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Equitable Building Decarbonization Statewide Direct Install Program Pre-Solicitation Workshop Zoom Transcript March 14, 2024

Slide 1: Minutes 00:10-02:30

Susan Mills: Good morning, everyone. Let people log in here, so just give it a minute or so, and then we'll get started. We do have an optional sign in sheet. Prince, if you could put that in the chat and we encourage you to sign in, and we'll share that on the docket later. I'll get into that in a little bit. But if you have that link that would be great. Just give it one more minute and then we'll get started. Everyone people are still logging in. Alrighty. We'll go ahead and get started. People can still trickle in. Good morning. Welcome to the staff workshop on the draft solicitation for the Equitable Building Decarbonization Direct Install Program.

I'm Susan Mills, Supervisor in the Equitable Building Decarbonization Branch at the Energy Commission, and we are here to provide an overview of the draft solicitation for regional administrators and to gather input from potential applicants and other members of the public.

Please note, we will be using the acronym EBD For Equitable Building Decarbonization and CEC for the California Energy Commission throughout the presentation. Next slide, please.

Slide 2: Minutes 02:34-03:47

Susan Mills: I'll start with a few logistical announcements, and then we will get into the substance of today's workshop. Please be aware that this workshop is being recorded, and a link to the recording transcript and presentation will be posted to the CEC's website.

We encourage you to sign into the workshop, using the optional sign in sheet. The link is in the chat. Responses from the sign in sheet will be posted to the docket after the workshop. If you are considering applying to administer the EBD Direct Install Program, either as a regional administrator or part of a team, you can use this as a way to find potential team members. Later in the workshop, we will also introduce a website called Empower Innovation, which we encourage you to use as another way to find partners.

If you experience technical difficulties joining zoom during the workshop, please contact Zoom at 888-799-9666, extension 2, or the CEC Public Advisor at publicadvisor@energy.ca.gov or by phone 916-957-7910. Next slide, please.

Slide 3: Minutes 03:49-05:04

Susan Mills: The CEC is committed to hearing from all interested parties and encourages comments from the public. During the workshop, you may ask a question using the Zoom Q&A feature and we will do our best to respond. You may also make a verbal comment during the public comment period following this presentation. Oral comments may be limited to 3 minutes and one person per organization, depending on the number of people who wish to speak.

After the workshop, we encourage you to follow up with written comments to the docket. Please note that if your comment pertains to the Inflation Reduction Act Home Efficiency Rebate Program called HOMES as well as the Equitable Building Decarbonization Program, we encourage you to submit it to the dockets for both programs, which are listed on this slide. This will ensure that your comments are considered by staff working on both programs. Submit comments by 5 - somehow I got muted. Finally, if you have any questions after the workshop, you may contact program staff through the email on the slide. Next slide, please.

Slide 4: Minutes 05:06-05:20

Susan Mills: Here is a summary of the workshop schedule. Please note that the time frames are estimates and the workshop will end at 1 p.m. or at the conclusion of public comments. With that I will pass the microphone to my colleague, Diana Maneta.

Slide 5: Minutes 05:25-05:54

Diana Maneta: Good morning. My name is Diana Maneta, and I am Equitable Building Decarbonization Lead in the EBD Branch at the Energy Commission. I'll be giving a brief background and overview of the EBD Direct Install Program before we turn to the draft solicitation that is the main focus of today's workshop.

Slide 6: Minutes 05:46-06:49

Diana Maneta: The CEC was directed by Assembly Bill 209 in 2022 to create the Equitable Building Decarbonization Program. At the state level, the program is funded by the General Fund and the Greenhouse Gas Reduction Fund administered by the Air Resources Board. As we will discuss today, CEC is planning to supplement the program with federal funding as well.

The EBD Program will include several components: a Statewide Direct Install Program, a Tribal Direct Install Program, and a Statewide Incentive Program. The CEC is initially

focused on rolling out the Statewide Direct Install Program, and that's the program we're discussing today. Guidelines for this program were developed through a public process and adopted by the Commission in October of last year.

In the next few slides, I'll describe the design of the program based on the adopted Guidelines. Please note that while the Guidelines may be revised in the future, we're not proposing or considering Guidelines revisions today. Our focus today is the draft solicitation. Next slide, please.

Slide 7: Minutes 06:51-07:17

Diana Maneta: The primary goals of the EBD Program are to reduce greenhouse gas emissions and to advance energy equity. The program is also intended to advance several secondary goals, which include improving resiliency to extreme heat, improving indoor air quality, improving energy affordability, supporting the local workforce, supporting grid reliability, and supporting the Governor's goal of 6 million heat pump installations by 2030. Next slide, please.

Slide 8: Minutes 07:20-08:53

Diana Maneta: A Direct Install Program is a type of incentive program that provides and installs energy efficient electric appliances, energy efficiency measures, and related upgrades directly to consumers at minimal or no cost. The EBD Direct Install Program will serve low-income households located in underresourced communities. Low-income households are defined as households earning up to 80% of the area median income.

Participating households may be single-family homes, multifamily buildings, or manufactured or mobile homes. They may be owner-occupied or rented, and the program will include renter protections. Underresourced communities include disadvantaged communities as defined by the California Environmental Protection Agency, as well as census tracts with a median household income at or below 80% of the statewide median income; and census tracts with a median household income at or below 80% of the area median income for the county. I want to note that this program is not restricted to certain utility service territories. Customers of any utility in the state are potentially eligible to participate.

Overall, about a third of California households are low-income, and more than half of Californians live in underresourced communities according to this definition. Though the funding for this program is significant, it's far from enough to serve every underresourced community in the state. Therefore, the initial phase of the program will serve what we're calling "initial community focus areas." Next slide, please.

Slide 9: Minutes 08:55-09:49

Diana Maneta: Initial Community Focus Areas will be selected based on several criteria, including the presence of local organizations with which the administrator can partner for effective outreach and engagement in the community; communities in which households are most likely to experience utility bill savings as a result of decarbonization; communities particularly vulnerable to extreme heat, high fire risk, and high levels of ambient air pollution; communities underserved by existing decarbonization and weatherization programs; and communities with high energy burdens.

In addition, within initial community focus areas, the program will use data, including interval meter data, to identify households that are the best candidates for decarbonization, in particular, households most likely to experience savings on their energy bills as a result of decarbonization upgrades. Next slide, please.

Slide 10: Minutes 09:50-10:45

Diana Maneta: Participating households will receive decarbonization upgrades at no cost to the building owner or occupant. Measures that are eligible to be funded through the program are listed on this slide. They include heat pumps, heat pump water heaters, other efficient electric appliances, weatherization upgrades, electrical wiring and panel upgrades, and remediation and safety improvements.

Not every household that participates in the program will receive every measure on this list. Some measures will be more appropriate for certain homes than others, based on climate zone, building type, and other factors. At a minimum, each household served will receive a heat pump for space heating and cooling, or a heat pump water heater, or both. In addition, at the conclusion of the retrofit, at least two of the following four end uses in the home must be electric: space heating, water heating, cooking, and clothes drying. Next slide, please.

Slide 11: Minutes 10:47-11:25

Diana Maneta: The Statewide Direct Install Program will be administered by three regional administrators, serving Northern, Central and Southern California. The administrators will be selected through a competitive solicitation, which is the focus of today's workshop. Program funds will be split among the three regions in proportion to the population of underresourced communities in each region, which means 23% to the Northern region, 19% to the Central region, and 58% to the Southern region. The actual budgets for each region will be discussed later in the presentation.

I'll now turn it over to my colleague Adam Lokar who will discuss the draft solicitation for regional administrators.

Slide 12: Minutes 11:27-12:21

Adam Lokar: Great! Thank you, Diana, and good morning everyone. My name is Adam Lokar, and I'm a Building Decarbonization Specialist in the Equitable Building Decarbonization Branch at the CEC, and I'll be sharing the key details of the draft scope of work or draft solicitation for regional administrators.

The draft Solicitation Manual, Scope of Work, and State and Federal Terms and Conditions were released earlier this week and are available on the CEC website, with the link just put in the chat.

If you have questions as I'm presenting, please type them in the Q&A. There will also be an opportunity to ask questions and offer comments later in the workshop. We also strongly encourage you to submit written comments at any time through March 29. Your comments do not need to be limited to the topics discussed in today's presentation. You are welcome to provide comments on any aspect of the draft solicitation. Next slide, please.

Slide 13: Minutes 12:22-14:06

Adam Lokar: So first, here's the timeline of the next steps. We're here today at the pre-solicitation workshop indicated with the star. The dates are ambitious as we are trying to balance speed to get the program up and running so we can start to, you know, improve people's lives, and decrease greenhouse gas emissions while also ensuring a high-quality program.

As I mentioned, we will be accepting written comments on the draft solicitation through March 29. After that, we'll review the comments and finalize the solicitation. We are currently planning to release the final solicitation by April 30. The deadline to submit proposals will be June 30 -- 60 days after the final solicitation is released. Between the solicitation release and the deadline, there will be another workshop, called a pre-bid conference, as well as an opportunity for written questions about the solicitation. The specific dates for all those steps are subject to change and will be listed in the final solicitation.

So if you are considering submitting a proposal, please keep in mind of the 60-day turnaround after the final solicitation is released. You may wish to start building your team and developing your ideas now, rather than waiting for the release of the final solicitation. Later in the workshop we'll demonstrate a website called Empower Innovation that we encourage you to use to find potential partners.

After the final Solicitation is posted in April and the solicitation process has commenced, only the CEC's assigned Contract Agreement Officer may respond to questions, and any CEC technical staff and leadership will be unable to discuss or respond to any questions

related to the Solicitation until the Notice of Proposed Awards is posted. Next slide, please.

Slide 14: Minutes 14:09-15:18

Adam Lokar: So, as mentioned previously we are planning to incorporate federal funding into the EBD Direct Install Program. The federal Inflation Reduction Act allocated \$292 million to California for the Home Efficiency Rebates Program, also called HOMES. The Inflation Reduction Act authorized HOMES as a whole-house efficiency program which can serve single-family, multifamily, and manufactured homes.

California, like all states, has to go through an application process with the DOE, describing how we intend to use the HOMES funds before we can receive them.

Back in December, CEC put out a Request for Information for input on how the state should use the HOMES funds, and based on responses to the RFI, our intent is to allocate a portion of HOMES funds into the EBD Direct Install Program and to use the rest of the HOMES funds to establish a separate Pay for Performance Program.

We won't be discussing the HOMES funding allocation between programs or the details of the Pay for Performance Program at today's workshop, but there is an additional workshop scheduled on March 21 where those topics will be discussed. Next slide, please.

Slide 15: Minutes 15:19-16:11

Adam Lokar: So there are several reasons to incorporate HOMES funds into the EBD Direct Install Program. The first, it will allow us to reach more low-income households and underresourced communities. This is especially important given the possibility of state budget cuts to the EBD Program. Second, combining these two funding sources behind the scenes will simplify things for participants, for whom it will appear as a single program rather than two separate programs. And finally, we can streamline administrative costs by combining these two programs rather than having them administered separately.

Our approach to incorporate the two programs is that some retrofit projects would be fully funded by EBD State Funds and other projects would be funded by both state and federal HOMES funds. In either case the program will cover 100 percent of project cost for participating households. Next slide, please.

Slide 16: Minutes 16:13-17:45

Adam Lokar: As of last year's adopted state budget, the state has allocated \$922 million to the Equitable Building Decarbonization Program. Of that, CEC has allocated \$689.8 million to the Direct Install Program. Other EBD Program components, to be rolled out in the future, include a Tribal Direct Install Program and a Statewide Incentive Program. As I mentioned, we plan to supplement this budget with federal HOMES funding not currently shown here. The precise amount of HOMES funding to be allocated to the EBD Program has not yet been determined and will be discussed further at the HOMES workshop next week, on March 21.

This table shows the available state funds for the three EBD Direct Install Program regional administrators. As we described earlier, funds will be divided among the three regions in proportion to the population of underresourced communities in each region.

A few important things to note regarding the budget – First, these dollar amounts are subject to change in future state budgets. Second, the draft solicitation includes a 5% cap on administrative costs for each regional administrator. On the next slide, I'll describe how administrative costs are defined. And finally, budgets proposed by regional administrators in response to this solicitation may not include profit for the regional administrators themselves. Profits are allowed for subcontractors of the regional administrators such as installers conducting building retrofits.

Slide 17: Minutes 17:48-18:50

Adam Lokar: The draft solicitation defines three categories of costs: project costs, project-related costs, and administrative costs. These categories are defined based on guidance from the Department of Energy.

Project costs are the costs of home assessments and building retrofits, including equipment, labor, and permitting. Project-related costs are other costs that are tied to a particular project, in other words, a particular retrofitted home. They include costs related to income verification, execution of program participation agreements with property owners and tenants, quality control, and follow-up surveys of participants.

Administrative costs are all other costs. This includes outreach; project tracking, data management, and reporting; and all the start-up and ongoing tasks that administrators will be responsible for, and which aren't included in one of other categories. All the administrator tasks are described in the draft scope of work, which I'll discuss in more detail shortly.

Slide 18: Minutes 18:55-20:53

Adam Lokar: So, the solicitation will be open to all public and private entities. As a reminder, regional administrators are not allowed profit in their proposed budgets, however, profits are allowed for subcontractors.

The primary applicant may not submit more than one application for a single region, but may submit applications for more than one region. If applying to multiple regions, applicants must demonstrate how their team would have the capability to effectively administer the program concurrently in multiple regions. Team members that are not the primary applicant may be involved in multiple applications per region. Applicants must have qualifications relevant to residential building decarbonization, including the decarbonization of single-family homes, multifamily buildings, and manufactured housing. Applicants must also include a minimum of two community-based organizations, known as CBOs, on their team for culturally appropriate outreach, education and support of participating households and communities. Proposals may be led by CBOs as primary applicants, include CBOs as subcontractors, or both.

For this program, a CBO may include a nonprofit organization, tribal entity, or governmental entity with demonstrated effectiveness representing an underresourced or tribal community and providing support and services to individuals in the community. Note that two CBOs are a minimum, meaning that applications will be rejected if they do not include at least two CBOs. However, including more than two CBOs is encouraged. In addition to CBOs, team members may include local governments, utilities, community choice aggregators, or other public or private entities. It's up to applicants to assemble teams that they believe will be best equipped to implement the program successfully in the region. Proposals will be scored based in part on the composition of the team and proposed roles of the various team members.

Slide 19: Minutes 20:58-21:49

Adam Lokar: Project and Project-Related funds must be allocated according to the following requirements:

All households served by the program must be low-income and located in underresourced communities.

At least 65% of funds must be allocated to households in disadvantaged communities as defined by CalEPA. As a reminder, disadvantaged communities are included in the definition of underresourced communities, along with low-income census tracts.

At least 5% of funds must be allocated to households outside but within one half-mile of a disadvantaged community.

At least 5% of funds must be allocated to manufactured or mobile homes, and
At least 10% of funds must be allocated to low-income multi-family buildings.

The program must also serve single-family homes, though there isn't a minimum funding allocation for these homes.

Slide 20: Minutes 21:53-23:25

Adam Lokar: Pending DOE approval of CEC's application, regional administrators will be responsible for ensuring HOMES funded program activities and projects also comply with HOMES Program Guidance. CEC plans to utilize the Modeled Savings Approach, as defined in the HOMES Program Requirements & Application Instructions. For projects supported by HOMES Funds:

Our regional administrators must use DOE-approved modeling software consistent with the BPI-2400 standard to estimate energy savings prior to conducting retrofits.

Modeled energy savings must equal or exceed 20 percent to be eligible for HOMES funding. The CEC or a third party through a separate contract will measure actual energy savings for participating homes over a 12-month post-installation period.

And when paying invoices, the CEC will retain a performance retention equal to 5 percent of project costs. The performance retention will be released after the CEC has confirmed that actual energy savings equaled or exceeded 80 percent of modeled energy savings. The CEC may permanently withhold the performance retention for any project in which actual energy savings are less than 80 percent of modeled energy savings.

This 5% performance retention is in addition to the CEC's standard 10% retention, which will be from each invoice and released at the conclusion of the agreement with the regional administrator if all terms of the agreement have been fulfilled. Next slide, please.

Slide 21: Minutes 23:27-23:46

Adam Lokar: Okay, so now we're turning over to the draft scope of work. This slide lists all the tasks in the scope of work. I'll be highlighting specific tasks and subtasks relating to program implementation and won't be discussing the others, but we encourage you to review the Draft Scope of Work in full. Next slide, please.

Slide 22: Minutes 23:47-24:44

Adam Lokar: So, Task 1.4 addresses the formation of an Advisory Group. CEC plans to establish one Advisory Group to provide guidance for all three regions of the program.

The Advisory Group will meet quarterly and will provide guidance on program direction, evaluate the program's progress, and offer recommendations for improvement. Each regional administrator will recommend a list of five Advisory Group members to represent their region including at least one representative of an underresourced community.

Other Advisory Group members may include but are not limited to: technical experts in the field of building decarbonization; members of trades involved in building decarbonization; public interest environmental organizations; environmental justice organizations; representatives of utilities and/or community choice aggregators; or representatives of federal, state, or local agencies involved in building decarbonization. Next slide, please.

Slide 23: Minutes 24:45-26:11

Adam Lokar: Task 3 requires regional administrators to collect, store, and report data from program activities. CEC will take an active oversight role in the program, and this data will be used by the CEC to track the program's success and inform the need for adjustments. It will also be used for CEC's reporting to the Legislature, the California Air Resources Board, and the U.S. Department of Energy.

In order to standardize data collection in a unified program-wide approach, we are proposing regional administrators collectively agree on a single project management tool for data collection and management across all regions of the program that meets technical specifications provided by the CEC. The tool must provide CEC access to a program-wide dashboard updated in real time to track and compare progress across the three regions and generate reports. Costs for the project management tool shall be covered out of each regional administrators' administrative budgets.

An alternate approach could be for CEC to contract for a project management tool for all three regional administrators to use. We are open to input on which approach would be preferable to potential administrators.

I want to highlight that regarding retrofit costs, CEC will require that Administrators provide disaggregated costs, including wholesale costs of equipment and appliances, installation labor costs, and permitting costs. Next slide, please.

Slide 24: Minutes 26:13-26:34

Adam Lokar: Task 5, this is really the heart of the Scope of Work, as it includes the program implementation details. It also includes 14 subtasks, which are listed on this slide. On the next several slides, we will review each of these subtasks at a high level, but for additional details, please refer to the Draft Scope of Work. Next slide, please.

Slide 25: Minutes 26:37-28:30

Adam Lokar: So, Task 5.1 is where the Initial Community Focus Areas will be identified. Note that applicants will be required to recommend Initial Community Focus Areas in their applications. The solicitation manual lists criteria that applicants should consider when recommending Initial Community Focus Areas, including ensuring diversity among them in terms of geography, climate zone, urban and rural, type of housing stock, and other characteristics. There are more details in Section III of the solicitation manual. Once the three regional administrators are on board, the Initial Community Focus Areas in each region will be finalized in collaboration with CEC.

In addition, after the program has launched in each region, CEC may work with regional administrators and their CBO partners to identify additional Community Focus Areas in the region, subject to available funding. Regional administrators are required to communicate with the electric utility that serves each Community Focus Area regarding program plans to discuss potential capacity constraints on the distribution system and to identify locations where electric service upgrades are least likely to require distribution system upgrades.

Moving to Task 5.2, regional administrators will also be required to establish an application process to create a pathway into the program for communities that aren't identified as part of the Initial Community Focus Areas. Applying communities would need to be eligible according to the Guidelines, meaning they would need to be underresourced communities. Administrators would be expected to establish scoring criteria for applying communities, taking into account the Initial Community Focus Area criteria identified in the Guidelines. In addition, we're proposing that bonus points would be awarded for applying communities in which retrofits could happen quickly, for example through partnership with an existing Direct Install Program. Next slide, please.

Slide 26: Minutes 28:32-29:40

Adam Lokar: In Task 5.3, administrators will develop and implement a workforce plan to enroll contractors who will conduct the building decarbonization retrofits in their region. The workforce plan must include the following elements.

First, contractor training and experience requirements consistent with the Workforce Standards and Requirements section of the Guidelines. Second, the administrator's plan to conduct outreach to a diverse set of licensed contractors, with a focus on local contractors in participating underresourced communities. Third, the administrator's plan for developing a list of enrolled contractors, including providing preference to contractors who meet the preference criteria listed in the Guidelines. Fourth, the administrator's approach to bundling projects per contractor for economies of scale and to encourage contractor participation. Finally, identification of required installation

standards for the measures to be installed, as well as other relevant requirements related to the HOMES Program Guidance. Next slide, please.

Slide 27: Minutes 29:42-31:29

Adam Lokar: In Task 5.4, administrators will develop standard packages of eligible measures to be applied to homes receiving retrofits within each Community Focus Area. The intent of developing standard packages is to simplify and streamline the program for participants and contractors. Packages of measures must be composed of measures that are required and eligible according to the Guidelines. Packages should be designed to achieve greenhouse gas emission reductions, bill savings, and a minimum of 20 percent energy savings. Where possible, and depending on the needs and priorities in the particular community, packages may also be designed to improve air quality, resiliency, grid reliability, and to mitigate impacts from extreme weather events. Administrators will identify expected greenhouse gas and energy savings from individual measures and packages of measures. Packages of measures will be reviewed biannually and adjusted as needed.

In Task 5.5, administrators will develop and implement mechanisms to control retrofit costs, such as cost analysis, competitive bidding, and standard pricing. Administrators will be responsible for ensuring that the average per-home cost of remediation and safety measures, including wiring and electrical panel upgrades, does not exceed the maximums listed in the Guidelines. These are currently \$6,000 for single family homes and units in multifamily buildings, and \$7,200 for manufactured and mobile homes, and may be modified in future updates to the Guidelines.

Slide 28: Minutes 31:29-33:41

Adam Lokar: Next slide, please. Task 5.6 is focused on household-level pre-screening. The goal of this task is to identify households within each Community Focus Area that are the most viable candidates for the program.

CEC has an existing contract in place to develop an EBD screening dashboard, which will be a resource that supports household-level screening by using interval meter data to predict customer-level bill impacts, energy savings, and greenhouse gas emission reductions associated with a range of decarbonization measures.

Administrators will receive a list of pre-screened addresses in each Community Focus Area. Once households have consented to sharing utility meter data during the initial enrollment process, detailed in Task 5.9, the regional administrators will receive direct access to the EBD Screening Dashboard for those households. CEC is considering requiring the administrators purchase access to the Dashboard to expedite the screening process.

For electric utility service territories not covered by the EBD screening dashboard, regional administrators will develop a Household Identification and Screening Plan to identify households that are the most viable candidates for the EBD Program. In Task 5.7, administrators will develop a Manufactured and Mobile Home Service Plan, considering the unique challenges to decarbonize this type of housing. The plan may include coordinating with other programs that serve manufactured and mobile homes, such as the CPUC Mobilehome Park Utility Conversion Program. At least 5% of project and project-related funds must be allocated to serve manufactured and mobile homes.

Outreach and Engagement is addressed in Task 5.8. In this task, Administrators will work with their partner community-based organizations to: develop and customize culturally appropriate outreach materials for each Community Focus Area and conduct culturally appropriate outreach and engagement in each Community Focus Area, with a focus on owners and occupants of buildings identified as the most viable candidates for the program in Task 5.6. Next slide, please.

Slide 29: Minutes 33:45-35:57

Adam Lokar: All right. Following Outreach and Engagement, the next step is to enroll interested households in the program. This is the focus of Task 5.9, Household Eligibility and Initial Enrollment. The Administrators will be responsible for collaborating with CEC to develop an application template that includes fields to collect information about the household, income eligibility, consent to share the household's utility meter data, and consent to a home assessment.

The Administrators will develop a procedure for income verification in compliance with the Guidelines and HOMES Program Requirements.

The Administrator or a member of their team, for example a CBO, will be responsible for supporting interested households through all the steps of income verification and initial program enrollment.

And that brings us to Task 5.10, the Home Assessment. Administrators will be responsible for establishing home assessment processes that must include certain minimum elements listed in the Scope of Work, for example: an interview with the homeowner and/or occupant, and an evaluation of the home's equipment and appliances, duct work, building envelope, electrical panel, and building-related health and safety conditions that may require remediation.

In addition, for projects funded by the federal HOMES Program, the home assessment must meet the home energy auditing standard known as ANSI/BPI 1100-T-2023 and ANSI/BPI 1200-S-2017. Based on the home assessment, the EBD screening dashboard or other analysis of the home's meter data, and the standard packages of measures, the Administrators will recommend measures for the home, including any needed

remediation and electrical work. Recommended measures must be consistent with the eligible and required measures listed in the Guidelines. Recommended measures should also be identified to avoid the need for unnecessary electrical panel upgrades. Administrators will also be responsible for estimating energy savings and bill impacts for the recommended measures. For HOMES funded projects, modeled energy savings must equal or exceed 20%. Next slide, please.

Slide 30: Minutes 36:03-37:54

Adam Lokar: Alright. Following the Home Assessment, the next step will be to develop and execute Program Participation Agreements with property owners and occupants. Program Participation Agreements will include information regarding the measures to be installed in the home and the expected benefits from the installed measures the rights and responsibilities of program participants, including tenant protections, and what occupants can expect during and after the installation, including a phone number to call for questions or concerns.

Information will be provided to the property owner and occupant in English and any other predominant languages spoken in the community, as needed. Regional administrators will develop a Program Participation Agreement template jointly with CEC and then will customize the template for each participating home and collect the needed signatures prior to the building retrofit.

Task 5.12 is where the actual building retrofit occurs. Our contractors will be responsible for obtaining all the needed permits for the retrofit installing agreed upon measures in the home in accordance with the Program Participation Agreement; removing replaced equipment from the site and disposing of it properly; taking care to minimize disruption to home occupants during construction; ensuring that households are involved in the most appropriate rate plan from their utility, as well as any rate, discounts and demand response programs for which they are eligible; programming equipment to achieve energy efficiency and comfort and to minimize energy use during peak periods; informing building owners and occupants about the proper operation of their new equipment and any recommended maintenance; and for HOMES funded projects, providing a post installation certificate with required information about the project.

Slide 31: Minutes 37:56-39:40

Adam Lokar: Right. Task 5.13 addresses Quality Assurance and Quality Control. The goal of this task is to ensure the successful operation of installed equipment and to address participant questions and concerns. Administrators will be responsible for developing and implementing QA/QC procedures that meet HOMES Program requirements. Administrators must ensure the quality of retrofits for a minimum of 12 months, and promptly address any deficiencies. Finally, administrators must maintain a

hotline for program participants to report problems and questions regarding equipment operation.

In addition, in Task 5.14, administrators will be responsible for surveying participants after the completion of the installation to collect information about their experience with the program.

Task 6 is focused on ensuring continuous program improvement. In this task the administrators will consider results, lessons learned, and data from program implementation to evaluate the program's success and propose and implement course corrections on a regular basis.

So, when proposing program adjustments, administrators will take into account contractor performance, actual energy savings and bill impacts, feedback from program participants through Hotline calls and surveys, input from the Advisory Group and CEC staff, budgeted versus actual expenditures, and other program metrics.

CEC will take an active role in program oversight to ensure that the program achieves its goals of reducing greenhouse gas emissions and advancing energy equity across the state. Next slide, please.

Slide 32: Minutes 39:42-40:33

Adam Lokar: Task 7 is focused on coordination and layering with other programs. Administrators will be required to develop a Coordination Plan that minimizes complexity for program participants and contractors, utilizes complementary funding sources prior to EBD funding whenever possible, and meets the legal and regulatory requirements of each funding source.

Task 8 is focused on coordination with other CEC programs, in particular CEC-funded public interest energy research. For example, this may include supporting research on the indoor air quality impacts of building decarbonization by facilitating access to a group of sample homes served by the EBD Program to allow researchers to install air monitors and collect air quality data pre- and post-retrofit.

Slide 33: Minutes 40:33-42:31

Adam Lokar: Next slide. Great! Well, that is all for the Scope of Work, and now we will shift gears to the Evaluation Criteria that CEC will use to score applications. So, this slide shows the topics upon which applications will be evaluated. The full Evaluation Criteria table in the Solicitation Manual includes much more detail within each of these categories.

So, the middle column shows the possible points available in each category, and the right-hand column shows the minimum passing score in each category, which is 70% of the possible points. I want to point out that proposed initial community focus areas is one of the evaluation categories. As I mentioned, earlier, applicants will be required to propose specific initial community focus areas as part of their application. The score in this category will reflect the extent to which the proposed initial community focused areas are identified strategically to meet the criteria listed in the Guidelines and solicitation as well as the extent to which the application includes partner organizations in each initial community focus area. In addition, the scoring criteria includes 5 bonus points. If one or more of the proposed initial community focused areas are shovel ready, meaning that installation work can begin quickly after program kickoff. For example, this could be accomplished if the application were to incorporate a partnership with an existing direct install program that has the capacity to scale up and serve a proposed initial community focus area. If awarded EBD funds.

I also want to point out the category on the table listed "Proposed Approach to Program Implementation." This is where applicants will be scored on their proposed approach to carrying out all the program implementation tasks listed in Task 5 of the scope of work which are the tasks I described on the previous slides. Great next slide, please.

Slide 34: Minutes 42:32-42:55

Adam Lokar: Attachment 9 to the solicitation is the EBD State terms and conditions. Applicants will be required to agree to all the Terms and Conditions included in this document. Some of the topics addressed in this in the document are listed here on this slide. But for details, please see Attachment 9. Next slide, please.

Slide 35: Minutes 42:56-44:08

Adam Lokar: Great. In addition, applicants will be required to agree to the Federal Awards Terms and Conditions which are included in Attachment. 10. Note that regional administrators are referred to as recipients in the solicitation but are considered subrecipients for the purpose of HOMES funding, since CEC is the primary recipient of those funds from DOE.

This slide lists some of the topics addressed in the Federal Awards Terms and Conditions, but I again encourage you to refer to Attachment 10 for details. It's important again to note that subrecipients are not eligible to earn profit from Federal awards, as I mentioned earlier. This means that regional administrators may not earn a profit under this agreement, however, subcontractors of the regional administrators are eligible to earn profit.

I also want to emphasize the current guidance we have from DOE that indicates that administrators will not be required to complete National Environmental Policy Act Logs

or Historic Preservation reporting for homes and that the Build America Buy America and Davis Bacon requirements do not apply to this program. Alright, and with that I will turn things back over to Susan Mills.

Slide 36: Minutes 44:12-45:05

Susan Mills: Great. Thank you, Adam. To reiterate, we believe that strong partnerships are essential to the success of this program, which is why the solicitation for regional administrators will require applicants to come in as a team.

Teams must include two or more community based organizations and may also include other public or private entities, such as local governments, utilities, community choice aggregators, regional energy networks, or others. We encourage you to use the optional sign in sheet as a way to find potential partners. As a reminder, responses to the sign in sheet will be posted to the docket after the workshop.

We also encourage prospective administrators and organizations that are interested in participating as part of a team to use the Empower Innovation website to make connections and form partnerships.

Slide 37: Minutes 45:05-45:12

Susan Mills: I'll pass it over to my colleague, Katie Webster, who will show a live demo of the Empower Innovation website.

Empower Innovation Live Demo Screenshare: Minutes 45:13-51:38

Katie Webster (she/her): Great Susan. My name is Katie Webster. I'm an Energy Commission Specialist on the Equitable Building Decarbonization team and today I will share a quick demo of the Empower Innovation website.

Empower Innovation is an initiative funded by the California Energy Commission. It is a platform where people and organizations can connect to other organizations and funding opportunities. I'll be highlighting parts of Empower Innovation website that are most relevant to today's workshop. But once you register and join, I encourage you to explore the help page for additional information.

To create an account, go to empowerinnovation.net and click sign up in the top right corner. You can create an account with your LinkedIn profile, or you can make a new account using your email address and setting a password.

Once you've created an account and log in, you'll be taken to your dashboard. A vital step is joining your organization. You will need to add your organization to your profile to be able to fully utilize the features being shown today.

To see if your organization already has a page on the site, go to the organization's page under the community tab at the top of the page and click on organization. Here you'll be able to use the search box in the top left to type in the name of your organization. If your organization does not show up in the search, then it may not have a page set up. You can create a new organization page by hovering over the blue plus sign in the bottom right of the screen and clicking add your organization right above. To join an existing organization page search for the title and click on the title that pops up in search. In the top right corner, you'll see a button that says join organization. You will click that, and it will send a request to the organization admin, and they will be able to approve your request. In addition, if you would like to save other organizations that you are not a member of, you can click the star and it'll save it to your favorites.

Similarly, you can search for funding opportunities. You can find funding opportunities by clicking on funding at the top. Like the organization's page, there's a search box in the top left corner. To find our program, type in equitable building decarbonization and click on the title that comes up in the search. I would like to note that once our final solicitation is released, this page will contain more information. You can similarly save a funding opportunity by clicking the star, and it will be on your dashboard.

From this page you can click on, find a partner. This is how you can send out a bulletin to other interested parties in this funding opportunity. To fill out this form type in your name, the organization you are a part of and then select what your organization is offering and what your organization is seeking. To provide a more descriptive word, you can click other and type something in the box. If you would like to be considered as the prime applicant in your group, you can check this box to designate yourself as prime. The prime setting is optional. However, all other fields are required in this form. Lastly, at the bottom, I would encourage you to write in which region you're interested in applying, and that way others will know which region you want to apply for.

So lastly, I'll show you the help page. You can find that by clicking the question mark in the top right corner. The help page has several detailed explanations for how to use different functions of the website. I'll take you back to your user dashboard. You can find that by hovering over the person icon in the top right and clicking dashboard. Here you can see your favorites. I have favorited the Energy Commission and the Equitable Building Decarbonization Program. You can also see partner requests that you have created. With that I will hand it back over to Susan.

Susan Mills: Thank you, Katie. for the demonstration of the Empower Innovation website. Take us back to our PowerPoint.

Slide 38: Minutes 51:41-51:53

Susan Mills: And we will now respond to questions from the Zoom Q&A that have not already been answered and also invite live public comments. So next slide, please, Katie.

Slide 39: Minutes 51:53-01:41:36

If you have a question, you can type it into the Zoom Q&A now. If you'd like to comment verbally, use the "raise hand" feature in Zoom so we can announce your name and unmute you. To comment by telephone, press STAR-NINE to "raise your hand" and STAR-SIX to mute/unmute. When called upon, please unmute yourself, say and spell your name, state your affiliation, and make your comment. There is a 3-minute limit to ensure everyone has an opportunity to speak. And again, we strongly encourage you to follow up with written comments to the docket after the workshop. Okay, let's get to some Zoom Q&A. Don't see anyone's hand raised yet.

The first one from Cooper at QuitCarbon: *Given Administrative Costs are limited to 5% (did I get that right), and "outreach" (aka "marketing") is part of Administrative Costs, what happens if the allowed outreach budget is insufficient to reach and engage the targeted number of households?*

Good question. Again, this is a draft solicitation. We do feel like given the amount of money that is included in the program, it is a significant amount of money allocated towards admin. But we do encourage comments in the docket if you feel like a different admin minimum needs to be set or different allocations across different years - maybe there's more upfront costs in the beginning and then would taper out towards the end. So when the final solicitation comes out, there will be the budget forms, and there will be, you know to - just as you're crafting your packages, just be mindful of the outreach and engagement that is going to be required, looking through the scope of work that you have there, and then allocating your budgets.

Let's see, next question. *Will the Commission reconsider the restriction to including profit for the prime recipient?*

Right now, the solicitation is drafted as a grant funding opportunity, so primes are unable to receive profit as you've heard, where subcontractors under the prime are able to receive profit. If you have some thoughts on that, please submit them to the docket again. This is a draft solicitation, the final is yet to be released, so we do encourage you to make those comments into our docket. As far as - there was another comment here related to nonprofits. If they were the Prime's, any prime is unable to make a profit, whether that's a nonprofit or not. Just the prime on that application is unable to make a profit.

There is a question in here, I'm just looking up the comments. *What percent of total administrative budget will the CEC advance? Will the CEC issue ongoing advance payments as initial advance is exhausted?*

Diana, do you have that answer on our advanced payments?

Diana Maneta: I don't have it right in front of me but let me try to dig that up and see if we can answer that question here shortly.

Susan Mills: Thank you.

Diana Maneta: Susan while I'm on camera here, I can just jump in and take another written question if that's okay.

Susan Mills: Absolutely, thank you.

Diana Maneta: Alright. I see a question: *Are the appliances offered under the program required to be Energy Star rated?* So details about those requirements are in the EBD Program Guidelines. We can put that link in the chat as well. And for heat pumps and heat pump water heaters, the requirement is that they meet the highest efficiency tier, not including any advanced tier, established by the Consortium for Energy Efficiency. That either equals or exceeds Energy Star rating, depending on the specific product category. But thank you, Prince, for putting that link in the chat. You can see more details in the eligible measures section of the Program Guidelines.

Susan Mills: Thank you, Diana. We do have a raised hand. So let's go over to the live comment, Chad, go ahead and unmute yourself, and please say your name and your affiliation. Chad, are you there? We don't hear you. I'm asking you to unmute, so I think you'll have to do it on your end. There you go. Looks like you're on mute from my end, but we still cannot hear you. Okay, we'll move on, and maybe you could put your comment in the QA. Or see if you can get access to your microphone, I'm going to move on.

There's another hand raised hand, Mark, I'm going to ask you to unmute. Please state your name and your affiliation.

Marc Bigby (CLEAResult): Yeah, Marc Bigby, CLEAResult Consulting, just wanted to a couple of comments. You know, I would definitely agree that the 5% cap on admin, given marketing and outreach being considered under Admin, based on our experience with similar work in California, is pretty unfeasible. But also wanted to comment on the fact that the administrators looking to not be able to receive any kind of profit, including overhead and things like that. And then also a 10% sort of pass through, or capability of profit for subcontractors. I guess both a comment and a question. Would that include installing subcontractors? As a former electrification contractor, I had to maintain at least a 30 to 40% gross profit margin just to cover overhead costs. Ten

percent would drive me out of programs like this. So just curious as to what the rationale was behind that, or if that's something that that could be commented on for potential change?

Susan Mills: Yes, everything is open to comment and encourage you to put that in writing in the docket as well. We are allowed to advance payment. And so we do want to ensure that installers are being paid timely and so we want that to pass through and not be a burden on the regional administrators. So there is that aspect. Again for the 5%, we are open to consideration. So yes, please put your comments in the docket.

Marc Bigby (CLEAResult): Thank you.

Diana Maneta: Susan, I can just follow up on the question I wasn't able to answer before. There is a limit of 25% according to our authorizing statute. 25% of the funds can be advanced at a maximum.

Susan Mills: Thanks, Diana.

Susan Mills: Okay, so I don't see any more hands raised, so let's go back to the Zoom Q&A: *Is the CEC looking for specific names of CBO partners and the responses?* We are not looking for any names in particular. That's up to you to reach, within each region you know, having community-based organizations that will serve particular communities in your region so definitely a regional approach within each of the 3 regions. Diana, do you want to add anything to that?

Diana Maneta: Yeah, I was just going to add, I think I interpreted the question to be whether they should tell us in their application who their CBO partners will be. I think we say yes. The application will ask for the team members to be specifically identified.

Susan Mills: Yes. So all your team members/CBOs will need to be identified. Correct.

Susan Mills: Okay, let's move on to the next one. I'm going to continue in the Q&A: *The Draft EBD scope of work, Task 3 states the recipient shall coordinate with the other regional administrators to subcontract, select, or develop a single project management tool for data collection and management across all regions of the program. One, can you describe the selection process in which you anticipate this happening? Is this coordination with other regional administrators envisioned to happen in parallel with the solicitation, or after or once regional administrators have been selected?* The second part of the question: *Will the metrics required in the dashboard be finalized prior to the solicitation? Or will they be finalized after regional administrators are selected? Will the program administrator be consulted in the selection of these final metrics to ensure the metrics can be feasibly collected?* Diana, do you want to take this one?

Diana Maneta: Sure. Yes, the way that we've described the process in the draft solicitation is that that selection process would happen after the 3 regional administrators are selected. So it's not something we'd be expecting applicants to somehow coordinate with other applicants. That would be after, again, after those regional administrators are on board, that coordination and selection would occur.

That was the first question, the second question, yes, we are envisioning that as a collaborative process that would involve the CEC as well as the 3 regional administrators, for precisely the reason that you mentioned, to ensure the metrics can be feasibly collected and ensure that all of the CEC's statutory and other requirements are met through that data collection process. So hope that answered the question. As Susan has mentioned, we are seeking input. And so please feel free to provide input on that process as we've included it in the draft Solicitation.

Susan Mills: Thanks, Diana. I see a hand raised. Al, I'll go ahead and ask you to unmute and please state your name and your affiliation.

Al Gaspari: Hey? This is Al Gaspari with PG&E, can you hear me?

Susan and Diana: Yes.

Al Gaspari: Okay, so I might have jumped over my colleague Moses Gastelum, who's also on, but I'll cover the question for Moses. Task 5.1 directs the recipients to communicate with the electric utility, (which PG&E is really grateful for the CEC for including, and we really look forward to working with you as implementation partners on this) as you identify the proposed community focus areas. There is a focus on, you know, understanding where there might be capacity constraints, with the intent to avoid the various areas that need distribution upgrades, or there may be able to include, maybe you provide costs that are incurred by the customer. We are excited to work with these parties to help ensure that this program is successful. But if there is a situation where we're not able to alleviate the cost contribution to the customer due to the capacity upgrade, is that something, and the Guidelines also state that the utility-side upgrades are ineligible for program funding, would those projects, then would those customers be ineligible for the program if we were unable to mitigate that customer cost contribution?

Diana Maneta: Susan, would you like me to address that question? Yeah, thanks Al, great question. So just, you came through a little bit fuzzy, so I'll try to repeat the question. Al, please correct me if I misstate it. This is Al Gaspari from PG&E. And he was asking about, well, speaking about the requirement in Task 5.1 for the regional administrators to coordinate with the electric utility that serves each community focus area and specifically to the extent that utility-side distribution system upgrades would be needed. In some cases, the utility is not able to pay for those. The EBD Guidelines

state that on the utility side, those upgrades are not eligible for EBD funding, and so the question is, would those households be ineligible?

I think that's likely the case if another funding source couldn't be found to cover those costs, because they are ineligible for EBD Program funding. Unfortunately, those households likely would not be able to be served by the program.

I do want to say that, just so folks are aware, we do in the Guidelines and the solicitation, also really encourage retrofit projects to be designed to avoid the need for unnecessary electric panel or electric service upgrades. We know we expect that service upgrades will be necessary in some homes, but we do not expect them to be needed in every home, based on information we've seen from past programs. So I want to emphasize that as well. But Al I hope that answered your question.

Al Gaspari: It did, and thank you. And just to be clear, we really are committed to working with the CEC and the parties involved, and you know, mitigate that impact on customers. We just wanted to make sure that that was the intent and understanding it. But yeah, we're really excited about this opportunity. And you know, we're looking forward to seeing this for our customers. Thank you. I apologize that my computer audio is a little off.

Diana Maneta: No problem. Thank you so much for the question and the comment. Appreciate it.

Susan Mills: Thank you Al. Thank you, Diana.

Susan Mills: I just wanted to go back to Mark's comment on overhead and that we're going to look into this, and we'll clarify if overhead is considered part of profit or not. Just wanted to follow up with that. Okay, let's go back to the zoom chat.

Susan Mills: We have an anonymous question here: *Even if the solar and storage are not eligible for funding, could they still be part of the package; i.e., would something that made the measurement of energy savings difficult make a package ineligible for funding?*

Diana, you want to take this one?

Diana Maneta: That's a great question. So I think this was a follow up to a question I answered in writing about solar and storage being potentially a part of these retrofit packages, so I just want to state my first answer so everyone is aware, is that solar and storage are not eligible measures for EBD Program funding according to our Guidelines. However, as the commenter, I think, rightly pointed out, they could be included in a retrofit if the administrator could work to coordinate with a program that does fund one or both of those measures. So that's a very valid point. No, that would not make the project ineligible for funding, and I think we need to follow up on details about how

those, I think it's a good question about, how would those energy savings be verified in that case? Clearly, that does complicate things. I don't have the answer right now, but that's something that we will look into. So I appreciate you raising that.

Susan Mills: Thank you. Next question in the zoom. *Has there been any thought as to how implementers or CEC are to handle rogue contractors that are not participating in the program? This occurred during the property-assessed clean energy programs.*
Diana?

Diana Maneta: Thank you so much for pointing that out. I think that's something we're going to have to take back and give some thought to. We will, I think, as the commenter is acknowledging, have a lot of requirements related to contractors that are officially part of the program in terms of their experience, qualifications, and so forth, as Adam was describing. But in terms of, I think the question is like, if a contractor were to fraudulently represent themselves as being part of the program when they were not, you know, how would we deal with that? Again, don't have an answer right this minute, but that's definitely something that we will take back and look into. It's an important concern.

Jen Nelson: Yeah, and Diana, this is Jennifer Nelson. I'm the manager of the Equitable Building Decarbonization Branch. I just want to add on to that and let the participants know that staff/the program has also been consulting with the Department of Justice on making sure that we do not have a repeat situation of that, and to minimize any kind of fraud and abuse in this program.

Diana Maneta: Great. Thank you. Jen.

Susan Mills: Okay, next question: *How soon after contract issuance will CEC issue the advance payment?* We will take this up with our Budget office and clarify. We can take that one back and let you know.

Susan Mills: Next one: *What percentage of the 292 million will go to EBD?* This is relating to Homes and that is to be determined. Please participate in next Thursday's workshop, March 21st, and this budget will be discussed there.

Susan Mills: Okay, we have a hand raised, so we'll pivot to that. Jacob, would you please state your name and your affiliation? I'm going to open you up to speak.

Jacob Alvarez, CVAG: Thank you. I name is Jacob Alvarez. I work as a part of the Inland Regional Energy Network as well. And I'm the one who posed the question about the contractors, the fraudulent contractors. It's just kind of a bit of for your information. In reaching out to CBOs, that's one of their biggest concerns, because at the end of the day they're the ones that are interfacing with these vulnerable communities, and they're a bit fearful that if that were to occur, it looks bad upon them. Obviously, you know,

from a government perspective, in this program, we're kind of arms distance away. But it's the CBO's, who, as you could imagine, especially a lot in these state programs and grants and opportunities to go out and engage the public. This is where they're making their money. And it ends up kind of ruining the relationship with the community that you know that they're supposed to be representing. So just kind of a food for thought. Thank you.

Diana Maneta: Thank you so much. Jacob. Yeah, that's really helpful context, and really appreciate that concern. And we take it seriously as well. So thank you.

Jacob Alvarez, CVAG: And it makes them kind of worried about joining and being supportive of the program. So it's making it kind of difficult for us to, you know, we're trying to put in some sort of measures that would eliminate that, but that's the prime of my question. It's their concern as I stated already. So basically, thank you.

Diana Maneta: Jacob, can I ask a clarifying question about that comment? So like, as I mentioned, this program will not be kind of open market/any contractor can participate and offer these direct install incentives to homeowners. It'll only be contractors that meet the qualifications and are enrolled in the program by the regional administrators.

So just to be clear, is the concern about those contractors, maybe being bad actors that are that are enrolled in the program, or is the concern that other contractors might, like I mentioned previously, fraudulently represent that they have these rebates available or these incentives available, when in fact, they're not participating in the program?

Jacob Alvarez, CVAG: Yeah, I would say, it's the latter. It's the ones that are not a part of the program. Because like conceptually thinking about, how do you, (like, I'm in the southern region, I'm out in the Coachella Valley), so when you're looking at implementing in a whole Southern section or any other region by that matter, you know where these contractors coming from: are they spread out throughout the region, the good actor ones? And then what I would figure out is, if there's some sort of feedback loop that says, hey, you know, this contractor did really good, or I had issues with this contractor. And then is there like a 3 strikes thing. Where, if this contractor really didn't do or didn't operate to the satisfaction of the resident? Is there a way that it gets reported back to the implementing agency? I'll just leave it at that.

Diana Maneta: Thank you. Yeah, that's really helpful. I guess just a couple of comments I'll make in terms of what we have in the Draft Solicitation at this point. And that is that participants will be surveyed in terms of their satisfaction, including your experience with the contractor, and also, as Adam mentioned, we will be tracking sort of the results, energy savings bill impacts resulting from these projects. There will be the ability, and, in fact, the requirements of the regional administrators to have a process for removing contractors from the program if the results are not satisfactory. Again, either the customer survey results or the actual kind of energy and bill impact results

associated with the quality of the installation. So I wanted to mention that. I know that doesn't address doesn't get to the point about kind of contractors fraudulently representing that they participate in the program when they don't, but in terms of the contractors that are enrolled in the program, there will be processes for removing them if needed.

Jacob Alvarez, CVAG: Thank you.

Diana Maneta: Thank you for your for your comment. And again on this topic and others, we do encourage written comments as well, and suggestions that folks have to address these concerns.

Susan Mills: Great! Thank you both. There's another raised hand. April. Go ahead and unmute. Please state your name and affiliation.

April Price: Hi, yeah, this is April Price with 3C-REN. And I asked the question about the solar and storage as well. Basically, I'm trying to get at you know whether participants will still be eligible for the program if metered savings are really not possible. So you know, solar and storage was one example. But mobile home parks with a shared meter, or people that have lived in their home for less than a year and don't have like a baseline. Just circumstances like that where measuring savings would be challenging. Thank you.

Diana Maneta: Thanks, April, for bringing that up and for kind of expanding and clarifying the question. That's something we're going to have to look into. I think you're raising a really important point there. About how the energy savings requirements would be addressed in those circumstances. So again, don't have the answer for you today, but definitely an important question that we will take back and look into.

Susan Mills: Thank you both. We'll go back to the Zoom Q&A. There's a suggestion here from Sonoma Clean Power Programs team suggestion to possible regional administrators: *Reach out to the CCAs in the region for planning and assistance in marketing, targeting, and outreach, they can offer resources and absorb some costs.*

Susan Mills: Thank you for that. Okay, next question for the advisory group. *Is there one advisory group for all 3 regions or one for each region, and can EBD Program Implementers be part of the advisory group?*

So I can take this one for now, Diana, chime in. There's going to be one advisory group for all 3 regions. Each of the regions will propose a list of 5 members, and then will work in collaboration with the CEC for one group to cover all the regions. We don't anticipate that the regional administrators will be a part of the advisory group. They'll be included in the conversations and the meetings and discussions as the regional

administrators. But we're really looking for other organizations to be a part of the program in that advisory capacity.

Susan Mills: Okay, let's see, next question: *Does the 5% administration include compensation to CBO partners that are brought on solely for outreach? Or is that separate?*

Diana, do you want to take this one?

Diana Maneta: Sure. Yeah. So the breakdown that Adam showed between administrative, project related, and project costs. The 5% restriction would apply to anything in that isn't in the project or project related categories, including whether that's a CBO carrying it out. I do want to point out some of the tasks that may potentially be done by a CBO such as the initial enrollment process, holding the homeowner's hand through those steps, those we are defining as project related costs, so they wouldn't be subject to the administrative cap, but sort of an initial outreach steps would be, so I hope that answered the question. And again, something we're definitely interested in input so please feel free to share your comments today or in writing. Thank you.

Susan Mills: Great another question on the advisory group. It is a single entity with reps from each region so just clarifying it'll be one advisory group to cover all the regions.

Susan Mills: Okay. Next, one. *Culturally appropriate marketing and outreach is considered part of Admins costs. If so, the 5% cap will lead to challenges in making sure the Marketing, Education and Outreach is successful, especially if CBOs are to be compensated.*

Diana Maneta: Yeah, thank you for that comment again. That's exactly the kind of input we're looking for, so appreciate that. The CBOs are to be compensated. I mean just to be clear, applicants should include all team members, including CBO's in their application and in their budget. And appreciate that comment.

Susan Mills: Great! Thank you, Diana.

Susan Mills: Don't see any hands raised. We'll continue on with the Zoom Q&A. *Does the CEC have a methodology for calculating the 5% savings holdback in a scenario where efficiency and fuel switching measures are employed in the same project?*

Susan Mills: Diana, do you want to take that?

Diana Maneta: I'm not sure I understand the question. So if the, as I see, it's an anonymous question. But if the person would like to either follow up in writing or raise their hand and ask the question verbally, that'd be great.

Susan Mills: Thank you. OK.

Susan Mills: *Can the organization providing statewide reporting under Task 3 be part of an administrator team that is awarded a contract in a region? Or does that organization need to be separate from a regional team?*

Susan Mills: I'm checking with our legal team on that, if that's legally allowed. Diana, do you want to add anything else here?

Diana Maneta: Nope.

Susan Mills: Okay, let's keep on going. I see a hand popped up, so let's go over to that live comment, Mudit, if you would like to unmute yourself, state your name and your affiliation, please.

Mudit Saxena: Yes, thank you. Mudit Saxena, Xerohome. So my question is regarding the outreach and the EBD screening dashboard. So thank you for noting that the screen dashboard will be available to implementors. But my understanding is that that's meter-based approach. Firstly, could you please confirm that that is, that is an accurate assessment that the EBD Screening dashboard will provide meter-based analysis?

Diana Maneta: Yes, that's correct.

Mudit Saxena: Okay, and then, following up for that, I wanted to urge, if you would consider a more detailed approach which includes modeling for outreach such that the reason I'm bring this up is because, the requirement for 20% energy savings almost necessitates a combination approach, not just electrification, but in electrification and energy efficiency. And this is where modeling-based approaches have been more powerful in combining the impacts of multiple measures. And we would really like to urge that the CEC consider looking at modeling-based approaches for outreach and identifying those deeper energy savings. And that would allow us to kind of go a little bit deeper. That I'll keep my comments very short here. But this, this is a lot more that I have thinking around this. But the meter-based approach kind of limits our ability to only target homes that are higher energy usage homes to begin with, still the lower hanging fruit is easily got there. But when we're talking about low-income families, low-income homes, these homes have very low energy signatures to begin with. So it's harder to determine savings from there without having some sort of an asset based approach. So I'll leave it to that, and just ask you to consider to really think about a modeling based approach for targeting as well.

Diana Maneta: Thank you, Mudit, really appreciate that comment. And if you're able to submit written comments to the docket on that point, for our consideration, we would appreciate that as well. So thanks so much for weighing in.

Susan Mills: Thank you very much. I'd just like to pivot back to the budget conversation. The CEC budget forms do provide an allowable entry for indirect overhead and fringe benefits for prime recipients. So just want you to know that is a line item in the budget for the prime and hopefully that offers a little bit of clarity on that piece.

Then also back to Task 3 on the project data management. Just want to make it clear that it is a single project management tool that will span across regions for data collection. So one tool to span across the three regions for the whole program.

Okay, going back to the Zoom Q&A: Does the CEC have a methodology for calculating the 5% savings hold back? Oh, we already did that one. Sorry if you could just clarify on that one. Ok.

Susan Mills: *How will the energy savings requirement be applied to multi-family buildings?* Diana?

Diana Maneta: That's another one where I think if the commenter has more specifics they're wondering about, please elaborate on the question. Please feel free to again type another question or raise your hand and kind of clarify verbally what you're wondering there.

Susan Mills: Okay, we have one more open question in the Q&A. *You mentioned that subcontractors are able to make a profit. Are there any other restrictions on subcontractor profit? I believe many CEC contracts have a cost-plus structure and something like a maximum 10% profit margin. Would that apply to subcontractors?*

Susan Mills: Yes, I believe the 10% does apply to subcontractors.

Susan Mills: We just got one more in the Zoom Q&A: *Will it be necessary for contractors to undergo training on decarb or energy efficiency and what is expected of their customer service services prior to beginning to work on the program. In other local programs in our area, contractors did not understand energy efficiency?* Diana?

Diana Maneta: Yeah, thank you for that question. So in the Program Guidelines for the EBD Program, those do include training and experience requirements for participating contractors. And just briefly, again, I think we put the link to the Guidelines in the chat, so you can see those details. But just in brief, those require that at least a third of all construction workers on a project meet specified minimum training and experience requirements, that could either be: graduation from a State approved apprenticeship program or at least three years of relevant installation experience and training or certification in the type of equipment being installed. Then there are also provisions for

the regional administrators to provide a preference as they're enrolling contractors in the program for contractors that meet other criteria, some of which are kind of experience based, and other of which are to ensure diversity of local contractors: contractors that are small businesses, women, minority, disabled veteran, or LGBT business enterprises, and some other preference criteria. So the regional administrators, as Adam mentioned as part of the scope of work, will be required to develop a Workforce Plan that explains how they will actually meet those requirements I just mentioned. But yes, the intent is certainly, and the requirement will be, that contractor participating contractors have an adequate level of training and experience in order to participate in the program.

Susan Mills: Thank you, Diana. *What level of documentation will the CEC require to show prevailing wage requirement is met?*

Diana you want to take this? So I can check in with our legal team? Yeah, let me check in with them, and then get back to you on that. I'm going to repeat the question: *What level of documentation will the CEC require to show prevailing wage requirement is met?*

Susan Mills: But let's go on to another question. I see a raised hand. Nelson, I'm going to go ahead and allow you to talk so please unmute yourself. State your name and affiliation.

Nelson Lomeli: Hey there, Nelson Lomeli, with San Diego Community Power. This is just more of a general comment on some of the discussion that's been had around the CBO and the 5% administrative cap. I think, if CBO compensation for culturally appropriate outreach is subject to that 5% cap, I think the CEC's kind of putting itself in a position to fail on the marketing and outreach. I think you should consider excluding CBO compensation for culturally appropriate outreach from the administrative cost. Otherwise, I think it's really holding the program back in terms of who's going to be able to participate. I understand the CEC's intent and also the fact that the hand holding component of a CBO won't be subject to that, but you really should consider excluding it, or somehow capping it at something different. Thank you.

Diana Maneta: Thank you, Nelson, for that comment. Really appreciate that.

Susan Mills: And again, if you have an opportunity to post to the docket a written comment, that'd be great. Okay back to the Zoom Q&A: *Will it be possible to encourage the PA to normalize their definition of relevant trainings and certifications to DOE-defined core competencies for HVAC, electrical, etc.*

Susan Mills: Need to check in with my HOMES team on that one so we can get back to you on that. I'll move on to the next one. *Can you clarify program requirements? The*

allocations presented today seem to be different than in the solicitation manual requirements on page 19 to 45?

Susan Mills: Is there anything in particular about what was presented today that you felt was different from the solicitation manual? We didn't go through the entire scope of work or the manual in our slide deck. We did highlight certain key aspects to the program, so it was not an inclusive slide deck today. But if you have specifics in mind, please clarify in the Q&A or feel free to raise your hand.

Susan Mills: Let me see, just give me a minute. I'm chatting with my legal on the side, so I need to make sure if I have answers to your questions now, or we'll have to take these back for later. Diana, do you have anything to add?

Diana Maneta: Yeah, I think one of the questions I asked for clarification on earlier has been clarified in the in the Zoom Q&A. It says: *The draft RFP states that 5% of the project costs will be withheld until it can be shown that at least 80% of model savings is measured. What is the methodology for calculating savings in a project that employs energy efficiency and electrification measures?*

Thank you for clarifying that question. The methodology would be the same in terms of that advanced meter-based measurement, whether the project is, well in this case the projects will never just be energy efficiency, I guess I should say, based on the requirements of the EBD program. They will always include an electrification component. Again, either a heat pump for space heating and cooling, heat pump water heater, or both, and potentially other electrification measures. And so the savings methodology and requirement would still apply given those electrification measures. We are looking at and hoping to allow for an alternative baseline calculation for when a heat pump for space heating and cooling is installed in a home that didn't previously have cooling, which is really important, we believe, in a lot of the communities that this program will serve, to address extreme heat mitigation. That would be difficult, you know, that could be difficult to achieve those required energy savings. But an alternative baseline is a way to say, let's look at what this home would have used if it had had an air conditioner before, and then compare the after-the-retrofit-savings to that scenario instead of the actual energy use before. So that's something we're looking at and hoping to include, based on DOE's input, in order to ensure that those homes, those projects aren't excluded from the program. So I hope that did a better job of answering that question. Thanks for clarifying.

Susan Mills: Thanks, Diana. We'll go back to that prevailing wage question: *On what level of documentation will the CEC require to show prevailing wage requirement is met?* We require certification on budgets relating to prevailing wage.

Diana Maneta: I can jump in on it. We got clarification on the question about why is the information we presented different from what was in the draft solicitation manual? This

is a commenter from TRC, and he or she clarified: *The percentage allocation for low income seems different. And also the percentage and disadvantaged communities.*

Diana Maneta: And I just want to clarify, I don't know if it's worth going back to that slide on program requirements for a second. I think it's slide 19. So to answer this question, I think this might be what you were referring to, these boxes along the bottom should all match what you see in that solicitation manual on page 19, 65% to DACs, etc. Those requirements on the top, that a hundred percent of funding flow to low-income households and into underresourced communities, are overarching requirements based on the EBD Program Guidelines. They're not explicitly mentioned on that page of the solicitation manual. That might be something we decide to go back and clarify for the future. But the manual mentions many times that consistency with the Guidelines is required. So I think it's just a matter of those don't seem to appear in bullet points on that page. Again, they are based on the Program Guidelines. So, I hope that answers the question, and please clarify if I didn't answer the question. Thanks.

Susan Mills: Thank you. Okay. Next question: *The 5% retention is based on demonstrated savings. Is the proposed methodology for the demonstrated savings for multifamily buildings using metered data based on aggregated data of all units, or for each unit individually?* I'll pass that to Diana.

Diana Maneta: Yeah, I think that's something we're going to have to look back at federal guidance on. I don't have the immediate answer to that question. It's an important one for us to clarify. So thank you for pointing that out.

Susan Mills: Are there any other questions, any other raised hands? If not, I'll go ahead and move on to the next slide.

Slide 40 Minutes 01:41:36-01:41:51

Susan Mills: Okay, thank you so much for all your comments and your engagement, for being here today. We really appreciate your engagement on this process. Before we close we will review the next steps. So next slide, please.

Slide 41: Minutes 01:41:53-01:42:47

Susan Mills: So, as we discussed earlier this morning, these are the next steps in the process. We're completing our pre-solicitation workshop and the deadline to submit comments on the Draft Solicitation is Friday, March 29th. After that date, we'll finalize the solicitation which we are currently planning to release by April 30th. The deadline to submit proposals will be June 30th, which is 60 days after the final solicitation is released. As a reminder, once the final solicitation has been released, CEC technical staff and leadership will be unable to discuss or respond to any questions related to the solicitation until the notice of proposed awards is posted. All questions or clarification

must be submitted to the contract agreement officer, who will be identified in the final solicitation. Next Slide.

Slide 42: Minutes 01:42:49-01:43:20

Susan Mills: Again, the comment deadline is, Friday, March 29th at 5 PM Pacific. The web pages for the EBD Docket and the Inflation Reduction Act Docket for HOMES are listed on the slide and include instructions for submitting comments in the docket.

Also included here is the EBD program webpage and email. If you have any questions about the draft solicitation, please reach out to us through this email. Next slide.

Slide 43: Minutes 01:43:22-01:43:26

Susan Mills: And with that we are adjourned. Thank you all and enjoy your afternoon.