

DOCKETED

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Filer:	Jennifer Berg
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June 29, 2023

California Energy Commission
Docket Unit, MS-4
Docket No. 22-DECARB-03
715 P Street
Sacramento, CA 95814

Sent via email only to: docket@energy.ca.gov

Re: Docket Number: 22-DECARB-03
Project Title: Equitable Building Decarbonization Direct Install Program

Dear Commissioners and Staff,

The San Francisco Bay Area Regional Energy Network (BayREN) is pleased to submit these comments and recommendations regarding the Draft Guidelines for the Equitable Building Decarbonization Direct Install Program. BayREN is a collaboration of the Association of Bay Area Governments (ABAG) and the nine Bay Area counties that draws on the expertise and proven track record of Bay Area local governments to develop and administer successful regional and local climate, energy, and sustainability programs. BayREN applauds the Commissioners and staff for the meaningful stakeholder engagement regarding these guidelines. Additionally, we appreciate the thoughtful analysis and clarity of the draft guidelines.

In 2023, BayREN celebrated 10 years as a program administrator of ratepayer funded energy efficiency programs. These comments are based on our experiences as an implementer of a portfolio of programs offered across the nine Bay Area counties.

I. Program Coordination and Incentive Layering.

BayREN appreciates the acknowledgment in the guidelines that there are existing and future programs that offer incentives to advance energy efficiency, weatherization, electrification, and decarbonization in California homes, and impress upon administrators to coordinate with other programs¹. This is a good first step. The Bay Area is just a small part of the Northern Region. In our territory, there are many existing programs that offer incentives for many of the same measures identified in the Draft Guidelines. For example, in the Bay Area, BayREN has a single family and multifamily incentive programs that include most of the same measures; there are seven CCAs in the Bay Area, most of whom offer an incentive for electrification measures, and there are statewide programs including the TECH Clean California program. And this is the

¹ Chapter 4: Administration, A. Program Coordination and Incentive Layering, page 18.

landscape in only a portion of the Northern Region. Programs often change or sunset, so having up to date information as well as established coordination channels is imperative.

BayREN suggests that in the solicitation for Program Administrator(s) of the program, proposers be required to conduct market research regarding the relevant existing federal, state, regional and local programs in the region(s) and indicate how they intend to work collaboratively with all program administrators to avoid program duplication and customer confusion. In short, rather than this be a “check the box” statement, the proposals must demonstrate an understanding of all of the existing programs and provide a roadmap for how they intend to coordinate.

BayREN appreciates that the CEC has recognized that helping to reach the State’s decarbonization goals is truly an all-hands-on deck effort. BayREN appreciates the budget of \$30,000,000 to support existing programs.

II. Active Coordination for Program Effectiveness.

The flexibility of these funds to cover expenses such as electrical infrastructure upgrades, health and safety remediation, permitting, and ventilation is a positive aspect of this program and lends to the opportunity to layer with ratepayer incentives which are largely limited to covering measure costs. In order for effective program layering however, the CEC should support ongoing coordination with program implementers via an Advisory Group or Coordinating Committee of key program administrators and implementation parties in the single family and multifamily housing sectors respectively. The CEC should invest in dedicated coordination meetings with program administrators, local governments, housing agencies and industry partners to ensure seamless delivery and to address issues such as:

- o Mapping of the programmatic overlap with IOU (EE & SOMAH, IDSM), REN, CCA, IRA, ESA, LIWP, CEC DECARB, and low-income housing programs
- o Streamlining and centralizing application process
- o Coordinating outreach messaging and branding to consumers
- o Engaging CBOs as implementation partners
- o Standardizing contractor credentials – to expand the pool of trained contractors and ensure QA/ integrity of work
- o Ensuring incentives can layer to cover measures as well as full cost of construction (e.g., roof upgrades, panel upgrades, necessary electrical upgrades for electric end uses, health and safety, permitting, etc.)
 - o Standardizing data tracking of customers & contractors receiving incentives from multiple sources
 - o Tracking incentives at different points in the supply chain (e.g., point of sale, consumer installation, tax credit etc.) to ensure the incentives don’t exceed cost of construction
 - o Establishing which incentives should be given priority against the cost in a loading order for customer to receive incentives (in cases where double dipping is a concern)

- o Minimizing administration costs by leveraging existing delivery channels rather than re-creating entire implementation infrastructure.
- o Standardizing energy savings calculations methodologies where deemed savings or calculated savings are applied
- o Aligning various assessment protocols between HERS, BPI, DOE HES, Energy Plus, CBECC RES etc.
- o Developing metrics and tools to assess the trade-offs between bill savings, overall fuel savings vs GHG savings benefit

A successful example of this is the California Statewide Multifamily Home Energy Retrofit Coordinating Committee convened by EPA Region 9 and StopWaste during ARRA to leverage stimulus and ratepayer funded incentives.²

III. Workforce Standards and Requirements.

BayREN works closely with contractors who provide decarbonization services within the residential sector in the Bay Area to implement our residential programs. Enabling the participation of this existing workforce is critical to the success of the Equitable Building Decarbonization Direct Install Program. We understand the challenges facing this group of contractors who are primarily small, non-union signatory businesses. BayREN supports the CEC’s efforts to raise workforce standards and recommends that the CEC design the Equitable Building Decarbonization Direct Install Program to provide support for these contractors to change their business models to be able to meet higher job quality and labor standards. For our current workforce to continue providing decarbonization services to California residents, the state needs to design specific support services that essentially bridge this gap so that existing

² The MF HERCC was originally funded through the 2010 State Energy Program award to the CEC. The recommendations were largely adopted by and implemented in the 2013 CPUC portfolio of ratepayer funded multifamily programs, including the statewide IOU programs and the Regional Energy Network programs. There were sub-groups developing recommendations on coordination with low-income housing programs, IT tools, Energy Analysis Software, and Combustion Appliance Safety testing for Multifamily. We have called upon the MF HERCC as a forum for additional ad-hoc convenings since the major reports were published. The MF HERCC convened on Equity through the *CEC Accelerating Multifamily Building Upgrades Local Government Challenge Grant* in 2020.

Examples of some of the reports developed are:

Recommendations by the CA Statewide Multifamily Home Energy Retrofit Coordinating Committee (MF HERCC):

MF HERCC report 2011: [Microsoft Word - MF HERCC Multifamily Program Design Recommendations Final 04112022 \(chpc.net\)](#)

MF HERCC Report and Combustion Appliance safety protocols 2015: <https://www.stopwaste.org/resource/mf-hercc-reports>

residential contractors can eventually become high roads employers. This would provide critical support rather than barriers to entry and/or continued work in this sector.

This type of support could be provided in the following ways:

- **Project Bundling**
 - The small scale of most residential decarbonization projects and the lack of consistent, guaranteed work pipelines are two of the key barriers to contractors offering prevailing wages and becoming union signatories. Rather than bundle projects by individual contractors, smaller contractors should be able to form local networks that could collectively bundle projects (similar to the network of local contractors that Revalue.io³ has formed).
- **Technical and Business Training**
 - Apprenticeship programs already have demand far exceeding supply, but supporting training programs at the pre-apprenticeship, community college, and high school level is important for expanding the pipeline of workers entering the field.
 - In addition to training for new workers, CEC should provide specific decarbonization focused training and professional development opportunities for existing contractors. This could be done by partnering with manufacturers and/or distributors to offer training on specific heat pump technologies, for example.
 - Small residential contractors would also benefit from training focused on improving their business acumen and understanding how to transition their current business model into a high roads business model and/or union signatory business model.
- **Reduce Administrative Burden**
 - BayREN has heard from many of the contractors we work with that hiring, training, and retaining administrative staff is one of their biggest challenges. The CEC can help to address this by minimizing administrative burdens on participating contractors.
- **Program Layering Coordination**
 - Requiring specific wage and labor standards may introduce challenges for program layering if these standards are not also required by existing programs (e.g., BayREN and TECH do not require prevailing wage). The CEC should work with public program administrators to better align job quality standards to reduce confusion for contractors and identify concrete steps they can take to

³ Since 2015, Revalue.io has been preparing communities for the transition to clean energy through energy saving building improvements (including insulation, heat pumps etc.) and removing home health hazards such as lead, mold, pests etc. Working with local, minority contractors and utility program administrators, Revalue.io provides a full-service custom "No Wrong Door" service for property owners, tenants and local contractors to access resources such as rebates, grants and other incentives that enable us to eliminate upfront costs for our customers. See <https://www.revalue.io/>.

meet these standards so that they can offer more holistic solutions to their customers. The CEC should also work with public program administrators to understand timelines, goals and available funding for existing programs to ensure that any high roads transition plan for contractors accurately reflects available funding and resources.

These are just some examples of what support could look like. BayREN recommends that the CEC conduct additional, direct outreach to existing contractors who work in the residential decarbonization sector to better understand their specific challenges in meeting higher job quality and labor standards. Additionally, given that a significant number of workers and contractors that are providing these decarbonization services do so in languages other than English, this program, and any associated training and support, will need to be rolled out with that consideration in mind.

IV. Affordability Analysis of Bill Impacts should be Conducted Prior to Program Launch.

While utility bill savings are a universally agreed upon goal, particularly for lower income occupants, there are many instances where very viable and impactful fuel substitution projects will result in higher electric bills and lower gas bills- and the total combined utility costs to the customer may or may not be lower. The bill savings issue is further complicated in multifamily projects where the electric and gas bills are sometimes paid by owners and sometimes paid by tenants. The calculations to determine if a project is overall saving money on their bills (gas + electric) can be complicated by the various rates which projects may be utilizing. For this program and others throughout the state with goals of improving energy affordability, the CEC can help by supporting analysis, developing metrics and tools to assess the trade-offs between bill savings, overall fuel savings versus GHG savings benefit.

V. Income Eligibility.

It is our understanding through the Guidelines and attending workshops that the CEC intends to use 80% AMI at the county level as a threshold for income eligibility. We believe the threshold should be at the census tract level and that eligibility should be considered for any home or multifamily property within that census tract, regardless of the residents' income. This will have the beneficial effects of including substantially more unsubsidized affordable housing (aka NOAH) while also greatly reducing the high administrative burden of income verification. We believe these benefits will far outweigh the potential to include a small number of high-income residents.

We appreciate the opportunity to provide this input and thank the CEC for its careful consideration of BayREN's comments. We look forward to continuing to be involved in these important issues.

Respectfully Submitted,

A handwritten signature in black ink that reads "Jennifer Berg". The signature is written in a cursive style with a large initial "J" and a stylized "B".

Jennifer K. Berg
Director, Energy Section