DOCKETED	
Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	254171
Document Title:	Comments from the Healthy Homes Working Group and Partner Organizations on the CEC RFI for the IRA HOMES Program
Description:	N/A
Filer:	System
Organization:	Healthy Homes Working Group and Partner Organizations
Submitter Role:	Public
Submission Date:	1/26/2024 12:00:52 PM
Docketed Date:	1/26/2024

Comment Received From: Healthy Homes Working Group and Partner Organizations
Submitted On: 1/26/2024
Docket Number: 23-DECARB-01

Comments from the Healthy Homes Working Group and Partner Organizations on the CEC RFI for the IRA HOMES Program

Additional submitted attachment is included below.

THE GREENLINING INSTITUTE

RISING SUN CENTER FOR OPPORTUNITY

ASSOCIATION FOR ENERGY AFFORDABILITY INC.

SAJE STRATEGIC ACTIONS FOR A JUST ECONOMY

SIERRA CLUB CALIFORNIA

CCAC Central California Asthma Collaborative

REWIRING AMERICA

RMI

NRDC

APEN ASIAN PACIFIC ENVIRONMENTAL NETWORK

BEI Building Electrification Institute CITIES DRIVING CHANGE

JUST SOLUTIONS

CALIFORNIA GREEN NEW DEAL

LEADERSHIP COUNSEL FOR JUSTICE & ACCOUNTABILITY

PUBLIC HEALTH LAW CENTER at Mitchell Hamline School of Law

¡PODER! SAN FRANCISCO

PSR-LA Physicians for Social Responsibility Los Angeles

California Housing Partnership

BUILDING DECARBONIZATION COALITION

January 26, 2024

California Energy Commission
Re: Docket No. 23-DECARB-01
Via Electronic Commenting System

Re: *Docket No. 23-DECARB-01; Comments of the Healthy Homes Working Group and Partners on the California Energy Commission Request for Information on Inflation Reduction Act Residential Energy Rebate Programs*

I. Introduction

Comprising health, housing, tenant protection, equity, environmental justice, and environmental advocacy organizations, the Healthy Homes Working Group and partner organizations are focused on uplifting priority communities by advocating for funding, comprehensive legislation, and inclusive implementation that drive towards building a more equitable energy transition. Given the strong equity considerations outlined in the Equitable Building Decarbonization (EBD) Direct Install Program guidelines, we fully support the California Energy Commission's (CEC) plan to "braid" Home Efficiency Rebates (HOMES) funding with the EBD program to ensure that priority households receive as much funding as possible to see the benefits of building decarbonization. Communities and program implementers have consistently stated that having too many programs with varying eligibility criteria, services offered, and implementation processes is a barrier to equitably decarbonizing households in need. We strongly encourage the CEC to pursue braiding California's allocation of HOMES funding into the existing EBD direct install program.

On behalf of the signatories, we submit the following comments in response to the California Energy Commission's (CEC) request for information to contribute to the program design for the federal Inflation Reduction Act (IRA) Home Efficiency Rebates (HOMES) Program and its application to the U.S. Department of Energy (DOE) for $292 million in funds. We appreciate the opportunity to comment on this important program, which is critical to providing more funding to equitably advancing California's building electrification pathway. In Section II, we share overarching recommendations that will be vital to successfully leveraging the HOMES funding and delivering benefits to priority households. In Section III, we provide detailed responses to the CEC staff questions. In Section IV, we provide a brief conclusion.

II. Key Recommendations

- Braid HOMES with the EBD Direct Install Program (pg. 2)
    - Seek approval from the DOE to allocate 100% of HOMES funding to low-income households in alignment with the EBD program.
    - Prioritize spending towards incentives and support for Community Based Organizations (CBOs) and Minority Women and/or Disadvantaged Business Enterprises (MWDBEs)
    - Prioritize HOMES funding to conduct robust outreach and community engagement
    - Implement metrics for equity, accountability, and transparency when assessing contractor and household experience
    - Maximize funding for health and safety investments
    - Ensure strong and enforceable renter protections
    - Integrate Community Benefits Plan metrics and milestones into projects funded by

HOMES and EBD, especially aligning success metrics (i.e. include measurement and adaptive management around non-energy benefits, tenant protections)
  - Streamline Program Administrator (PA) team selection by using the same implementers for EBD and HOMES program
  - Center guidance from Community Based Organizations to identify priority communities
  - Implement best practices of braiding from other programs (i.e. coordinate with agencies, design the incentive structure so that other sources of funding are not contributing to the same measures, ensure that attribution of savings can be shared across leveraged programs, align program timelines)
  - Stack funds with existing programs in addition to braiding HOMES and EBD funding (i.e. tax credits, state, local, and utility programs, and other federal sources)
- Allocate all HOMES funding to low-income households, households that earn below 80% as defined by area median income (AMI) or statewide median household income (MHI) (pg.17)
- Streamline stacking programs to avoid customer confusion and administrative delays by aligning program guidelines (pg.10, pg.12), using a single application process or categorical eligibility if HOMES and EBD are administered separately (pg.10), and leveraging IRA funding and state funding to provide holistic upgrades including energy efficiency, and health and safety measures along with electrification. State funding that has more flexibility can be used for remediation and health and safety measures while the IRA funding can be used towards appliances/ technologies (pg.12).
- Do not use a measured savings pay-for-performance model for this program; if the CEC does pursue a pay-for-performance option, special considerations need to be made for multifamily and structuring the performance metrics around the program implementer, not the customer (pg.10-11).
- Integrate program materials into existing databases and websites, especially those run by community based organizations, and ensure that program materials are accessible across cultures, languages, and modes of communication (pg.13).
- Partner with existing workforce pathways, provide technical assistance for contractors, ensure the eligible contractor list for HOMES includes MWDBEs, and track MWDBE contractor metrics for workforce best practices (pg.14).
- Use a modeled approach to more effectively serve low-income households; this should be paired with bill guarantees and other safeguards in the required Consumer Protection Plan. If the CEC wants to implement a measured savings approach, we recommend starting with a small pilot program that fully addresses the equity concerns (pg.15).
- Coordinate with utilities on data sharing and develop the monitoring and evaluation process in coordination with the Community Benefits Plan (pg.15).
- Use demand aggregation to ensure contractors can float costs no matter the program approach. (pg.16)
- Do not implement cost caps for households; if there must be cost caps then use average cost caps and set higher average cost caps for manufactured homes. (pg.16)
- Use a bulk procurement strategy, require line item pricing on all bids, and include cost/inflation riders with any cost caps to assist with consistent contractor documentation. (pg.17)
- Allow for multiple income verification pathways through “first pass” categorical eligibility certification based on participation in other income-based federal, state, or local benefits programs (pg.18).
- Use the same list of programs for categorical eligibility as programs developed with HOMES funding in addition to other state and local programs (pg.19).

III. Detailed Responses to CEC Staff Questions

Question 1a: Share any best practices for braiding federal and state funds for highly effective rebate, incentive, and/or direct install programs aimed at households in disadvantaged communities or meeting low-income guidelines.

- **Key recommendations:**
    - We would strongly encourage the CEC to seek approval from the DOE to cover 100 percent of project costs for low-income households by braiding with the EBD Direct Install program. We agree that this option would maximize benefits to low income communities and reduce the complexity of designing, implementing, and coordinating additional programs.
    - We recommend that the CEC use federal funding to strengthen outreach and community engagement, stronger renter protections and other community benefits.
    - We recommend that the CEC take lessons learned from other examples of federal and state programs that have been braided. We provide a few examples of additional programs to stack in addition to braiding with EBD and elaborate further in our answer to Question 2.a.iv.
- **Prioritize spending towards incentives and support for Community Based Organizations (CBOs) and Minority Women and/or Disadvantaged Business Enterprises (MWDBEs)**
    - If the CEC braids HOMES and EBD funding, we recommend that they focus on emphasizing these areas in their application to the DOE:
        - We recommend that CEC limit its administrative budget as much as possible and at a minimum not exceed 20% of the allocated administrative budget to ensure tactful spending. This requirement should be relaxed only for Community Based Organizations compensation and administrative support to uplift minority and women owned businesses participation in the program.
        - Further, CEC should ensure that the implementation budget is going towards incentives as much as possible and all activities are addressed through the administrative budget. However, through the administrative and implementation budget, CEC should fund community based organizations for helping shape the program and providing direct outreach to eligible communities. This is elaborated below.
- **Conduct robust outreach and community engagement**
    - Administrative funds allocated to the state from the HOMES program can help support community and labor engagement. We recommend that the CEC use this funding to:
        - Consult with environmental justice, equity, environmental, labor, affordable housing, and other stakeholders to develop a strong Community Benefits Plan that advances the state's climate, housing, and equity goals.
        - Provide additional outreach and engagement events to make sure that community members are included in the program's design, implementation, and evaluation
        - Provide support to partner with Minority Business Enterprises, workforce development, and labor groups and coordinate with the Training for Residential Energy Contractors (TREC) program. As stated in comments on the CEC's

previous Request for Information on the TREC program,[1] clear metrics that capture workforce diversity and equity goals are critical.

- **Implement metrics for equity, accountability, and transparency when assessing contractor and household experience**
  - To advance accountability, equity, and transparency in the metrics and evaluation process, the CEC should work to improve participation among Minority, Women Owned and Disadvantaged Business Enterprise ("MWDBE"), incorporate qualitative data on the contractor and household experience, ensure regular and consistent reporting, and encourage robust community based organization participation through sufficient compensation to CBOs. More information on each of these recommendations is provided below:
    - Require tracking of Minority, Women Owned and Disadvantaged Business Enterprise (MWDBE) status. Currently, Black workers and women are underrepresented in the energy efficiency industry.[2] Working to increase the inclusivity and diversity of the building decarbonization industry means creating intentional pathways for greater participation from MWDBEs. The CEC should:
      - Require reporting on MWDBE status of contractors,
      - Conduct outreach to MWDBE contractor networks,
      - Support contractors in gaining their certifications to broaden the pool of eligible MWDBE contractors, particularly those located in target regions for the EBD program. Providing technical assistance and partnering with organizations that build out business capacity and skills can help streamline administrative burden and ensure more MWDBE contractors are included in the program.
    - Incorporate qualitative data on contractor and household experience
      - 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. Sample questions are included below, and 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 (p16).[3]
        - Sample questions for contractors:
          - How prepared did you feel to conduct the installation?
          - Were there any challenges you encountered?
        - Sample questions for households:
          - On a scale of 1-5, how would you rate the communication of the program benefits?
          - On a scale of 1-5, how would you rate communication of your consumer rights through this program?

---

[1] See "Greenlining Institute Comments on the CEC RFI on IRA Contractor Training Program" https://efiling.energy.ca.gov/GetDocument.aspx?tn=251983&DocumentContentId=86994

[2] 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

[3] 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

            - On a scale of 1-5 how well did the contractor explain the program benefits and process?
        - Supplement compensation to community based organizations who are selected as EBD and HOMES program administrators
        - 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 could be spent on business development or installations. 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 full period of the program into the training and the implementation of the rebates.
- **Maximize funding for health and safety investments**
    - If the HOMES funding may not be used for health and safety measures, we recommend that the CEC focus the EBD investment on health and safety remediation that needs to happen before homes can be decarbonized and direct federal funding towards appliances, weatherization and other eligible measures. We also discourage the CEC from establishing cost caps as this may limit the remediation that can be performed on a property by property basis.
    - Home remediations include but are not limited to are removal of lead paint, asbestos abatement, and home infrastructure improvements such as panel upgrades to allow building decarbonization.
    - For manufactured housing, we also urge that funding allow for the replacement of units that are unable to be remediated as part of the decarbonization process. This will allow the CEC to serve homes that have been ineligible for other decarbonization programs because of deferred maintenance. This is especially important because many communities that have been historically redlined live in older homes that require more extensive upgrades because of decades of disinvestment.
    - The CEC should avoid cost caps to allow for necessary remediation. If cost caps are unavoidable, the CEC should implement average cost caps that allow flexibility to address remediation costs that might be higher for mobile homes and other homes that require more extensive upgrades before weatherization or electrification can take place.
- **Ensure strong and enforceable renter protections**
    - Renter protections are critical for a program targeted towards entirely low income households, and can help ensure that the program does not result in unintended consequences such as displacement, evictions, or worsening housing affordability.
    - The DOE's HOMES guidance requires that the owner agrees to rent the dwelling to a low income tenant, not to evict tenants to obtain higher rents, or raise rents because of energy improvements for 2 years. We recommend instead that projects that are funded in-part or entirely by federal funding adhere, at a minimum, to the stronger protections in the Equitable Building Decarbonization guidelines.

    - Furthermore, we encourage the CEC to adopt the additional recommendations developed by Strategic Actions for Just Economy and submitted as an appendix to comments by Building Equity, Energy and Power Coalition in the Equitable Building Decarbonization docket (22-DECARB-03).[4] Namely, the CEC should:
        - Cap rent increases to 3% for 10 years after project completion;
        - Prohibit evictions for reasons other than nonpayment, illegal activity or severe nuisance for 15 years following project completion;
        - Prevent the temporary displacement of tenants but provide for relocation and the right to return if temporary displacement becomes necessary;
        - Codify tenant protections through deed restrictions or lease addenda and task program administrators with enforcement of these protections.
- **Integrate overall monitoring and evaluation with Community Benefits Plan metrics**
    - The CEC should integrate their SMART goal and milestones process for their Community Benefits Plan with the overall monitoring and evaluation for the EBD program to reduce administrative overhead, and streamline contractor reporting requirements and participant education. This monitoring and evaluation should include non-energy benefits such as health and economic benefits. The CEC should prioritize community based organization's priorities and research in developing metrics. For example, the BEEP coalition and NRDC's report highlights several potential metrics to measure non-energy benefits.[5] The CEC should refer to the guidance of other agencies such as the Department of Energy's Justice 40 guidance which has a detailed list of potential environmental, housing, economic, workforce, and environmental benefits.[6]
- **Streamline program administrator (PA) selection:**
    - As far as possible, the program administrators (including community based organizations) selected for the Equitable Building Decarbonization program should also administer HOMES funding. This will help reduce administrative overhead of onboarding two parallel sets of administrators and will make it easier for environmental justice communities and low-income communities who may not have the time to work with many different programs to work with trusted administrators who can utilize both funding sources simultaneously. Utilizing the same administrators for braiding these funds will also ensure that program participants don't receive over 100% of the project costs when the two programs are leveraged together.
- **Center guidance from Community Based Organizations to identify priority communities**
    - First, as the Healthy Homes Working Group suggested for the Equitable Building Decarbonization program, the CEC should prioritize CBO expertise for household targeting and also consider waitlists of existing low-income energy programs in

---

[4] *See* Appendix 1 attached to comments filed by Building Energy, Equity and Power Coalition on October 17, 2023 https://efiling.energy.ca.gov/GetDocument.aspx?tn=252613&DocumentContentId=87704
[5] *See* Healthy, Climate-Resilient Homes For All: Centering Housing Justice And Health Equity In Building Decarbonization
https://www.nrdc.org/sites/default/files/2023-12/housing-justice-health-equity-building-decarbonization-ib.pdf
[6] *See* General Guidance for Justice40 Implementation Version 1.1
https://www.energy.gov/sites/default/files/2023-07/DOE%20Justice40%20General%20Guidance%207252 3.pdf

determining eligibility for funding.[7] We urge the CEC to uplift and compensate CBOs on-the-ground expertise to identify participants instead of directing resources to develop a tool or relying too heavily on a mapping tool that may not reflect the lived realities of environmental justice communities. After first coordinating with other programs and soliciting community expertise, the CEC should use the same tool to help make the decision on which communities should be prioritized for state and federal funding. We recommend using CalEnviroScreen over the CEJST tool because it has gone through more rounds of community input and considers cumulative impacts. However, there should be mechanisms for low income residents in wealthier census tracts to still be able to qualify for upgrades as tools may not reflect how gentrification might have driven up area median income levels while long term residents may still be low income.

- **Implement best practices of braiding from other programs**
    - We recommend coordinating with agencies that have experience braiding various sources of program funds such as the California Department of Community Services and Development (CSD). The Low-Income Weatherization Program for Multifamily (LIWP-MF) administered by CSD and implemented by the Association for Energy Affordability (AEA) is an example of a program that was designed to pair well with many other multifamily energy efficiency and decarbonization programs, including those administered by other state agencies, local government agencies, community choice aggregators, investor owned utilities, municipal utilities, research & development grants, low-income housing agencies, and many others.[8] In fact, the majority of LIWP-MF retrofit projects braid at least two sources of funding to facilitate the comprehensive scopes of work that the program has become known for, and in many cases involve three, four or more funding sources.
    - One key to successful braiding is to design the incentive structure such that it does not prevent other sources of funding from contributing to the same measure or package of measures, provided that the total incentive amount never exceeds the total project cost. If multiple programs share the same goal of achieving comprehensive work scopes they must be designed to share the costs of a retrofit with other programs, and there must be programmatic infrastructure in place to ensure that the incentives do not exceed the actual project costs. LIWP-MF incentives are based on a $/greenhouse gas (GHG) savings. The more a measure or project saves the higher the incentive is, regardless of other program funding being brought to the table. Therefore, the LIWP incentive can be viewed as a fixed amount, on top of which other funding can be stacked until the total project cost is met. Projects that utilize multiple sources of funding are also required to hit higher GHG savings targets than those that only use LIWP funding, which helps drive more comprehensive projects. LIWP-MF has a strong technical assistance (TA) component, and the TA provider is responsible for managing and tracking the various funding sources and ensuring that the total project costs are not exceeded.
    - Another key element is ensuring that attribution of savings can be shared across leveraged programs. This is easier to manage when the program goals differ from one

[7] *See* Building Decarbonization Coalition et al Comments - on CEC Equitable Building Decarbonization Direct Install Program Draft Guide'
https://efiling.energy.ca.gov/GetDocument.aspx?tn=250897&DocumentContentId=85809
[8] *See* Low Income Weatherization Program - Multifamily
https://www.csd.ca.gov/Pages/Multi-Family-Energy-Efficiency-and-Renewables.aspx

another. For example, LIWP pairs well with the TECH Clean California program[9] and the South Coast Air Quality Management District's Multifamily Affordable Housing Electrification Program (MAHEP)[10] because TECH is a market transformation program with the target metric being number of heat pumps installed and MAHEP is a NOx reduction program. It is more challenging to leverage multiple California Public Utilities Commission (CPUC) programs where the savings goals are generally kWh and/or Therms. Where program objectives are the same, attribution must be discussed between program administrators and an attribution methodology must be established.

- Finally, misalignment of program timelines often proves to be a barrier to successful braiding. Programs with long-term funding are significantly easier to pair with other resources because they allow for more flexible construction start and end dates. In New York for example, AEA has been braiding the DOE Weatherization Assistance Program with both the New York State Energy Research and Development Authority (NYSERDA) and utility programs for the past 30 years. The approach to braiding those funds is similar to that of LIWP. However, the Weatherization Assistance Program (WAP)[11] has existed for 48 years and, while the allocations change year-to-year, there is never any doubt that there will be funding for each sub-grantee each year. This long-term funding assurance allows WAP sub-grantees to begin planning for projects that may not be scheduled to start construction for a few years, or to delay the start of a project so that it aligns with new funding sources that may be coming down the pike.
- **Stack with existing programs in addition to braiding HOMES and EBD funding**
  - In addition to braiding with EBD, the CEC should also stack HOMES funding with other federal and state sources including:
    - **Tax credits (25C / 25D / 45L)** - We recommend prioritizing HOMES and EBD programs for the lowest income households who do not qualify for tax credits, and using tax credits as an additional financing method where relevant.
    - **State, local, and utility programs** - The CEC should provide guidance on how to use federal funding from HOMES and state funding from EBD in coordination with other local, utility, and state programs. The CEC should coordinate with other state-level building decarbonization programs including TECH Clean California, the Low Income Weatherization Program, Bay Area Multifamily Building Enhancements Program,[12] Marin Clean Energy's LIFT Program,[13] Los Angeles Department of Water and Power's Comprehensive Affordable Multifamily

---

[9] *See* TECH Clean California
https://techcleanca.com/about/
[10] *See* South Coast Air Quality Management District's Multifamily Affordable Housing Electrification Program https://aea.us.org/programs/scaqmd-multifamily-affordable-housing-electrification-program/
[11] *See* Weatherization Assistance Program
https://www.energy.gov/scep/wap/weatherization-assistance-program
[12] *See* Bay Area Multifamily Building Enhancements Program
https://www.sfenvironment.org/BAYREN-multifamily
[13] *See* Marin Clean Energy Low-Income Families and Tenants Pilot Program Evaluation
https://www.mcecleanenergy.org/wp-content/uploads/2022/08/MCE-Low-Income-Families-and-Tenants-Pilot-Program-Evaluation_08262022.pdf

Retrofit Program,[14] Sacramento Municipal Utility District's Multifamily Electrification Program,[15] Tri-county Regional Energy Network's Multifamily Home Energy Savings Program,[16] South Coast Air Quality Management District's Multifamily Affordable Housing Electrification Program (discussed above), the Self-Generation Heat Pump Water Heating Program (SGIP-HPWH),[17] and other local, and utility funded programs. The National Community Action Partnership provides some case studies of municipalities and community action networks that have used multiple sources of funding.[18]

    - **Other federal funding sources** - The CEC should also layer additional funding sources including the Climate Pollution Reduction Grant[19] and the Energy Efficiency and Conservation Block Grant. The Department of Energy has a training video on how to braid funding between Low Income Home Energy Assistance Program (LIHEAP)[20] and WAP funds which has some examples on financing deep retrofits that could be relevant for braiding EBD with the HOMES rebate.[21] For example, the LIHEAP program authorizes 15% of usage for home weatherization and LIHEAP recipients can be categorically eligible for DOE WAP funds. Recipients of federal programs like Supplemental Nutrition Assistance Program (SNAP)[22], Temporary Assistance for Needy Families (TANF)[23], and certain veteran's benefits are automatically eligible for LIHEAP which streamlines the process of qualifying for the program.

- As discussed in Question 2a.iv.a., ensuring that measure performance criteria are aligned with other programs will help streamline braiding and stacking and reduce documentation requirements.

---

[14] *See* Los Angeles Department of Water and Power's Comprehensive Affordable Multifamily Retrofit Program
https://www.mcecleanenergy.org/wp-content/uploads/2022/08/MCE-Low-Income-Families-and-Tenants-Pilot-Program-Evaluation_08262022.pdf

[15] *See* Sacramento Municipal Utility District's Multifamily Electrification Program
https://www.smud.org/en/Business-Solutions-and-Rebates/Business-Rebates/Multi-Family-go-electric-incentives

[16] *See* Tri-county Regional Energy Network
https://www.3c-ren.org/multifamily

[17] *See* Self Generation Incentive Program
https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/self-generation-incentive-program

[18] *See* National Community Action Partnership Resource Library
https://communityactionpartnership.com/search-page/?fwp_1=weatherization-leveraging

[19] *See* Community Pollution Reduction Act
https://www.epa.gov/inflation-reduction-act/climate-pollution-reduction-grants

[20] *See* Low Income Home Energy Assitance Program
https://www.csd.ca.gov/Pages/LIHEAPProgram.aspx

[21] *See* Department of Energy Braiding WAP and LIHEAP Funds Webinar on November 16, 2022
https://www.youtube.com/watch?v=qRPjq3YyIR4

[22] *See* Supplemental Nutrition Assistance Program
https://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program

[23] *See* Temporary Assistance for Needy Families
https://www.acf.hhs.gov/ofa/programs/temporary-assistance-needy-families-tanf

Question 2.a.i: How can HOMES funds that are awarded to deliver residential whole building energy efficiency retrofits, be best utilized to support the state's decarbonization and electrification goals?

- **Key recommendations:**
  - If HOMES is not incorporated into the EBD program, we strongly encourage the CEC to request DOE approval for rebates to cover as close to 100% of project costs as possible for low-income households, defined as households where annual income is 80% or below either area median income (AMI) or statewide median household income (MHI), whichever threshold is higher.
- **Braid and stack with other relevant funding sources**
  - While it would still be essential to braid other funding sources with HOMES to ensure that low-income households can access holistic retrofits, maximizing the HOMES rebate levels available to low-income households would reduce the complexity of stacking additional programs. Please refer to recommendations on braiding additional programs and other funding priorities, such as augmenting HOMES with additional funding for health and safety remediation, under Question 1a above.
- **Ensure robust tenant protections**
  - It is crucial that the state's decarbonization and electrification goals are not met at the expense of low-income households and tenants and should instead advance multiple environmental and economic benefits. In the event HOMES is not incorporated into the EBD program, we would also strongly encourage the CEC to update the tenant protections outlined in the HOMES program guidance to match, at a minimum, those outlined in the current EBD Direct Install Program guidelines. For more detail, please refer to the recommendations on tenant protections under Question 1a above.

Question 2.a.ii: Aside from ensuring that program participation is a simple process from the resident's point of view and the need to avoid cash outlays, how should the program be structured to support widespread access and uptake in households located in disadvantaged communities or with a low income? How could CEC structure HOMES's pay-for-performance option to reach low income communities more effectively?

- **Key recommendations:**
  - The CEC can take a number of steps to support widespread access and uptake in households located in disadvantaged communities or with a low income. These actions include streamlining program stacking and mitigating equity concerns with a pay-for-performance option or selecting another approach.
- **Streamline program stacking**
  - Firstly, the CEC should facilitate streamlined stacking of programs, including by structuring program guidelines that mirror the programs identified under Question 1a above. Program guidelines should aim to serve customers with similar income eligibility criteria, consistent eligible measures such as appliance efficiency thresholds, and streamlined workforce standards and program processes to reduce administrative burden for participants. These steps would facilitate easier stacking and allow the EBD program to leverage other programs for technology incentives, freeing up more of the flexible funding to be directed to any health and safety measures or home remediation needs.
  - If the EBD and HOMES programs need to be administered separately, we recommend either developing a single application process or allowing categorical eligibility between the programs, to reduce administrative burden for households. Categorical eligibility should also be provided to customers who are already participating in a program with similar requirements, as we discuss further below in 2d.

- **Avoid relying on a pay-for-performance approach calculated based on site energy savings without further research and address potential equity concerns**
    - Pay-for-performance incentive structures that are calculated based on site energy savings may not be appropriate for a direct install program aimed at serving low-income customers. These households predominantly use less energy than their higher-income neighbors; additionally, many low income customers live in multifamily buildings with inherent efficiencies due to shared walls and smaller living spaces. We expand on multi-family considerations in more detail below. Existing low-income customers are frequently not purchasing the level of energy services necessary to sustain a comfortable living environment and may leverage the higher efficiency equipment to improve the comfort of their homes – these customers should not be treated punitively for getting the energy service they need. For example, some customers may be receiving air conditioning for the first time, an important service with the increasing occurrence and intensity of heat waves in California. Finally, the recommendations on measurement period as stated in the Normalized Metered Energy Consumption (NMEC) guidelines require post-installation measurement times before finalizing incentive amounts; this could result in a delay in receiving incentives creating a burden for the contractor and / or the customer.[24] For these reasons, pay-for-performance incentives that are tied to measured energy savings results may not be the best fit for this program.
    - If the CEC doesn't pursue the pay-for-performance option at the outset of the program, it may still be valuable to capture the energy impacts associated with the program. We encourage the CEC to explore how to capture customer meter information and / or data sharing authorizations to facilitate enrollment in a meter-based measurement strategy to inform program evaluation. This measurement strategy should capture the potential bill impacts customers are experiencing as a result of participation in a program. If the measured results of the program support development of a pay-for-performance incentive that will not cause undue harm to program participants, that could be introduced in future years of program implementation.
    - If the CEC does pursue the pay-for-performance option, it should consider structuring the performance metrics for the program implementer rather than the customer. The Commission should also develop metrics that can inform how effectively the program implementer is achieving the Community Benefits Plan goals, particularly as it relates to improving health outcomes for participants in the HOMES program. Other metrics that could be considered include number of customers served, greenhouse gas savings, and other non-energy benefits metrics highlighted by the BEEP coalition and NRDC's recent report.[25]
- **If the CEC uses a Pay-for-Performance approach, develop specific considerations for multifamily housing**
    - Many multifamily affordable building owners are often cash-strapped and do not have operating reserves or upfront capital to make energy upgrades. Similarly, contractors, especially small MWDBEs, also lack the capital to offer funding. If the CEC pursues a pay-for-performance option, where data for verifying savings need to be collected for 9-12 months after installation, the program should make the rebates available in three phased payments, based on estimated savings of the project:
        - Incentive Payment #1 is an upfront incentive that is paid upon approval of the project, and only after the project has completed the pre-application reservation requirements (i.e., energy reduction scope and modeled baseline energy savings). This incentive should be structured such that it offsets costs but is not more than 20% of the entire rebate and is only payable once application has been approved (measures and savings meet minimum requirements, 12 months of preinstall utility bill data, etc.) If the installation does not commence within the required timeframe, Incentive #1 may be required to be returned to the program.
        - Incentive Payment #2 is paid after measures are installed and verified. It should not exceed 40% of the total rebate which is based on the estimated baseline energy savings.

---

[24] *See* Rulebook for Programs and Projects Based on Normalized Metered Energy Consumption https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/n/6442463694-nmec-rulebook2-0.pdf

[25] *See* Healthy, Climate-Resilient Homes For All: Centering Housing Justice And Health Equity In Building Decarbonization https://www.nrdc.org/sites/default/files/2023-12/housing-justice-health-equity-building-decarbonization-ib.pdf

- Incentive Payment #3 will be paid out after the 9-12 months monitoring period and only after submitting final verification of savings, i.e. after the program verifies that the level of savings achieved by the installed measures meets or exceeds the minimum performance threshold. Incentive payment #3 will be "trued-up" based on actual achieved savings so that the total incentive follows the requirements of the program.
- As an example, the California Public Utilities Commission (CPUC) piloted phased payments through its Solar on Multifamily Affordable Housing (SOMAH) program, when the program was impacted by COVID-19 pandemic, specifically to ensure program contractors were able to complete projects.[26]

Question 2.a.iii: If funds are provided directly to existing residential efficiency programs, which programs will make the highest impact in terms of market transformation for efficiency and decarbonization technology?

- **Key recommendations:**
  - The Equitable Building Decarbonization program offers the most comprehensive design for supporting the Californian's most in need of assistance. We strongly recommend that if possible the CEC consider awarding HOMES implementation contracts to the selected administrators of the Equitable Building Decarbonization program. We recommend that the CEC look more deeply into specific considerations for multifamily buildings in addition to other building types.

Question 2a.iv.a: CEC has gathered feedback on how electrification incentives could best be leveraged and stacked with existing programs. Are there additional considerations for best leveraging and stacking residential whole house efficiency rebates, like HOMES with existing programs?

- **Key recommendations:**
  - Our response to Question 1a identifies best practices to effectively implement the HOMES program through stacking and braiding with existing programs. Below, we offer additional best practices for consideration including aligning performance standards and identifying flexible funds to use for health and pre-electrification upgrades.
- **Align performance standards**
  - To facilitate braiding multiple incentive programs, the CEC should standardize performance standards wherever possible. Existing utility, state, and local incentives may be incompatible because of conflicting performance standards across programs. CEC should promote alignment of performance standards by facilitating conversations with manufacturers, contractors, and other program administrators.
- **Identify flexible funds for health and other pre-electrification upgrades**
  - Many households may need pre-electrification measures like wiring and plumbing updates; venting; water heater relocation (to accommodate a heat pump water heater); or leak repairs. The CEC should plan for a substantial portion of EBD funding to go towards pre-electrification measures because it is more flexible than many other programs. The CEC should also pursue additional flexible funding sources of funding, such as the Climate Pollution Reduction Grants or Energy Efficiency and Conservation Block Grants, to enhance the program's ability to address pre-electrification needs as discussed further in Question 1a.
  - The CEC should pursue other creative funding sources, such as health agency budgets supporting asthma prevention, and where possible provide comprehensive upgrades that maximize the number of program-eligible units.This is especially important because Many federal programs and contractors refuse to provide efficiency upgrades to homes that have lead or asthma. Recognizing the importance of such holistic upgrades to enhance participation from low-income and

---

[26] *See* Solar on Multifamily Affordable Housing Progress Payment Pathway https://calsomah.org/resources/progress-payment-pathway

disadvantaged communities, Marin Clean Energy's multifamily program partnered with the City of Richmond's Asthma prevention program to offer electrification and healthy homes incentives.[27]
  - While not a flexible source, the U.S. The Department of Housing and Urban Development's (HUD) Green and Resilient Retrofit Program can also particularly be leveraged for eligible multifamily affordable housing.[28]

Question 2a.iv.b: Are there considerations for stacking pay-for-performance rebates (see below) with existing programs?

- **Key Recommendations:**
  - As suggested in Question 2.a.ii above, a traditional pay-for-performance approach may not serve low and moderate income customers well.
  - Establishing metrics to inform how the program is aligning with the goals of the Community Benefits Plan would inform the improved quality of life for program participants while also enabling easier stacking with programs.

Question 2a.iv.c: What are the best strategies for effective and efficient integration into existing programs' administration, websites, and materials?

- **Key recommendations:**
  - The CEC should minimize confusion and maximize accessibility when it comes to developing websites and other materials that communicate incentive programs.
- **Integrate into existing databases and websites, especially those run by community based organizations and other relevant networks**
  - The CEC should also coordinate with other community based organizations, along with housing, economic development, and workforce programs, to conduct outreach through trusted channels like in-language media outlets, places of worship, community health centers, and local businesses.
  - The CEC should integrate new materials into existing state and federal websites and portals, such as the CEC Building and Home Energy Resource Hub,[29] The Switch is On,[30] and Building Atlas.[31]
  - To effectively disseminate information, the CEC should coordinate with networks, like the Urban Sustainability Directors Network[32] and Civic Well[33], that work with local governments to implement building incentive programs.
- **Ensure that information is accessible across cultures, languages, and modes of communication**
  - Regardless of the channel, the CEC should ensure that information is available in multiple languages, adequately compensate CBOs to conduct outreach, and

---

[27] *See* Marin Clean Energy comments on the Equitable Building Decarbonization program draft guidelines
https://efiling.energy.ca.gov/GetDocument.aspx?tn=248481&DocumentContentId=82926
[28] *See* Green and Resilient Retrofit Program
https://www.hud.gov/GRRP
[29] *See* Building and Home Energy Resource Hub
https://www.energy.ca.gov/programs-and-topics/topics/building-decarbonization/building-and-home-energy-resource-hub
[30] *See* The Switch is On
https://switchison.org/
[31] *See* Atlas Building Hub
https://atlasbuildingshub.com/login/
[32] *See* Urban Sustainability Directors Network
https://www.usdn.org/index.html#/
[33] *See* Civic Well
https://civicwell.org/about-us/

ensure that communities without internet access can still access program information.
    - Contractor representatives recommend ensuring there is a verifiable, language accessible, easy to reach website and call number so that residents can check that the program is legitimate after a contractor shares the opportunity with them. Badges or other forms of legitimizing materials also contribute to trust building. Often frontline communities, especially non-English speaking residents, are targeted for scams. Thus having culturally accessible program infrastructure will help build trust and lead to more uptake. Simplicity of the process for income verification and the amount of personal information collected also contribute to programs feeling more trustworthy.

Question 2a.iv.d: Which existing program quality assurance, quality control, workforce, or other implementation standards or best practices should be taken into consideration or used as a model?

- **Key recommendations:**
    - The CEC should partner with existing workforce pathways and provide technical assistance and track metrics to ensure that MWDBEs are included and supported in the program.
- **Leverage existing workforce pathways to maximize impact**
    - This is especially important in the residential sector, where a shortage of qualified energy-efficiency and electrification workers and contractors threatens rebate implementation efficacy. To increase equity and address current workforce shortages, the agency should invest in competency-based training, as well as support training curriculum updates (Labor, industry, Community College, career technical education, CBO, etc.), opportunities for cross-training (when/where applicable), and certification/licensure standardization.
    - This includes, but is not limited to:
        - Coordinating with existing training organizations and infrastructure, especially union apprenticeship pathways, community colleges, and career technical education (CTE) programs, to facilitate training, certification and licensure of priority incentivized equipment
        - Mapping existing workforce capacity gaps as they relate to infrastructure, training orgs, and contractors willing to participate in rebate programs. To do so we recommend coordinating with initiatives who are undertaking these research questions currently, such as the Bay Area Residential Decarbonization High Road Training Partnership.[34]
- **Provide technical assistance (TA)**
    - Technical assistance is essential to addressing the greatest barriers contractors will face when deciding whether to participate in rebate programs. These services could include, but are not limited to:
        - Assistance accessing available training incentives, especially in stacking multiple rebates for their customers
        - Guidance on explaining program benefits and processes to residents
        - Bidding/contracting rebate-funded projects
        - Meeting reporting and compliance requirements (e.g., prevailing wage)
        - Assistance in coordinating and managing a predictable project pipeline so contractors can have a long-horizon plan of work
- **Support CBO's with existing career pathway and contractor training programs**
    - This can help to both recruit new non-traditional energy-efficiency workers (esp. those residing in DAC's), as well as supporting Minority, Women, and Disadvantaged Business Enterprise (MWDBEs) contractors. The CEC should consider supporting

---

[34] *See* Rising Sun Bay Area Residential Building Decarbonization High Road Training Partnership Summary https://risingsunopp.org/wp-content/uploads/Rising-Sun-Bay-Area-Residential-Building-Decarb-HRTP-Summary.pdf

expansion of the most successful CBO programs, with an emphasis on those with existing labor partnerships, pre-apprenticeship programs, and manufacturer engagement.

- **Ensure that eligible contractor lists required by the HOMES guidelines include MWDBEs** and should coordinate the EBD criteria with the Community Benefits Plan requirements. CEC should also streamline contractor compliance requirements between the EBD and HOMES program to the extent possible to make it easier to collect data, reduce barriers to entry, and help simplify contractor training.
- **Include metrics to track rates of participation and satisfaction from MWDBE contractors.** As mentioned in Question 1a, the program should coordinate the TREC program funds with the EBD/HOMES funding and create concrete metrics around tracking the success of minority and women owned businesses. Please see response to Question 1a for more detailed recommendations.

Question 2.b.i: What are the advantages and drawbacks of program design using the fixed costs versus pay-for-performance method? Can the pay-for-performance method effectively serve low-income households?

- **Key Recommendations:**
  - Given our previous recommendation to direct 100% of the funds towards low-income residents, coupled with our previously articulated reservations (Question 2.a.ii) about the measured approach for low-income residents, we recommend that the CEC primarily pursue a modeled approach. If the CEC wants to implement a measured savings approach, we recommend starting with a small pilot program paired with robust tenant and consumer protections to analyze the effectiveness of a measured savings program design on participant bills, energy savings, and non-energy benefits. We outline these considerations in more detail below. In either case, the CEC should increase the maximum amount available for low-income households to try to offset the cost of the projects as much as possible. Furthermore, in either case, the CEC should develop specific approaches for multifamily residences that might require more nuanced methodology.
- **Emphasize consumer protection in a modeled savings approach**
  - The potential benefits of a modeled program include ease of administration and integration with other low-income energy programs. We recognize that there are also equity concerns for the modeled approach, such as program administrators overestimating modeled energy savings which could lead to higher risk for households of bill increases. Program administrators should mitigate these risks by detailing a bill guarantee or other safeguards in the Consumer Protection Plan required by DOE in the Quality Assurance strategies.
- **Address equity concerns before implementing a measured savings program**
  - The potential benefits of a measured program include ensuring that households receive savings which can help with customer protection and encourage more ongoing monitoring and evaluation. Within this approach, a fixed portion incentive would be easier to administer than a pay-for-performance incentive. However, a measured approach can also disadvantage low-income homes because this methodology might require several months to verify, and this could delay customers without upfront capital to finance the projects from receiving rebates. A measured approach might also advantage larger households who use more energy over smaller homes which could be an equity concern (especially for apartment dwellers who might have lower energy usage and therefore lower savings despite a comparable upfront cost to a larger household). This could be complicated and would need more guidelines to mitigate any unintended negative impacts. Therefore, we recommend that the program implementers carefully consider any equity challenges before using this approach with low-income households.
- **Streamline the monitoring and evaluation process, utility data sharing, and the Community Benefits Plan**
  - If the EBD program and the HOMES programs are stacked, the CEC should integrate

their SMART goal and milestones process for their Community Benefits Plan with the overall monitoring and evaluation for the EBD program to reduce administrative overhead, and streamline contractor reporting requirements and participant education. This monitoring and evaluation should include non-energy benefits such as health and economic benefits. The CEC should prioritize community based organization's priorities and research in developing metrics. For example, the BEEP coalition and NRDC's report highlights several potential metrics to measure non-energy benefits.[35]
    - Irrespective of the approach, CEC should coordinate closely with utilities to set a process that streamlines and advances meter data sharing to ensure that HOMES and EBD program can be successfully implemented.

Question 2.b.ii: What are the options to manage and allocate performance risk and financing costs during the 9 to 12-month post-installation period prior to issuing the rebate? Options should consider at a minimum that: low-income households are not required to utilize personal funds to pay for rebated work, the inability for many contractors, installers, or small businesses to "float" rebate costs, and the cost of capital for aggregators (or some designated entity) to float those costs.

- **Key recommendations:**
    - A measured savings approach is not recommended for serving low-income communities. However, if the CEC proceeds with a measured-based approach in this program, the CEC should consider incorporating the phased payment schedule as outlined under Question 2.a.ii, especially for multifamily projects to assist with financing. Regardless of the approach, the CEC should use demand aggregation to ensure contractors could float costs.
- **Aggregate demand to create a stable project pipeline for contractors**
    - Additionally, contractors share that creating a long-term workflow by structuring a consistent work pipeline can help them sustain the wait between installation and receiving the rebate. While floating the cost of a single project for 9-12 months is challenging, if contractors have consistent projects lined up they can have a steady stream of cash flowing in from previous projects, helping them float each project cost. This cycle works as long as contractors have a view of work ahead. Therefore, we recommend that the CEC invest in intentional project pipeline development and help coordinate work flows for contractors.
    - For example, the CEC should leverage demand aggregation efforts across existing decarbonization programs and pilots (e.g., Building Owner Pledges in EPIC demonstrations) to connect contractors and multifamily building owners with large portfolios who have committed to utilizing rebates to fund decarbonization projects.
    - Project demand aggregation is necessary in order to:
        - Signal project volume to contractors, manufacturers, and building owners;
        - Ensure pipeline stability throughout the duration of IRA rebate administration and expand the network of contractors devoted to decarbonization projects;
        - Efficiently plan future work (e.g., bid and staff projects, manage purchasing lead times, etc.); and
        - Mitigate disincentives for participation related to program administration and/or compliance requirements.

[35] See Healthy, Climate-Resilient Homes For All: Centering Housing Justice And Health Equity In Building Decarbonization https://www.nrdc.org/sites/default/files/2023-12/housing-justice-health-equity-building-decarbonization-ib.pdf

Question 2.b.iii: For the fixed cost method, how should the CEC approach setting allowable project cost caps? What are similar programs CEC should use as examples?

- **Key Recommendations:**
    - To ensure that all remediation needs are met, we recommend that the program not implement cost caps.
    - The CEC should also request approval from the Department of Energy to increase rebate amounts for low- and moderate-income households.
- **If cost caps are required, enable average cost caps that allow for remediation costs and higher caps for manufactured homes**
    - However, if cost caps are required, we recommend average cost caps, such as those included in the EBD Direct Install Program. Average cost caps enable upgrades in homes that require more remediation work. These should be consistent with project cost data from pilots such as the San Joaquin Valley Pilot project as stated in comments from the Building Energy, Equity & Power coalition in October 2023.[36]
    - Similarly, if there must be cost caps, they should be set higher for manufactured homes. Where remediation is not possible for manufactured homes, replacement should be an eligible expense.
    - Given that EBD funding has more flexibility than IRA or ratepayer program dollars, the EBD funding should be used to address remediation and health and safety measures. This would allow HOMES and ratepayer funding to cover technology upgrades or weatherization measures.

Question 2.b.iv: What is the best way for the CEC to obtain consistent and sufficient documentation for contractors, such as itemized cost breakdowns, while remaining consistent with contractor business practices?

- **Key recommendations:**
    - In order to protect the CEC from excessive contractor markup without discouraging participation in rebate programs, where profit is usually capped and pricing can be publicly accessible, the CEC should explore a bulk procurement strategy.
        - This will allow the agency to purchase priority incentivized equipment, and (potentially) develop book pricing for common ancillary installation items (e.g., pipes, valves, fittings, wiring, conduit, junction boxes, etc.). Book pricing represents the maximum price contractors can charge for certain materials. In order to ensure contracting transparency, the CEC should require that all bids include line item pricing.
    - In addition, a profit/cost cap inclusive of materials and labor (by equipment/scope) could prove effective, but would need to vary by geography and be consistent with existing pilot demonstration costs (as labor and supplier costs vary statewide).
    - The CEC should also include cost/inflation riders with implementation of any cost caps, as construction material prices have been rising steadily since the pandemic.

Question 2.c.i: Should CEC reserve additional HOMES funds for low-income households, beyond the DOE-requirement of 50 percent of total rebate funds? If so, why, and what percent?

- **Key recommendations:**

---

[36] *See* Building Energy, Equity & Power Coalition Comments - Letter from BEEP & partners on the EBD program Draft Guidelines on Oct 5 https://efiling.energy.ca.gov/GetDocument.aspx?tn=252615&DocumentContentId=87706

- Yes, HOMES funding should be dedicated to offsetting costs for low-income households. Specifically, the CEC should reserve as close to 100 percent as possible of total funds for households below 80 percent of either area median income (AMI) or statewide median household income (MHI), whichever is higher and consistent with past comment letters.[37]

- **Dedicate all funds to low-income households**
  - Dedicating funding to these households will be of the utmost importance due to the limited amount of available funding, higher-income earners' ability to take advantage of tax credits, and the well-documented history of similar programs without dedicated, income-qualified carve-outs flowing to affluent households.
  - While historic, available funding under the HOMES program still pales in comparison to the on-the-ground needs, especially for low-income households. The Home Energy Rebate Programs are estimated to reach only 1 percent of the 5.3 million low income households in California with incomes less than 80 percent of AMI.[38] The most equitable approach to disbursing these funds is to direct them to low-income households who may otherwise be unable to complete needed efficiency projects.
  - Without firm guardrails, state and local energy efficiency programs across the country have consistently demonstrated that rebates quickly flow to more affluent households, often before low-income households can even learn about the programs. Nationwide analyses have shown that existing energy efficiency programs have not adequately served low-income households without reserved funding, with only 13% of residential energy efficiency program funds going to low-income households, well below the presence of low-income households in the markets for these programs.[39]
  - High- and middle-income earners have access to the IRA tax credits to offset the costs of energy efficiency projects, and many can afford to complete such projects in their homes without federal assistance at all. Specifically, these higher-income earners are more likely than low-income households to be eligible for tax credits under IRA sections 25C and 25D.[40] The Home Energy Rebates are uniquely accessible to low-income households and thus should be reserved for them to maximize impact.

Question 2.d.i: What approaches should CEC consider to verify individual household income that are efficient and accurate, safeguard information, and create a minimal burden for residents? Please provide examples of other programs and why you consider them effective models?

- **Key recommendations:**
  - To verify individual household income in efficient, accurate ways that safeguard information and create minimal burden for residents, the CEC should maximize simplicity and accessibility by ensuring that income verification tools are easy for all parties to use. The CEC should actively seek to reduce barriers to participation for low-income households. A one-size-fits-all solution will most likely not be viable. The CEC should implement multiple verification pathways, ideally housed in one system, which will ensure that all eligible recipients can participate and establish categorical eligibility as much as possible.
- **Streamline income verification by allowing categorical eligibility based on participation**

---

[37] *See* Equity Groups's Home Energy Rebates RFI Response https://drive.google.com/file/d/1ZM_zFOYrlO3sasm8vOei3gU0y59k9Pr-/view

[38] Assuming the average household utilizes 80 percent of total potential per-household rebates, meaning $11,200 in Electrification Rebates, or $6,400 in Efficiency Rebates.

[39] Morales, D., and S. Nadel. 2022. Meeting the Challenge: A Review of Energy Efficiency Program Offerings for Low-Income Households. Washington, DC: American Council for an Energy-Efficient Economy. www.aceeee.org/research-report/u2205.

[40] Treasury has also found that tax credits in general are mostly utilized by white households. Tax Expenditures by Race and Hispanic Ethnicity: An Application of the U.S. Treasury Department's Race and Hispanic Ethnicity Imputation, Office of Tax Analysis (January 2023).

in other income-based federal, state or local benefit programs

- By directing 100 percent of HOMES funds to households under the 80 percent AMI or MHI threshold, the CEC can use existing state and federal means-tested programs to determine categorical eligibility for participants.

- **Establish categorical eligibility as a "first-pass" option and allow self certification and alternative pathways**
  - This enables program administrators to quickly target population subsets while recognizing that categorical eligibility alone will miss a portion of rebate-eligible households. Allowing self-certification, for example, will be important to augment categorical eligibility. The CEC should also create alternative eligibility verification pathways for immigrant communities and others that may lack documentation. For these populations, partnering with a trusted CBO that can verify and work with the household is especially important.
  - As an example, California's Alternate Rates for Energy (CARE) program successfully uses a self-attestation and post-enrollment verification process of random audits.[41] This approach balances the desire for the maximum number of eligible customers to participate with the need to verify participant eligibility.
  - As noted in BEEP's letter regarding the CEC's EBD program, in circumstances where income verification is required, the CEC should not ask for income verification for all working household members in a single family home.[42] Alternatively, the CEC should require only the homeowner or head leaseholder to provide proof of income for eligibility. Many low-income, BIPOC, and immigrant households are multigenerational and/or have more than one family residing in a home. Asking for the income of all working household members may provide an inaccurate perception of a household's financial situation and its eligibility for the program.

Question 2.d.ii: The EBD Direct Install Guidelines established a list of federal and state assistance programs that can be accepted to qualify a resident as low income (i.e., "Categorical Eligibility"). Should the CEC utilize the same list of programs for Categorical Eligibility for a program(s) developed with HOMES funding? In addition to the programs found in Section E.3. of the Guidelines, are there additional programs CEC should consider?

- **Key recommendations:**
  - Yes, the CEC should utilize the same list of programs for Categorical Eligibility for consistency and clarity. Additional programs the CEC should consider are Solar on Multifamily Affordable Housing, Sacramento Municipal Utility District's Home Energy Assistance Program Rate,[43] and other local income-qualified electric rate programs.

IV. Conclusion

The undersigned organizations appreciate the intent of the CEC to streamline IRA funding implementation by braiding with the Equitable Building Decarbonization program. Leveraging the Equitable Building Decarbonization program for deployment of HOMES funding will minimize customer confusion, streamline program administration, and direct funding towards low income and environmental justice communities. We hope these recommendations will be carefully considered as the CEC implements the HOMES funding to help ensure that California's low

---

[41] *See* California Alternate Rates for Energy (CARE) / Family Electric Assistance Program (FERA) https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program

[42] *See* Building Energy, Equity & Power (BEEP) Coalition Comments on the Equitable Building Decarbonization Program Guidelines https://efiling.energy.ca.gov/GetDocument.aspx?tn=250886&DocumentContentId=85796

[43] See Home Energy Assistance Program (HEAP) www.smud.org/en/Rate-Information/Low-income-and-nonprofits

income households are centered with meaningful investment that enhance living conditions and quality of life, and does not exacerbate existing economic or environmental burdens. We appreciate the opportunity to comment and acknowledge with appreciation the extension on the deadline for submitting this letter. As always, we encourage the CEC to view us as partners and are happy to share our knowledge. We welcome and are grateful for the opportunity to continue supporting the development of programs that will uplift overburdened communities and lead us to an equitable building decarbonization transition.

Sincerely,

Sneha Ayyagari
Clean Energy Initiative Program Manager
The Greenlining Institute

Chiara Arellano
Associate Director of Policy
Rising Sun Center for Opportunity

Andrew Brooks
Senior Director, AEA West
Association for Energy Affordability

Cynthia Strathmann
Executive Director
Strategic Actions for a Just Economy

Sakereh Carter
Senior Policy Strategist
Sierra Club

Kevin D Hamilton
Senior Director of Government Affairs
Central California Asthma Collaborative

Zach Pierce
Senior Manager
Rewiring America

Srinidhi Sampath Kumar
Program Manager
RMI

Ericka Flores
Clean Energy & Equity Advocate
Natural Resources Defense Council

Elle Chen
Senior Policy & Campaign Manager
Asian Pacific Environmental Network

Jenna Tatum
Executive Director
Building Electrification Institute

Sylvia Chi
Senior Policy Analyst
Just Solutions

Zach Lou
Coalition Director
California Green New Deal Coalition

Olivia Seideman
Climate Policy Coordinator
Leadership Counsel for Justice and Accountability

Joelle M Lester
Executive Director
Public Health Law Center

Antonio Díaz
Organizational Director
PODER

Edgar Barraza
Energy Equity Policy Coordinator
Physicians for Social Responsibility - Los Angeles

Andrew Dawson
Policy Advocacy Manager
California Housing Partnership

Beckie Menten
Senior Regulatory and Policy Specialist
Building Decarbonization Coalition