

**DOCKETED**

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**Prioritize EBD Direct Install Program Funding - Joint Letter**

*Additional submitted attachment is included below.*



June 18, 2024

Reliability, Renewable Energy & Decarbonization Incentives Division  
California Energy Commission (CEC)  
715 P Street  
Sacramento, CA 95814

To CEC Staff,

We appreciate the ongoing transparency and collaboration that CEC staff have embodied throughout the creation of the Equitable Building Decarbonization (EBD) Program.

The Greenlining Institute, Leadership Counsel for Justice and Accountability, Rewiring America, Association for Energy Affordability, California Green New Deal Coalition, California Housing Partnership, Building Electrification Institute, Building Decarbonization Coalition, Strategic Actions for a Just Economy, and Sierra Club California are writing to **urge the CEC to prioritize funding the Statewide Direct Install Program in the overall Equitable Building Decarbonization program** the CEC has been developing in the last couple of years. These organizations and other partners from the Healthy Homes Work Group (HHWG) have continuously uplifted the importance of the EBD program for priority communities and the need to protect funding for it even during a difficult budget year for the state. When the Governor's January and May Revision budget proposals called for significant cuts to the program, our organizations rallied the legislature in support. California's budget looks like it will preserve \$551M for the overall EBD program, \$53M more than was called for in the Governor's May Revision budget proposal but still a significant cut to a much-needed program.

To ensure that priority households continue to be placed first when facing difficult budget cuts, **we ask that the CEC prioritize funding the EBD Statewide Direct Install Program.** As shown in the chart below from the Equitable Building Decarbonization Direct Install Program Guidelines

adopted in October 2023, \$80M and \$30M respectively were to be allocated to the EBD Statewide Incentive program and Support for Existing Programs.

**Table 2: Equitable Building Decarbonization Program Budget Breakdown**

<b>Program Investments</b>	<b>Estimated Funding Over Program Lifetime</b>
Statewide Direct Install Program, including 5% set-aside for manufactured housing	\$689,800,000
Tribal Direct Install Program	\$30,000,000
Support for Existing Programs	\$30,000,000
Statewide Incentive Program	\$80,000,000
Program Administration	\$92,200,000
<b>Total</b>	<b>\$922,000,000</b>

Source: CEC staff

There has not been any announced progress on the implementation or structure of the Statewide Incentive Program. With the significant budget cuts, CEC staff time would be better spent supporting the administration and implementation of the EBD direct install program. Additionally, only 50% of the Statewide Incentive Program would benefit under-resourced communities whereas 100% of the Direct Install Program is dedicated to low-income and priority communities. Furthermore, the federal Home Electrification and Appliance Rebates program that the CEC submitted an application for back in January 2024 would fund a similar goal as the Statewide Incentive program by providing rebates for low-carbon fuel technologies.<sup>1</sup> We look forward to working with the CEC to provide input into the second iteration of the Home Electrification and Appliance Rebates program application and ensure equitable implementation. **We strongly recommend that as much as statutorily possible of EBD funding for the Statewide Incentive Program be reallocated towards the Direct Install Program budget.**

The Support for Existing Programs allocation was *“To begin achieving program goals in the more immediate future while other components are under development, the CEC is evaluating directing a portion of initial funding to bolster existing state programs that provide building decarbonization upgrades for low- to moderate-income California households”*<sup>2</sup>. Given the severe budget cuts for EBD and the recent release of the EBD Direct Install Program solicitation indicating the program is on track for implementation, as much funding as possible should be maintained for the CEC’s Direct Install Program. **We strongly recommend that all funding set-aside for Support for Existing Programs be reallocated to support the Statewide Direct Install Program.**

Our proposed budget breakdown for the EBD program is below.

<sup>1</sup> [Inflation Reduction Act Residential Energy Rebate Programs](#)

<sup>2</sup> [Equitable Building Decarbonization Direct Install Program Guidelines | California Energy Commission](#)

<b>Proposed Equitable Building Decarbonization Program Budget Breakdown</b>	
<b>Program Investments</b>	<b>Funding</b>
Statewide Direct Install Program, including 5% set-aside for manufactured housing	\$465,900,000
Tribal Direct Install Program	\$30,000,000
Support for Existing Programs	\$0
Statewide Incentive Program	- Minimum amount statutorily allowed -
Program Administration	\$55,100,000 <sup>3</sup>
<b>Total</b>	<b>\$551,000,000<sup>4</sup></b>

We appreciate the CEC's consideration of our recommendations and look forward to continued collaboration with the CEC.

Best regards,

Fatima Abdul-Khabir  
Senior Program Manager of Energy Equity  
**The Greenlining Institute**

Asha Sharma  
State Policy Manager  
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**Association for Energy Affordability**

Zach Lou  
Coalition Director  
**California Green New Deal Coalition**

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<sup>3</sup> 10% to program administration - proportionate allotment from original CEC budget

<sup>4</sup> From California 2024 budget

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