

**DOCKETED**

<b>Docket Number:</b>	22-DECARB-03
<b>Project Title:</b>	Equitable Building Decarbonization Program
<b>TN #:</b>	250196
<b>Document Title:</b>	Presentation - Equitable Building Decarbonization Direct Install Program - Draft Guidelines
<b>Description:</b>	Presentation from May 17, 2023 workshop on Draft Guidelines for the Equitable Building Decarbonization Direct Install Program.
<b>Filer:</b>	Diana Maneta
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	5/17/2023 2:43:05 PM
<b>Docketed Date:</b>	5/17/2023



# Equitable Building Decarbonization Direct Install Program: Draft Guidelines

Staff Workshop

May 17, 2023



# Please Note...

1. Today's workshop is being recorded
2. All presentations, the recording, and a full written transcript will be posted to the CEC website
3. The CEC welcomes and encourages written comments and supporting documentation
4. Zoom issues?  
Contact Zoom at (888) 799-9666 ext. 2, or the CEC Public Advisor at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov) or by phone at (916) 957-7910



# How to Comment & Connect

## During Today's Workshop

### *During Presentations*

- Use Zoom Q&A Feature

### *During Public Comment Period*

- Use Zoom Raise Hand for an opportunity to speak
- On phone, press \*9 to raise hand and \*6 to (un)mute
- When called upon, please unmute, say and spell your name, state your affiliation, and make your comment.

## After Today's Workshop

- Please visit:  
[www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program](http://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program)
- Comments Due:  
**Friday, June 30, 2023**
- Docket: 22-DECARB-03
- [equitablebuildingdecarb@energy.ca.gov](mailto:equitablebuildingdecarb@energy.ca.gov)





# Workshop Schedule

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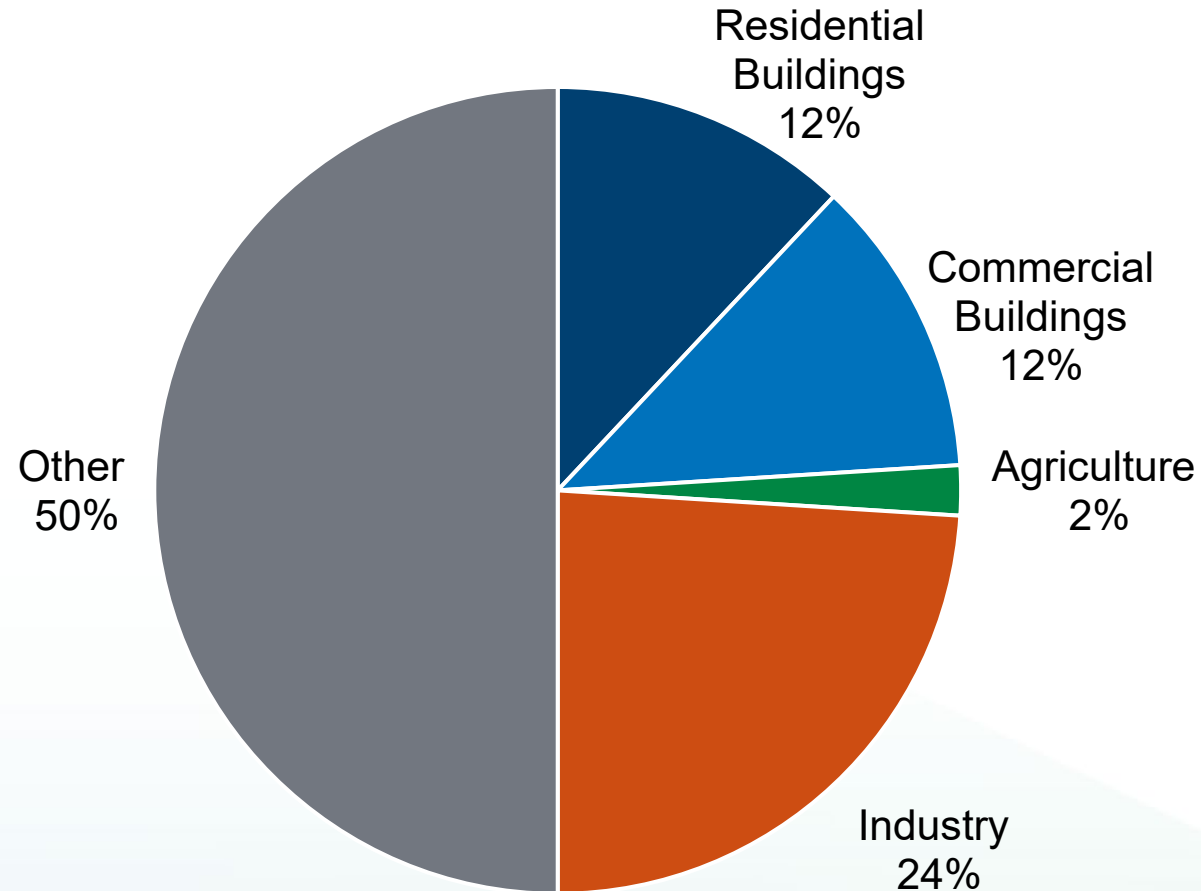
10:00	Welcome and Logistics
10:05	Opening Remarks
10:20	Overview of Equitable Building Decarbonization Program and Draft Guidelines
11:05	Next Steps
11:20	Q&A and Public Comments
12:45	Closing Remarks



# **Equitable Building Decarbonization Program: Background and Overview**



# California's Greenhouse Gas Emissions

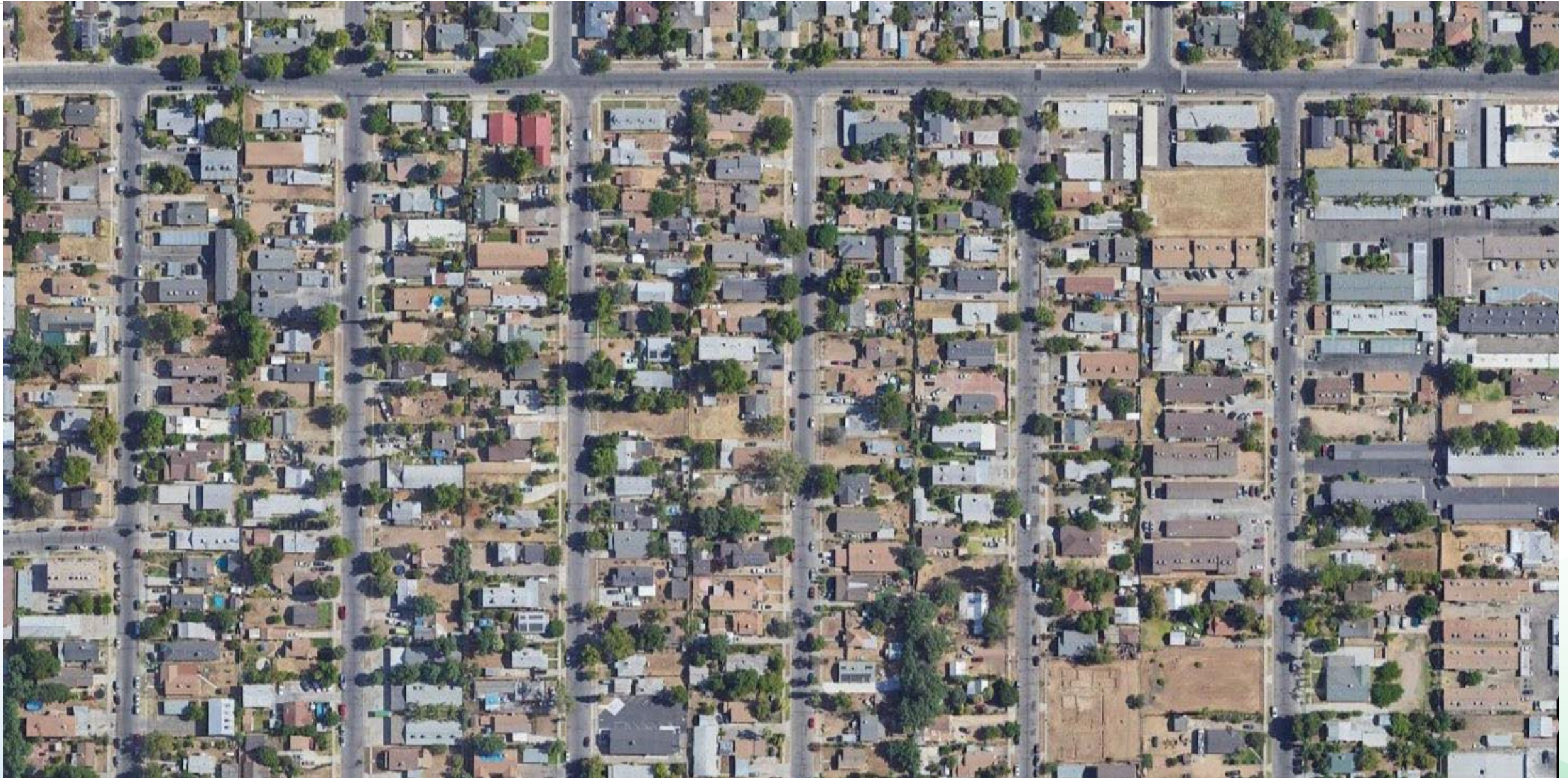


Includes fuel, refrigerant, and electricity use by sector.  
Source: 2021 Integrated Energy Policy Report.





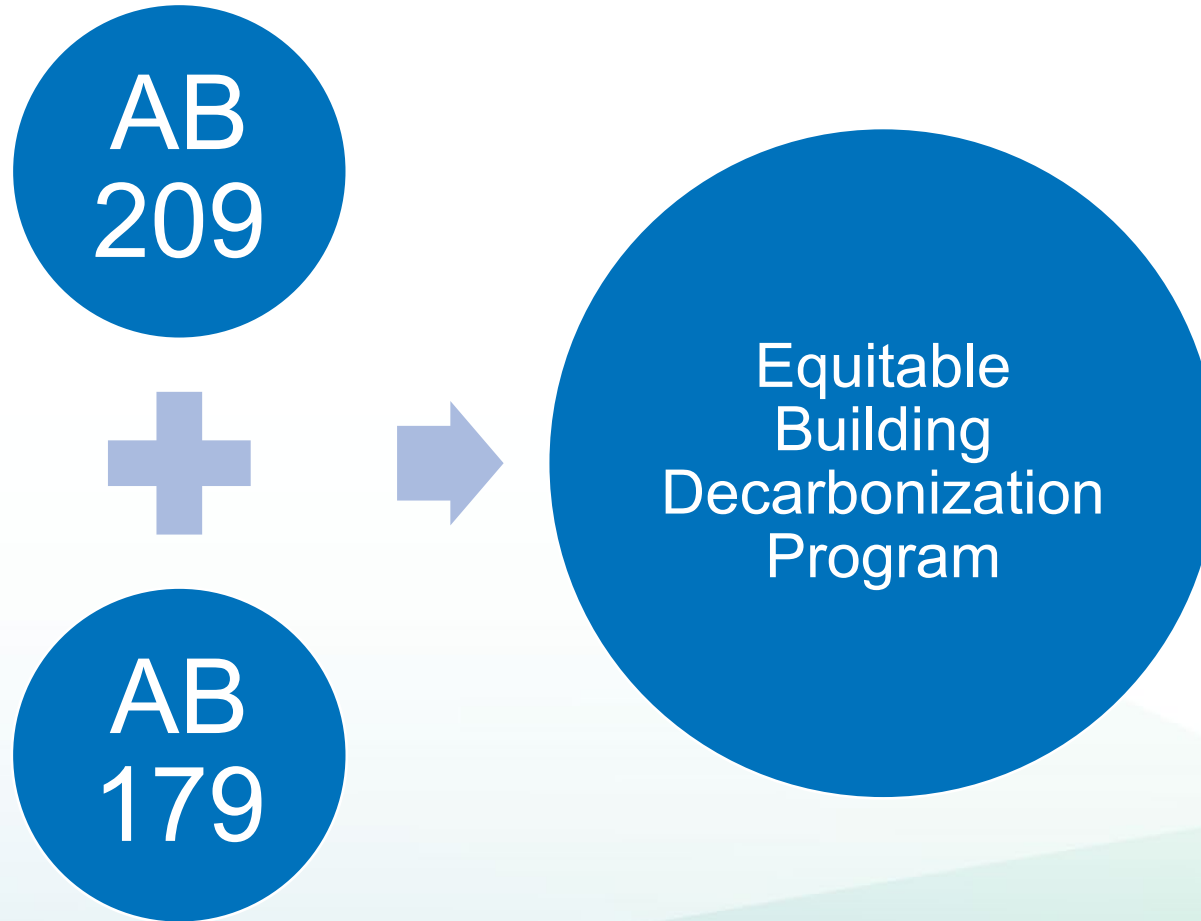
# Focus on Existing Buildings and Equity







# Equitable Building Decarbonization Program





# Equitable Building Decarbonization Program Budget

2022–23	2023–24	2024–25	2025–26	Total
\$112 million	\$665 million	\$53 million	\$92 million	<b>\$922 million</b>

From 2022-23 California State Budget Addendum



# Timeline

Date	Milestone
9/6/2022	AB 209 and AB 179 signed
12/9/2022	Request for Information released
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# Draft Guidelines



# Program Goals

Reduce  
Greenhouse Gas  
Emissions

Advance Energy  
Equity

Improve Resiliency  
to Extreme Heat

Improve Indoor Air  
Quality

Improve Energy  
Affordability

Support Grid  
Reliability

Support Local  
Workforce

Support Six Million  
Heat Pump Goal

Support Climate-  
Ready and Climate-  
Friendly Homes  
Goals



# Program Components







# Proposed Budget Breakdown

Program Investments	Estimated Funding over Program Lifetime
Statewide Direct Install Program, including 5% set-aside for manufactured housing	\$643,700,000
Tribal Direct Install Program	\$30,000,000
Support for Existing Programs	\$30,000,000
Statewide Incentive Program	\$80,000,000
<b>Total*</b>	<b>\$783,700,000</b>

\* Does not include program administration and technical assistance, which may represent up to 15% of total program funds.



# Questions for the Public

## Budget Breakdown

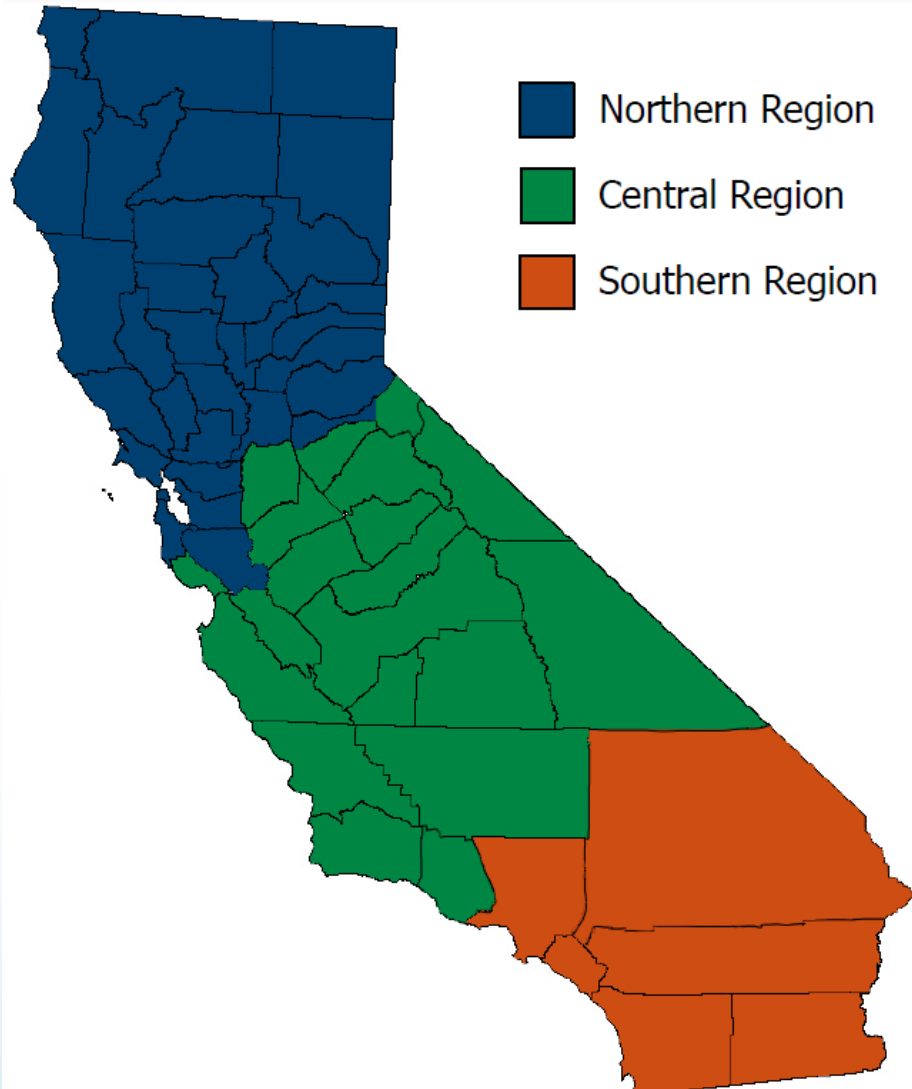
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1. Do you have feedback on the proposed budget breakdown?





# Statewide Direct Install Program: Regional Funding Allocation



Region	Population of Underresourced Communities	Percentage of Statewide Direct Install Program Funds
Northern	5.3 million	23%
Central	4.3 million	19%
Southern	13.6 million	58%
<b>Total</b>	<b>23.2 million</b>	<b>100%</b>





# Statewide Direct Install Program: Selection of Administrators

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- Competitive solicitation
- Must include community-based organizations (CBOs)
- Selection criteria will be included in Request for Proposals



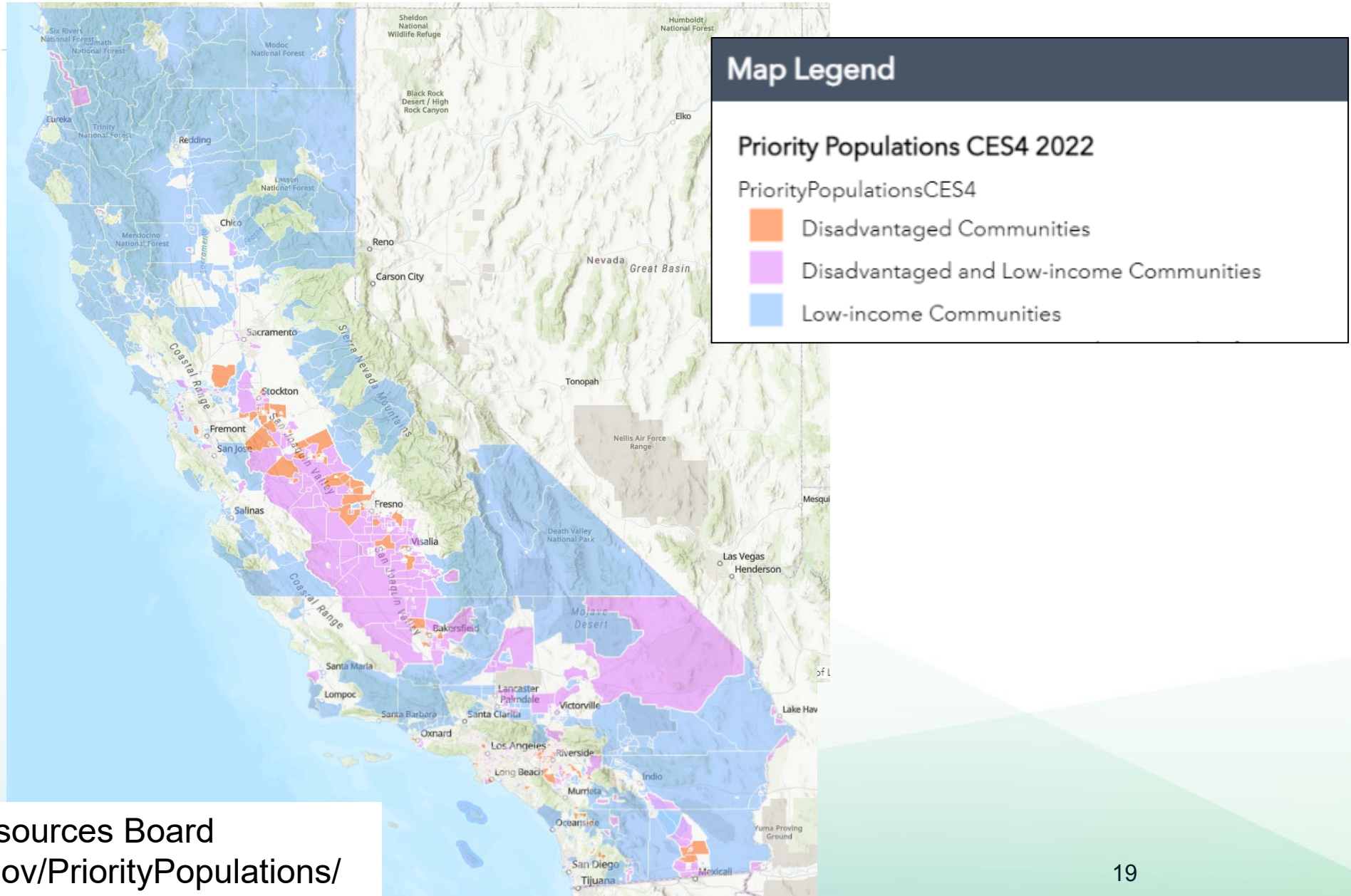
# Statewide Direct Install Program: Community Eligibility

All households served by the program must be in an **underresourced community**, defined as any of the following:

- Disadvantaged Communities designated by CalEPA
- Census tracts with median household incomes at or below 80% of the statewide median income
- Census tracts with median household incomes at or below the threshold designated as low-income by the California Department of Housing and Community Development



# Underresourced Communities



Source: California Air Resources Board  
<https://webmaps.arb.ca.gov/PriorityPopulations/>



# Statewide Direct Install Program: Initial Focus Areas

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- Program implementation to occur at the **community level** in partnership with community-based organizations
- **Initial focus areas** to be identified for first phase of the program based on specified criteria
- Opportunities for communities not identified as initial focus areas to be considered for inclusion in subsequent phases



# Questions for the Public

## Regions, CBOs, Initial Focus Areas

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2. Would you recommend any changes to the proposed regions or budget allocation?
3. What specific activities do you believe will be the most important for participating CBOs to lead or engage in?
4. Would you suggest any changes to the proposed criteria for identifying initial community focus areas?
  - a. Following the initial phase, do you have recommendations regarding the process and criteria by which additional communities should be considered?





# Statewide Direct Install Program: Eligible Building and Fuel Types



## Eligible Buildings - Residential

- Single-family homes
- Multifamily buildings
- Other residential buildings such as assisted living facilities and group homes
- Mixed-use buildings that include residential units
- Manufactured homes, mobile homes, and multifamily manufactured homes



## Eligible Fuel Types

- To be eligible, buildings must use natural gas, propane, or another fossil fuel as the primary fuel for space heating or water heating





# Statewide Direct Install Program: Income Eligibility (Single Family)



Single-family homes:

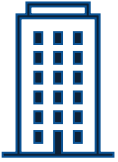
- Occupied by low-income or moderate-income households
- Low-income:  $\leq 80\%$  of the local area median income (AMI)
- Moderate-income: 80-120% of AMI

Income verification options:

- Federal tax returns
- Pay stubs
- Proof of enrollment in another income-qualified program



# Statewide Direct Install Program: Income Eligibility (Multifamily)



Multifamily building:

- At least 66 percent of households earn less than or equal to 80 percent of AMI, or
- Rent for at least 66 percent of units are affordable to such households.

Income verification options:

- Rent regulatory agreement
- Pay stubs or tax returns of occupants
- Documentation showing that at least 66 percent of households are enrolled in income-qualified programs
- Documentation showing that rent for at least 66 percent of units is affordable to households with income equal to 80% of AMI



# Statewide Direct Install Program: Household/Property Targeting

Within focus areas, data will be used to identify and target households most likely to benefit from the program.

Criteria to include:

- Likelihood of favorable bill impacts from decarbonization
- Vulnerability to extreme heat
- Potential for avoided greenhouse gas emissions
- Proximity to other targeted households



# Statewide Direct Install Program: Set-Aside for Manufactured Homes

- 5% set-aside for manufactured homes and mobile homes
- Unique challenges to decarbonization:
  - Low electrical capacity
  - Limited space availability
  - Higher remediation needs
  - Retrofits must comply with National Manufactured Home Construction and Safety Standards



# Questions for the Public

## Income Eligibility, Targeting, Manufactured Homes

5. Would you suggest changes to the proposed income verification requirements?
6. Would you suggest different or additional household/property targeting criteria?
7. Would you suggest changes to the proposed set-aside for manufactured and mobile homes?





# Required Measures

All building retrofits conducted by the program must include the following elements.

- a. Installation of a heat pump for space heating and cooling or a heat pump water heater.
- b. Following the retrofit, at least two of these four end uses in the building must be electric.
  - Space heating
  - Water heating
  - Cooking
  - Clothes drying





# Eligible Measures: Heating and Cooling, Building Envelope

Measure	Details
Heat pump for space heating and cooling	Eligible as a replacement for gas-fired heating equipment CEE Highest Efficiency Tier (not Advanced Tier)
Duct testing/sealing	Required in conjunction with heat pump installation, if applicable
Occupant controlled smart thermostat	Required in buildings with central heating/cooling system, if not already present JA5 compliant
Ceiling fan or whole-house fan	Ceiling fan must be ENERGY STAR-certified
Air sealing	-
Insulation	-



# Eligible Measures: Water Heating

Measure	Details
Heat pump water heater (unitary)	Eligible as a replacement for a gas-fired water heater NEEA Tier 3 or higher JA13 compliant CEE Highest Efficiency Tier (not Advanced Tier)
Heat pump water heater (central)	Eligible as a replacement for a gas-fired water heating system Systems that appear on CEC's Central Heat Pump Water Heater Performance Map Certification List, or use CO <sub>2</sub> as a refrigerant
Low-flow showerheads and faucets	Showerheads required in conjunction with heat pump water heater installation, if not already present WaterSense certified and compliant with Title 20 standard for water efficiency



# Eligible Measures: Cooking, Laundry, Lighting, and Air Quality

Measure	Details
Induction range or cooktop	Eligible as a replacement for a gas range or cooktop Provide gift card for purchase of compatible cookware
Electric clothes dryer (heat pump or electric resistance)	Eligible as a replacement for a gas clothes dryer Must be ENERGY STAR-certified
LED bulbs and fixtures	Replace interior and exterior incandescent, compact fluorescent, halogen, and T12 linear fluorescent lights with LED JA8 compliant
Air filtration	Replace existing air filter with MERV 13 filter, and associated modifications needed to comply with pressure drop requirements in California Energy Code



# Eligible Measures: Electrical Wiring and Remediation

Measure	Details
Electrical wiring and panel/capacity upsizing	Upgrades needed to enable full electrification of the building  Subject to cost caps
Remediation and safety measures, for example: <ul style="list-style-type: none"><li>• Construction needed to create physical space for decarbonization measures</li><li>• Repair of roof or envelope leaks/damage</li><li>• Remediation of galvanized pipe, lead paint, asbestos, mold</li><li>• Installation of smoke and carbon monoxide alarms</li><li>• Other work needed to bring property up to code</li></ul>	Subject to cost caps



# Ineligible Measures

- Any new system or equipment that uses natural gas, propane, or any other fossil fuel.
- Installation of electric resistance heating to serve as the primary heat source for a home.

Measures ineligible for Equitable Building Decarbonization Program funds, but may be included in projects if complementary funding sources are available:

- Solar photovoltaic systems
- Battery storage
- Window replacement (other than for remediation/safety)



# Statewide Direct Install Program: Electrical/Remediation Cost Caps

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Household Income	Average* Per-Home/Unit Cost Cap for Electrical and Remediation Measures
Low Income ( $\leq 80\%$ AMI)	\$5,000
Moderate Income (80-120% AMI)	\$3,000

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\* Capping the average, rather than per-home, remediation cost will allow the program to serve homes with a range of remediation needs.





# Questions for the Public

## Eligible Measures, Cost Caps

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8. Would you suggest changes or additions to the lists of required, eligible, and ineligible measures?
9. Would you suggest changes to the proposed cost caps?





# Program Coordination and Incentive Layering

- Encouraged coordination with relevant federal, state, utility, regional, and/or local programs
- Complementary funding sources should be applied to a project prior to Equitable Building Decarbonization funds whenever possible
- Program coordination principles:
  - Minimize complexity
  - Comply with legal and regulatory requirements
  - Total project funding does not exceed actual project cost



# Metrics and Data Collection

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- Data collection will be critical to:
  - Assess program performance with respect to goals
  - Inform adjustments to the program on an ongoing basis
  - Inform annual reporting to the Legislature
- Proposed goals and associated metrics listed in Tables 6 and 7 of Draft Guidelines



# Questions for the Public

## Incentive Layering, Metrics

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10. Do you have input on the proposed approach to program coordination and incentive layering?
11. Would you suggest changes or additions to the list of goals and metrics? Do you have recommendations regarding the use of data and analysis to inform improvements to the program?





# Tenant Protection

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## Tenant Information

- Information about the project and tenants' rights to be provided in the predominant languages spoken in the community

## Temporary Displacement

- Avoid/reduce temporary displacement
- If needed, tenants have right to return to the same unit

## Eviction

- Property owner commit not to evict tenant without just cause

## Rent Increases

- Property owner commit not to increase rent as a result of improvement



# Workforce Standards and Requirements

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## Prevailing Wage

- Administrators should assume that prevailing wage requirements in the California Labor Code apply
- Administrators are responsible for ensuring subcontractor compliance

Administrators to develop **workforce plans** that address:

- Preference for local contractors and contractors that met specified criteria
- Training opportunities for contractors and workers
- Bundling of projects





# Questions for the Public

## Tenant Protections, Workforce Standards

12. Would you suggest additional tenant protections? What services would tenants need to ensure that the proposed tenant protections are effective? Can you suggest specific organizations that could provide these services?
13. Would you recommend changes or additions to the proposed workforce standards and requirements?
  - a. Do you have input on how “local” should be defined (for the purpose of providing a preference for local contractors)?





# Next Steps





# Workshops and Listening Sessions

Date	Location	Focus
May 24, 2023	Online	Tribal Listening Session (Option 1)
May 25, 2023	Online	Tribal Listening Session (Option 2)
June 6, 2023	San Francisco*	Regional Workshop
June 9, 2023	Los Angeles*	Regional Workshop
June 10, 2023	Online (Weekend)	Expanded Community Feedback Opportunity
June 12, 2023	Santa Rosa*	Regional Workshop
June 15, 2023	Riverside/Imperial*	Regional Workshop
June 21, 2023	Online (Evening)	Expanded Community Feedback Opportunity
June 23, 2023	Fresno*	Regional Workshop

\* Meetings will be hybrid if possible



# Regional Workshops

More information to come! Scan the QR code for updates on workshops and programs, including registration.



## Regional Workshops for Equitable Building Decarbonization Program

Learn about Government Funding for Home Electrification and Energy Efficiency Improvements.

### CONTACT

Office of the Public Advisor  
[publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov)

<https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program/regional-workshops>



# Timeline

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9/6/2022	AB 209 and AB 179 signed
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# Comments Due by June 30, 2023

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**Written comments** may be submitted to the Docket Unit by  
5:00 p.m. on **June 30, 2023**

Please see the [notice](#) for further information:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=249981>



# Public Comment

## Instruction

- 3 minutes or less per person
- 1 representative per organization

## Zoom App/Online

- Click “raise hand”

## Telephone

- Press \*9 to raise hand
- Press \*6 to (un)mute

## When called upon

- Public Advisor will open your line
- Unmute, spell name, state affiliation, if any

For Phone Participation: Dial (669) 219-2599 or (888) 475-4499  
Enter Webinar ID: 854 6650 6983 and Passcode 941385





# Program and Staff Contacts

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Program Webpage:

[www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program](http://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program)

Subscription Channel: Decarbonization Topics

Docket: **22-DECARB-03**

Staff Contact for Guidelines:

Diana Maneta, [diana.maneta@energy.ca.gov](mailto:diana.maneta@energy.ca.gov)