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**Sealed Response to RFI Inflation Reduction Act Residential
Equipment and Appliances Rebate Programs**

Please see Sealed's comment attached.

Additional submitted attachment is included below.



January 10, 2025

California Energy Commission
Docket No. 23-DECARB-01

Re: Sealed Response to RFI on Phase II of California's HEEHRA Program

Dear California Energy Commission:

Thank you for the opportunity to respond to the California Energy Commission's (CEC) Request for Information (RFI) on Phase II of California's HEEHRA Program.

These comments are provided by Sealed, a climate tech company on a mission to stop home energy waste and electrify all homes. Sealed is an aggregator in California residential energy efficiency programs. We are participating in Phase I of the HEEHRA Program as a "Designated Applicant," and we look forward to continuing to participate in Phase II.

CEC's HEEHRA Program is well designed and we appreciate the work CEC has put in to make Phase I a success. In particular, we commend the CEC on creating a program structure that allows Designated Applicants to apply for rebates on behalf of contractors. Furthermore, we have also valued the opportunity to clarify program rules and share feedback through the weekly office hour sessions.

In Phase II, we support the CEC in offering all eligible technologies at the proposed rebate levels for both single-family and multifamily households. Additionally, we believe that Designated Applicants such as Sealed can help recruit contractors to participate in the program, especially in underserved, disadvantaged, low-income, and rural communities.

We recommend the following program improvements to ensure success in Phase II:

1. **The CEC should implement Phase II of HEEHRA funding as soon as Phase I funding is expended.** Any gaps in program availability between Phase I and Phase II will cause significant disruption to the market. Contractors in particular will be harmed by gaps in program availability as they are now accustomed to offering these rebates to their customers. This could reduce contractor participation in the program and consumer uptake of HEEHRA rebates.

- 2. The CEC should accelerate its rebate pre-approval process.** Although the CEC aims to complete pre-approvals within two weeks, a faster timeline — ideally three days or less — would significantly benefit households and contractors participating in the program. Many participants access the program for emergency repairs, and lengthy pre-approval times can diminish their ability to secure rebates. In these emergency situations, waiting two weeks for pre-approval can delay urgent repairs or deter households from participating in the program.
- 3. The CEC should update its contract with the U.S. Department of Energy (DOE) to reflect the latest guidance.** On December 16, 2024, the DOE updated its [Administrative and Legal Requirements Document](#) (ALRD) to modify the requirement that Inflation Reduction Act (IRA) rebate funding go to states in tranches. The update softened requirements for states to move from one tranche to the next, reframing “required deliverables or milestones” as “performance metrics.” By updating its contract based on this latest guidance, the CEC will more quickly be able to access and distribute IRA rebate funding.
- 4. The CEC should allow households to complete income verification independently of a contractor.** Income verification is currently tied to a specific household-contractor pairing. This means that if a household wishes to engage a different contractor, they are required to resubmit their income verification. To provide households with greater flexibility, we recommend allowing households to complete the income qualification independently of a contractor. For example, Wisconsin’s HOMES Program provides households with a reusable income verification document (e.g., a PDF) that they can share with multiple contractors as needed. Alternatively, the system could permit households to specify multiple contractor email addresses during the qualification process.
- 5. The CEC should work with the DOE to clarify ENERGY STAR applicability for dual fuel heat pump systems in the HEEHRA Program.** The IRA (in statute and DOE guidance for HEEHRA) requires rebates to be provided only for ENERGY STAR-certified equipment, “if available.”¹ The HEEHRA program only provides rebates for electric heat pump systems, meaning that, for dual-fuel systems, the fossil heating element (gas, propane, etc.) is not receiving a rebate. ENERGY STAR certification, however, includes the specifications of the fossil heating element. For dual-fuel systems, therefore,

¹ Page 74 of [DOE guidance](#).



ENERGY STAR certification may not apply and an alternative definition of system qualification (e.g. AHRI specifications) may be more appropriate. This is an important issue because contractors often install dual fuel heat pump systems that are not ENERGY STAR certified given mismatches of equipment manufacturers (e.g. certification not practical) and/or due to the combinatorial challenges of certifying all system combinations (e.g. too many indoor units, outdoor units, and furnace systems to test). Sealed has received consistent feedback from contractors that ENERGY STAR certification challenges, generally, and for dual-fuel systems specifically, is a deterrent to greater participation in the CA HEEHRA program. We understand that CEC cannot make this change unilaterally, but encourage dialogue with DOE and ENERGY STAR to provide further market clarity.

We look forward to working with California to continue to successfully implement this important program and appreciate the CEC's leadership on this program to date.

Sincerely,

David Kolata
Vice President of Policy
Sealed Inc.