

**DOCKETED**

<b>Docket Number:</b>	23-DECARB-01
<b>Project Title:</b>	Inflation Reduction Act Residential Energy Rebate Programs
<b>TN #:</b>	261057
<b>Document Title:</b>	Rising Sun Center for Opportunity Comments - Bay Area Res Decarbonization High Road Training Partnership Comments on Improving Job Quality in Res Decarb Through HEEHRA II
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Rising Sun Center for Opportunity
<b>Submitter Role:</b>	Public Agency
<b>Submission Date:</b>	1/10/2025 4:49:24 PM
<b>Docketed Date:</b>	1/10/2025

*Comment Received From: Rising Sun Center for Opportunity  
Submitted On: 1/10/2025  
Docket Number: 23-DECARB-01*

**Bay Area Res Decarbonization High Road Training Partnership  
Comments on Improving Job Quality in Res Decarb Through  
HEEHRA II**

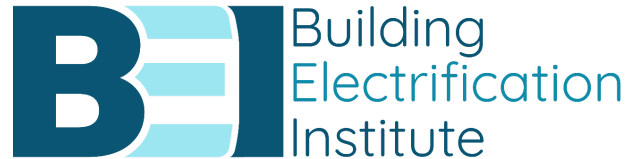
*Additional submitted attachment is included below.*



**RISING SUN**  
CENTER FOR OPPORTUNITY



Center for Sustainable  
Neighborhoods



Good Green Work



January 8th, 2025

California Energy Commission  
Docket Unit, MS-4  
Docket No. 23-DECARB-01  
715 P Street  
Sacramento, CA 95814

**Re: Docket Number: 23-DECARB-01 - Request for Information HEEHRA Phase II**

Dear Energy Commissioners and Staff,

We write on behalf of the [Bay Area Residential Decarbonization High Road Training Partnership](#), facilitated by [Rising Sun Center for Opportunity](#) and the [Construction Trades Workforce Initiative](#). We appreciate the Commission's commitment to engaging with stakeholders in implementing HEEHRA Phase II and respectfully submit the following comments on the California Energy Commission's (CEC) Request for Information (RFI) on the Program Design of the Inflation Reduction Act (IRA) Home Equipment and Appliance Rebates (HEEHRA) Phase II. The following recommendations are based on the Bay Area High Road Training Partnership's [Job Quality and Labor Standards Toolkit](#) published in partnership with 20+ official and listening Partners within the 9-Bay Area County region of California. Our comments focus on job quality, equity, recruitment and support for disadvantaged contractors, and on workforce

development, informed by the work of our Partnership since 2021. We request that the Commission learn from and leverage our [Partnership-recommended labor standards](#) when drafting their application to the U.S. Department of Energy (DOE).

### **Background and Introduction**

High Road Training Partnerships ([HRTPs](#)) are regional, industry-based, worker-focused partnerships supported by the CA Workforce Development Board that address critical issues of equity, job quality, worker voice, and environmental sustainability and build skills for California's High Road employers.

The Bay Area Residential Decarbonization High Road Training Partnership envisions a residential building decarbonization industry that supports quality jobs, engages a qualified workforce, and provides stable career pathways for disadvantaged workers while simultaneously reducing greenhouse gas emissions and building more climate resilient communities. The goal of the Bay Area Residential Decarbonization High Road Training Partnership is to support the creation and expansion of high quality jobs in the local residential decarbonization sector, and to increase access to those jobs. Labor standards in publicly funded decarbonization programs, like HEEHRA, are the key strategy to achieve this goal. Currently, the residential construction industry operates largely based on market forces alone, with less regulation than other sectors and a majority of work being unpermitted. Leaving this industry to be shaped by market pressures has created a lowest-bid model in which price (rather than quality of work performed or quality of jobs) is the driver of the market. Previous climate investments in the U.S. have often failed to create quality jobs, instead being guided by these same market forces of the lowest-bid model and cost-effectiveness mandates at the expense of economic equity, job quality, and climate justice. Given the challenging nature of the residential construction sector, this is likely to happen again without strategic High Road policy intervention. The Bay Area H RTP commissioned an [Economic Impact Assessment](#) report on the Bay Area residential decarbonization sector. The researchers, Movement Economics and Ponder Analytics, found that subsidizing High Road jobs is a good deal for taxpayers, and subsidizing low road jobs wastes taxpayer dollars. Evidence shows that each dollar in taxpayer spending to ensure residential decarb projects provide prevailing wages and benefits would result in between \$2.61 and \$2.76 in net taxpayer savings.

The Partnership recommends that participating contractors<sup>1</sup> should be High Road contractors, which is defined by the Partnership as those who:

- Pay residential prevailing wages (at a minimum) for all workers and require that subcontractors do the same.
- Provide a minimum of Covered California Silver Level health care coverage to employees and their dependents, paying at least 85% of the premium for their full time employees and at least 75% of the premium for family and dependents, if applicable. Vision and dental coverage are provided for the employee and dependents.
- Offer a pension or retirement savings plan for full-time workers with an employer match of at least 3%.

---

<sup>1</sup> See exemptions below for disadvantaged contractors

- By following prevailing wage requirements, or in addition to prevailing wage requirements as needed, provide a minimum of 22 days off per year for holiday, vacation, sick leave, or personal necessity, of which at least 12 are compensated.
- Prioritize hiring workers residing in Disadvantaged or Low Income Communities, including having at least one formal First Source Hiring Agreement with a Designated Training Provider with a proven track record of relevant, quality residential decarbonization training and providing career opportunities to priority populations.
- Provide work hours for both experienced workers and entry-level workers by ensuring that at least 30% of workers on each project installation are 'experienced' workers and by employing at least one 'entry level' worker on every project requiring three or more persons. For projects under 3 people, we recommend a ratio of 1:1.

Utilizing the [Partnership-recommended labor standards](#) in the design of the HEEHRA Phase II program will ensure that participating contractors are High Road and create quality jobs, leading to improved outcomes for the climate, contractors, workers, state and local economies, and taxpayers.

## **RFI Responses**

### **3) Contractor Engagement and Support**

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

To effectively attract and reach contractors from underserved, disadvantaged, low-income, and rural communities, our Partnership recommends that the CEC integrate a multi-faceted approach centered on equity and workforce development. Focused and prioritized outreach and support services from trusted partners will be necessary and should be compensated.

Collaboration with key CBO's like the [National Association of Minority Contractors](#), the [Construction Resource Center](#), and the [Emerald Cities Collaborative](#) who serve disadvantaged contractors, Unions that supply High Road workers, and pre-apprenticeship programs that train jobseekers in underserved, disadvantaged, low-income, and rural communities like [Rising Sun Center for Opportunity's Opportunity Build Program](#), are essential in order to build strong, direct pipelines for qualified contractors and workers to participate in this program.

The Bay Area H RTP recognizes the barrier that High Road labor standards can pose to small, disadvantaged contracting businesses and recommends utilizing a phased-in approach to remove barriers to entry to improve recruitment for this key target audience of contractors. This will allow contractors to "pre-qualify" for the program if they commit to meeting the labor standards.

To assist small, disadvantaged contracting businesses in participating in the program, contractor supports should be built into the design of the program. These will ideally be facilitated by the Program Implementer who provides the support directly to contractors, and/or refers contractors to a suite of available services in the region, subsidized as needed and appropriate. Due to histories of exclusion and continued barriers our current economic system presents for small, minority, women, and disadvantaged contractors, a robust ecosystem of supportive services for

contractors is necessary to aid equitable contractor recruitment for HEEHRA Phase II. Appendix D of the Bay Area High Road Training Partnership's [Job Quality and Labor Standards Toolkit](#) includes ideas for contractor supports, such as cash flow financing or group procurement of quality healthcare services to assist contractors in meeting and exceeding these standards.

This multi-pronged approach to labor standards design can help yield a more inclusive outcome. Providing programmatic support and resources to help employers meet the baseline requirements and reach incentivized standards beyond the floor is critical to support employers to expand their High Road capacity and join the growing residential decarbonization market. This targeted support is specifically key for contractors from marginalized communities who likely employ more workers and serve more households from their respective communities.

The Partnership recommends that the CEC set a goal that at least 20% of project work hours will be performed by workers permanently residing in Disadvantaged or Low Income Communities, as defined by the [California Climate Investments Priority Populations Map](#), and at least 50% of project work hours will be performed by workers permanently residing within 50 miles of the project. Additionally, any contractor who goes above or beyond these goals could be financially incentivized through increased rebates.

### **3) Contractor Engagement and Support**

- B. What type of training should the CEC offer to help installation contractors understand program requirements and streamline rebate processing for retailers, contractors, and homeowners?

**Technical Skills and Certifications:** The CEC should partner with existing apprenticeship, pre-apprenticeship programs, and CBO residential decarb-focused training programs such as Cypress Mandela and Emerald Cities E-Contractor Academy to provide Technical Skills and Certifications trainings. Unions provide comprehensive training programs for their workers and have been extensively developed by the union trades relevant to residential decarbonization work including Sheet Metal Workers (SMW), International Brotherhood of Electrical Workers (IBEW), and Plumbing and Pipefitting (UA) unions, with additional trades potentially including Laborers, Carpenters, Roofers & Waterproofers, Glaziers, and Insulators. We recommend talking and working with existing MC3 pre-apprenticeship programs and with the union building trades apprenticeship programs to develop program-specific trainings. However, this training should be available to smaller, High Road contractors who may not be union signatory, and be designed to meet these trainees where they are, with resources dedicated to holistic workforce development - i.e. not just the training itself, but wraparound services needed to empower individuals with barriers to employment to help them succeed. These trainings should be available in-language and in accessible locations.

**Contractor Training on Program Requirements and to Streamline Rebate Processing:** The CEC should independently develop workshops or online modules simplifying rebate processes, helping contractors manage requirements efficiently. Potential mentor-mentee programs with larger contracting companies or companies that have navigated this process already, could be

provided. This will allow new contractors, including small, disadvantaged contractors, access to a mentor that can answer any questions that may arise in the process including program-specific questions like how to properly fill out program-specific paperwork, how to submit certified payroll for Prevailing Wage compliance, etc. Connect disadvantaged contractors with back office support providers, such as [Executive Aspirin](#), that provide administrative support such as rebate processing, and subsidize this backend support for certified disadvantaged businesses for the initial period of program on-ramping. The CEC should also provide technical assistance training to contractor training programs in a train-the-trainer model to broaden technical assistance efforts for program enrollment, particularly with training programs who serve disadvantaged communities.

The CEC should also provide technical assistance for small, MWDBE contractors to become a certified disadvantaged business in order to qualify for these additional supports. Resources for supportive services are critical for helping smaller contractors entering the program. Contractors who sit on our H RTP have suggested providing subsidies for training time and fees, or providing employers with “training grants” for each entry-level worker residing in a Disadvantaged or Low-income Community.

#### **4) Point-of-Sale Methodologies**

For HEEHRA Phase II, the CEC plans to require the program Implementers/Administrator(s) to collaborate with various point-of-sale organizations – such as retail stores, wholesalers, online distributors, and registered installation contractors – to leverage the DOE-provided Home Energy Rebate Tools at <https://www.pnnl.gov/projects/rebate-tools> and DOE-certified vendor implementations for secure rebate processing

B. How can CEC support small and local business owner participation in the program design?

The Partnership recommends that the CEC coordinate with organizations that serve and support disadvantaged contractors including but not limited to [Emerald Cities Collaborative](#), [Construction Resource Center](#), and the [National Association of Minority Contractors](#) to recruit them to become participating “registered installation contractors”. While tools like the Switch is On are a helpful starting point in learning about incentive programs, disadvantaged Contractors need more hands-on support and guidance through the process to utilize all of the available rebates and inform their customers. Supportive services can also streamline the contractor experience by helping to qualify contractors, ensuring that MWDBEs have access to participating in the programs and helping them to build relationships with supportive community-based groups.

Sincerely,

Bay Area Residential Decarbonization High Road Training Partnership

Julia Hatton  
CEO & President  
Rising Sun Center for Opportunity

Beli Acharya  
Executive Director  
Construction Trades Workforce Initiative (CTWI)

Sneha Ayyagari  
Deputy Director  
Building Electrification Institute

Emily Courtney  
Founder & Principal  
Good Green Work

Tim Frank  
Executive Director  
Center for Sustainable Neighborhoods