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Comments on Phase II of California's Home Electrification and Application Rebate (HEEHRA)

Additional submitted attachment is included below.

January 10, 2025

Deana Carrillo
Director Reliability, Renewable Energy & Decarbonization Incentives Division
California Energy Commission
715 P Street
Sacramento, CA 95814

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Dear Ms. Carrillo:

Following up on our September 2024 recommendations, Schneider Electric (SE) appreciates the opportunity to present our policy recommendations to optimize Phase II of California's Home Electrification and Application Rebate (HEEHRA) program as authorized by the Inflation Reduction Act of 2022.

SE provides an array of energy management and industrial automation solutions and services to help our customers and partners create a more digitized, efficient, resilient, and decarbonized world. SE is a 180+ year old company with roots extending from Europe to the United States with key acquisitions of US brands Square D and APC. SE is heavily invested in the United States and its own clean energy eco-system with an eye to growth and innovation, including new incubations and expanded manufacturing to support energy transformation priorities and U.S. supply chain strategy.

Recent acquisitions and strategic partnerships include Qmerit, EnergySage, and Autogrid, among others—many of which are based in California. SE has a major manufacturing footprint in the United States with over 19,000 employees and 40 manufacturing and distribution facilities. As related to the home rebate program, SE is the North American market leader in residential electric panels, and SE's electric panel and wiring can be found in approximately 4 out of 10 homes across the country.

In addition, Qmerit, a strategic partner of SE, boasts a national footprint of electrical contractors, independent certified solutions partners, and certified field service providers who have completed more than 450,000 EV charging installations across the country. Qmerit focuses on installation and integration solutions for energy transition technologies such as battery storage systems, solar system integration, microgrid solutions, and electrical equipment, with a digital platform that helps home and business owners connect to contractors and installers who can ease the transition to the new energy landscape.

In California, SE employs over 900 people. California is also home to SE Ventures, a technology incubator located in Menlo Park with a billion-dollar venture fund, that invests emerging ideas and startups that are reshaping the future of sustainability and energy efficiency. In addition, SE has deployed innovative energy projects in the state, including partnering with KB Home on a

connected communities project in Menifee, CA to improve resiliency and efficiency¹ and a number of microgrids for resilience.²

As a company that has provided essential electrical equipment to America's homes for over a century, SE is fully supportive and committed to meeting the goals of the IRA home rebate programs. With our own aggressive sustainability goals³ and named the world's most sustainable company by TIME magazine,⁴ we are committed to reducing energy costs for residents, making their homes future-ready and empowering them to adapt to a rapidly evolving energy landscape.

In response to your Request for Information, we provide the following comments:

1) Eligible Equipment and Appliance Rebates the DOE defines eligible equipment and maximum rebates for low-income households and is illustrated in Table 1. For low-income households, rebates may not exceed the total project cost and total rebate specified by DOE, including equipment and labor. For moderate-income households, rebates may not exceed one half of total project cost and total rebate specified by DOE, including equipment and labor. CEC is considering which rebates and rebate amounts to offer in HEEHRA Phase II:

a. Should all DOE eligible equipment (listed in Table 1) be available to single family households and multifamily properties?

Yes, this will allow for long-term electrification and future-proofing of California homes. Specifically, we believe Phase II of the HEEHRA program should reflect the maximum federally allocated amounts for panels and wiring. Electric panel and wiring upgrades are often essential for successful installation of home energy technologies such as heat pumps, heat pump water heaters and more. A 2024 study of California households by the Lawrence Berkeley National Lab identified electric panel replacements as a major barrier to residential electrification, with reported costs as high as \$9,000⁵. Therefore, eligible HEEHRA customers in the state should be able to redeem the max \$4,000 for electric panel upgrades and \$2,500 for electric wiring. This ensures that households can comprehensively upgrade their energy infrastructure and future-proof their homes for growing electrical demands – and no home gets left behind with the rollout of CA HEEHRA Phase II.

b. Should the rebate amounts be reduced to allow more households to receive a rebate? If yes, please provide recommended amounts and rationale.

No, we don't believe the rebate amounts should be reduced. We believe the HEEHRA program should reflect the maximum federally allocated amounts.

¹ [California's First Residential Microgrid Community \(se.com\)](https://www.se.com/us/en/about-us/sustainability/)

² [Bimbo Bakeries USA's Journey Towards Net Zero | Schneider Electric \(greenstruxure.com\)](https://www.se.com/us/en/about-us/sustainability/)

³ <https://www.se.com/us/en/about-us/sustainability/>.

⁴ <https://time.com/collection/worlds-most-sustainable-companies-2024/>.

⁵ "Electrical Service Panel Capacity...for Equitable Building Electrification."

<https://www.aceee.org/sites/default/files/proceedings/ssb24/pdfs/Electrical%20Service%20Panel%20Capacity%20in%20California%20Households%20with%20Insights%20for%20Equitable%20Building%20Electrification.pdf>

3) Contractor Engagement and Support As stated above, CEC is considering providing rebates for both DIY and professionally installed equipment. DOE requires states to maintain a list of eligible contractors who can participate in the program and professionally install qualified equipment requiring a certified installer. As a point-of-sale program focused on low- and moderate-income households, the CEC is interested in increasing contractor enrollment for specific electrification measures and support in underserved, disadvantaged, low-income, and rural communities.

a. What are effective methods to recruit contractors to participate in the program, especially in underserved, disadvantaged, low-income, and rural communities?

Allowing manufacturers that have (a) expertise in home energy products and (b) qualified installer network to serve as approved contractors for California's HEEHRA program will organically bring in more contractors to serve underserved, disadvantaged, low-income and rural communities across California.

SE and Qmerit have recruited and built out their electrical contractor network over many years. Additionally, in anticipation of the CA HEEHRA program, we conducted focus groups listening and understanding how contractors approach home energy rebate programs. Based on the feedback we received, we are prepared to bring these contractors into the program and even help with upfront financing for contractors, to ease the burden of absorbing HEEHRA discounts.

However, in order to make this work, we ask the CEC to require the Switch Is On/TECH Clean CA Clean Energy Pro Network to allow manufacturers such as Schneider Electric and Qmerit to be listed as approved contractors.

Additionally, expand the allowable licenses to include the C-10 Electrical Contractors License, because as of January 2025, the Switch Is On/TECH Clean CA Clean Energy Pro Network only allows the following licenses: B – General Building, C-36 Plumbing and C-20 HVAC Contractors. This prohibits tens of thousands, perhaps hundreds of thousands of qualified C-10 electricians from participating and helping homeowners upgrade and future-proof their homes.

On behalf of SE, we appreciate your consideration of our recommendations and look forward to collaborating with the California Office of Resiliency to implement this critical program that will help many homes and residents across the state. If you have questions or need further information, please contact us. We thank you for the opportunity to share our perspectives.

Sincerely,

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CC: Naveed Ahmad, Home and Distribution