

**DOCKETED**

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# **Inflation Reduction Act (IRA) Programs**

California Energy Commission presentation to DACAG  
December 1, 2023



# CEC Building Decarbonization Programs

**NEW**  
Federal  
Incentives  
& Financing  
Branch

## Inflation Reduction Act (IRA) Programs

**HEERHA  
electrification  
rebates**  
(\$290 million)

**HOMES whole  
house efficiency**  
(\$292 million)

**Training for  
Residential  
Contractors (TREC)**  
(\$10 million)

**Residential tax  
credit education**  
(\$10 million)

## Equitable Building Decarbonization

**Direct Install**  
(\$690 million)

**Tribal Direct Install**  
(\$30 million)

**Statewide Incentive  
Program**  
(\$80 million)

## Building Decarbonization Incentive Programs

**CaISHAPE**  
(\$900 million)

**ECAA**  
(waitlist)

**BUILD**  
(\$80 million)

**CaIEHP**  
(\$75 million)



# IRA Authorized Home Energy Rebate Programs and Contractor Training

**“HOMES”:**  
Home Efficiency  
Rebates  
\$292 million

**“HEEHRA”:**  
Home Electrification &  
Appliance Rebates  
\$290 million

**“TREC”:**  
Training for Residential  
Energy Contractors  
\$10 million

- Non-competitive, formula funding allocated to State Energy Offices
- States (CEC) must apply to Department of Energy (DOE) for funding
- California’s programs will align with goals of reaching carbon neutrality by 2045, installation of 6 million heat pumps by 2030, and prioritizing equity and environmental justice
- DOE’s Overarching Outcomes for Home Energy Rebates:
  1. Support well-established exemplary and innovative **efficiency** and **electrification programs**.
  2. **Widespread access** and uptake for **disadvantaged communities**.
  3. Proven value streams and roles for sustained investments to continue **market transformation**.
  4. **Reduced pollution from buildings** in support of the clean energy economy.
- DOE goals for TREC: Reduce the cost of training, testing and certifying residential energy efficiency and electrification contractors.



# HOMES Whole House Efficiency Key Components



**Whole-house** efficiency rebates

Single family & multifamily buildings

**15% energy savings** required

- Wiring, panel upgrades, IAQ are ok - as long as 15% energy savings are realized

Rebates cover % of project cost or Pay for Performance

- Rebates may cover 100% of project cost for Low Income households

Approx 50% of rebate funds must be allocated to **Low Income households**

**Justice 40:**  
40% of benefits must flow to DACs

Measured pathway:  
**12 months of measured savings** prior to payment of rebate

Delivery model:  
aggregator or implementer



# HOMES: Questions for Input



## 1. CEC is considering incorporating, or braiding, HOMES funding into the Equitable Building Decarbonization Direct Install Program

### Direct Install Program:

- Serves low-income residents in under-resourced communities
- Energy decarbonization packages installed at no-cost

### Why combine programs:

- Support decarbonization for thousands of additional low-income residents
- Streamline implementation and minimize administrative costs

- a. What do you think about this approach?**
- b. What are reasons why the CEC should or shouldn't braid the programs?**
- c. Please share any best practices of braiding federal and state funds for rebate, incentive or direct install programs.**



# HOMES: Questions for Input



2. In the case that CEC does not (or is not able to) braid HOMES with the EBD Direct Install Program:
  - a. How can HOMES funds, awarded to support efficiency, be best aligned to support the state's decarbonization and electrification goals?
  - b. How should CEC's proposed HOMES program design accommodate leveraging and stacking with existing programs?
  - c. If funds are provided directly to existing programs: what are the most important priorities for funding and factors for success?
  - d. Should the state reserve additional funds for low-income households or other priority populations?
  - e. Should funds be accessible for moderate and higher-income households, and if so, at what levels?



# Building the Workforce

## Underpins Building Decarbonization Success

EBD Direct In  
IRA HOMES



TREC Contractor  
Training & Workforce

EBD & IRA  
HEEHRA Incentives





# TREC: DOE and CA Program Goals

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1. Develop workforce necessary for long-term market transformation for building electrification technologies
2. Reduce cost of training contractor employees
3. Provide testing/certifications to install electrification technologies and deliver electrification improvements
4. Partner with nonprofit organizations + CBOs



# TREC Proposed Program and Budget Overview

Proposed Program Allocation	Proposed Budget	Goals
Pre-Apprenticeship & Apprenticeship Program Grants	\$5 million	Grow workforce needed to install and maintain electrification and efficiency measures in targeted, overburdened communities.
Workforce Enablement Grants	\$3 million	Build well-trained and appropriately certified workforce needed to install and maintain priority measures and achieve cost reductions.
New and Expanding Program Grants	\$1 million	Support expansion of new programs in hard-to-reach, overburdened communities such as rural and tribal.
Grant Administration and Reporting	\$1 million	Administer, track, analyze, and report to DOE for life of program as well as iterative program improvement.

**Note: DOE deadline to spend funds by 2029, with final reporting 2031**



# TREC Contractor Training Timeline

Date	Task
Aug 2023	Request for Information posted
Sep 2023	Deadline for RFI comments
Nov 30, 2023	Survey closes: TREC priorities
Jan 31, 2024	DOE application deadline for TREC
2024	CEC conducts grant funding opportunity



# Pre-Apprenticeship & Apprenticeship Program Grants

## Overview

- Focus on targeted, hard-to-reach communities
- Aligned focus with:
  - Measurable goals
  - Tracking
  - DOE Reporting

## Proposed Eligibility for Grants

- Competitive Grants awarded to CBOs and training organizations to provide stipends for:
  - Certification test costs (portion/all)
  - Exam preparation courses
  - Educator training
  - Language appropriate coaching
  - Scholarships for pre-apprenticeship programs/paid training
  - Scholarships for contractors previously trained/licensed to install gas appliances (offset retraining costs)
  - Increase remote instruction options



# Workforce Enablement Grants

## Overview

Grants to cover gaps stalling trainees from entering or completing programs, such as:

- Childcare
- Travel
- Costs of Certifications
- Cost of Courses
- Tools

## Proposed Eligibility for Grants

- Competitive Grants awarded to CBOs and training organizations
- These organizations will specify criteria and funding amounts to help trainees address inhibitors to entering or advancing in building decarbonization careers and trades
- Examples of trainee needs:
  - Stipends for childcare or travel
  - Tools lending libraries or funding directly for tools purchase
  - All or portion of certification fees



# New and Expanding Program Grants (in targeted, hard-to-reach communities)

## Overview

Aid programs designed to reach overburdened communities where trainees live. Examples:

- Mobile training centers
- Recruitment efforts made to middle, high school, and community colleges
- Energy Counselor Training (similar to Medicare HICAP)

## Proposed Eligibility for Grants

- Criteria to measurably increase skilled labor living in or near targeted low income and disadvantaged communities
- Programs that focus on priority equipment, skills, and equity qualifiers
- Focus on hard-to-reach communities, such as rural, tribal, and other designated disadvantaged areas of California



# Thank You

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Miriam Joffe-Block

[Miriam.Joffe-block@energy.ca.gov](mailto:Miriam.Joffe-block@energy.ca.gov)

916.883.6262

Federal Incentives & Financing Branch

Carol Schmitt

[Carol.Schmitt@energy.ca.gov](mailto:Carol.Schmitt@energy.ca.gov)

916.839.0392

Federal Incentives & Financing Branch

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[CEC Inflation Reduction Act Website](#)