId=87132> at pp. 1-2.

¹¹ Rising Sun Center for Opportunity, 2022 Impact Report, (2023), available at: <https://readymag.com/risingsunopp/risingsunreport2022/financials/>.

Bay Area Air Quality Management District Rules 9-4 and 9-6 Building Appliances Implementation Working Group

The Bay Area Air Quality Management District (“BAAQMD”) adopted amendments to building appliance rules on March 15, 2023, which regionally¹² prohibits the sale of new natural gas water heaters, furnaces and large commercial water heaters in 2027, 2029, and 2031 respectively.¹³ Successful implementation of these rules will require tremendous investments in contractor training and decarbonization-focused workforce development consistent with the IRA’s Contractor Training Grant program.¹⁴ BAAQMD convenes an Implementation Working Group (“IWG”) of diverse stakeholders working to give feedback on its implementation efforts, technical readiness of the market, and how to ensure equitable outcomes that avoid potential negative impacts on low-income households and environmental and social justice (“ESJ”) communities. The IWG includes several experienced and locally connected nonprofit organizations with significant experience and expertise. The IWG can provide information on the barriers to electrification and mitigating strategies essential for California’s implementation of the IRA’s Contractor Training and Home Energy Rebate programs.

3) *What gaps in existing workforce development programs in California can be addressed through the IRA Contractor Training Program? What is the current supply of qualified skilled energy efficiency workers compared to the projected future demand?*

Through the administration of its programs and related research, MCE found a growing need for a well-trained workforce to promote, install, and maintain electrification and decarbonization equipment in its service area and statewide. In 2020 and 2021, MCE conducted four roundtables with energy industry professionals, interviewed ten contractors, and conducted 11 virtual and onsite ride-alongs to gather feedback about workforce gaps in the energy efficiency and electrification industry. In addition, MCE conducts ongoing feedback sessions with a varied network of residential service contractors serving the greater Bay Area under its GWP program. These feedback sessions illuminate more of the on-the-ground realities of decarbonization work, as well as the many significant barriers preventing contractors from engaging in more electrification work. From these experiences, MCE observes several key gaps and barriers in existing workforce development programs including, but not limited to, the scale of needed investment, costs, and trust.

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¹² BAAQMD regulates San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

¹³ BAAQMD, Final Staff Report, (March 2023), available at: https://www.baaqmd.gov/~/_media/dotgov/files/rules/reg-9-rule-4-nitrogen-oxides-from-fan-type-residential-central-furnaces/2021-amendments/documents/20230307_fsr_rules0904and0906-pdf.pdf?la=en.

¹⁴ UCLA Luskin Center for Innovation and Inclusive Economics, California Building Decarbonization Workforce Needs and Recommendations, (2019), available at: https://innovation.luskin.ucla.edu/wp-content/uploads/2019/11/California_Building_Decarbonization.pdf at pp. 9-18.

Scale of Needed Investments

While California offers several workforce development programs that could support building decarbonization and the specific goals of the Contract Training Grant program, they do not begin to meet the scale and speed of workforce related investments needed to achieve California’s climate policies and commitments. Experts estimate decarbonizing California’s existing and new buildings would require over 100,000 annual construction jobs, and up to 4,900 annual manufacturing jobs.¹⁵ Regional policies like the BAAQMD Building Appliance Standards discussed above in **Question 2 Response** require tremendous rapid and thoughtful workforce development investments to achieve the 2027, 2029 and 2031 implementation timeline. BAAQMD IWG Technical Subcommittee reported 631 contractors list heat pump services out of 21,611 contractors that hold HVAC, plumbing or solar electrical license in the 9-Bay Area Counties.¹⁶ One key gap of existing programs is simply their scale and supply of resources. The Contractor Training Grant program can work to mitigate the gaps in resources needed by investing funds to scale existing programs.

Cost

Cost is a significant barrier for contractors, especially small businesses and businesses in ESJ communities, to engage in more decarbonization and electrification work. Many businesses historically relied on, and built business processes around, the specific requirements of installing and maintaining gas appliances. To alter these processes and pivot business models requires an upfront, long-term commitment of time and money. Many contractors lack the time and financial resources to upskill current staff, hire and train needed new staff, navigate a complex network of related rebate programs and permitting requirements, and invest in stocking new technologies. These tasks require significant time away from paying jobs, and for small contractors and those in ESJ communities with limited capital, this may not be feasible.

Many existing workforce development programs do not cover all of the varied and upfront costs for a contractor to participate in workforce development and training programs. The time, travel and resource commitments required to participate in a workforce development program are all diverted from existing business projects and processes thereby potentially representing a significant financial loss of revenues to a small business especially. The Contractor Training Grant program could overcome this cost barrier by paying contractors upfront to attend relevant manufacturer and rebate trainings and – importantly- to also offset lost revenues related to participation commitments via stipends.

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¹⁵ UCLA Luskin Center for Innovation and Inclusive Economics, California Building Decarbonization Workforce Needs and Recommendations, (2019), available at: https://innovation.luskin.ucla.edu/wpcontent/uploads/2019/11/California_Building_Decarbonization.pdf.

¹⁶ BAAQMD, Building Appliance Rules IWG Technical Subcommittee Meeting #2, (September 12, 2023) available at: <https://www.baaqmd.gov/rules-and-compliance/rule-development/building-appliances>.

Trust

Through its GWP program administration and related research described above, MCE observes many contractors working in the residential space voluntarily work outside of many existing state workforce development programs because they perceive them as inefficient, administratively burdensome and not financially viable to participate in. Funding agencies and program administrators (“PAs”) must intentionally work to build trust within the residential service contractor community by listening and responding directly to the challenges in their field, customer concerns, and the specific barriers to installing more all-electric technologies. Relatedly, many existing trainings for contractors are designed without the engagement and leadership of contractors themselves resulting in misalignment and unsuccessful outcomes. To build trust and mitigate the disconnects between program offerings, contractor interests and decarbonization goals, MCE recommends the Contractor Training Grant program compensate industry experts for their participation in working groups, short and tailored interviews, and other feedback opportunities.

- 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.*

MCE strongly supports using the Community Benefits Plan requirements to advance the energy equity goals of the Justice40 Initiative and ensure the delivery of meaningful community benefits, especially in those communities facing unique challenges to decarbonization and historic disinvestment from clean energy programs. Meaningful community engagement in disadvantaged communities especially is a vital strategy to achieve the statutory goals of the Home Energy Rebate programs. Meaningful community engagement should involve partnerships with trusted, locally rooted community-based organizations (“CBOs”).¹⁷ MCE recommends the CEC conduct meaningful and geographically diverse community engagement with CBOs, labor and other equity stakeholders via workshops or other methods to identify regionally specific barriers and desired benefits for the residential energy rebate Contractor Training Grant program.¹⁸

¹⁷ California Energy Commission, *SB 350 Barriers Study*, available at: https://assets.ctfassets.net/ntcn17sslow9/3SqKkJoNIvts2nYVPAOmGH/fe590149c3e39e51593231dc60eeeff/TN214830_20161215T184655_SB_350_LowIncome_Barriers_Study_Part_A_Commission_Final_Report.pdf, p. 9 (The Legislature should direct funding for all state programs to collaborate with trusted and qualified community-based organizations in community-centric delivery of clean energy programs, in coordination with local governments...”).

¹⁸ BEEP Coalition, *Community Priorities for Equitable Building Decarbonization Report* (March 2022), available at: https://ww2.arb.ca.gov/sites/default/files/2022-03/BEEP%20Letter%20and%20Report_Equitable%20Decarb%20March%202022.pdf at 1 (“Our energy system is incredibly complex. There are no two regions in California that experience

MCE recommends the CEC further anchor its approach in mitigating known statewide participation barriers for contractors, employees, job seekers, and households in disadvantaged communities and small businesses. These statewide participation barriers include, but are not limited to:

- Trust in state agencies and PAs;
- Potential lost wages or revenue associated with program participation;
- Complexity and administrative burden associated with program participation;
- Complexity, project timeline and cost of residential building decarbonization projects in disadvantaged communities and low-income households where the housing stock disproportionately is composed of older buildings, multifamily properties and mobile homes;
- Misaligned or ineffective educational resources and training programming.

MCE recommends the CEC consider including the following strategies in its Community Benefits Plans:

- Meaningful partnerships with CBOs in disadvantaged communities for program design, implementation, education and outreach;
- Meaningful compensation of lost revenues or revenues associated with program participation;
- Streamlined applications with limited administrative burdens and verification requirements;
- Paying contractors to help design and perform related trainings and educational resource development;
- Targeted and culturally competent marketing, education and outreach to job seekers, employees and contractors in disadvantaged communities;
- Local Strategies: Matching job seekers and contractors, local recruitment of contractors, and supporting local partnerships across the program.

II. Conclusion

MCE respectfully submits these comments and looks forward to ongoing collaborations with the CEC and stakeholders to advance quality jobs and beneficial building decarbonization in our service area and across California. Thank you for your consideration.

Sincerely,

/s/ _____

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Senior Policy Counsel

MCE

DATED: September 25, 2023

energy the same way, so our approach to transitioning our energy system needs to create space for local leadership and community-based pilots.”).