

DOCKETED

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California Energy Commission
Docket Office, MS-4

Re: Docket No. 22-DECARB-03
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission
Docket No. 22- DECARB-03: Equitable Building Decarbonization Direct Install Program
Draft Guidelines

Dear Commissioners:

On May 4, 2023, the California Energy Commission (CEC) published the Equitable Building Decarbonization Direct Install Program draft guidelines (EBDDI program guidelines) to solicit input and comments on the proposed guidelines.

Southern California Edison (SCE) appreciates the opportunity to submit comments. In general, SCE supports the program guidelines and goals to reduce greenhouse gas (GHG) emissions and advance energy equity to meet the State's goals. SCE notes that similarities exist in the CEC program design and the utilities' already existing Energy Savings Assistance (ESA) programs authorized by the California Public Utilities Commission (CPUC), which may cannibalize a portion of the utilities' existing ability to achieve ESA's aggressive program goals during the 2021-2026 program cycle. To avoid this potential issue and duplicating efforts, rather than implement a new program with similar target customers, measure offering, and target region and funding which far exceeds current state programs, SCE recommends directing the funding for the EBDDI program to bolster existing state programs that provide building decarbonization upgrades for low-income California households to ensure these programs successfully achieve their goals. At minimum, SCE alternatively recommends a closely coordinated approach between the CEC and the CPUC programs to avoid cannibalization and provide leveraging between the programs that will provide the greatest benefit to the greatest number of eligible participants in support of a clean energy future.

SCE offers additional comments and recommendations in the following topic areas (1) household/property eligibility, (2) eligible measures, and (3) program coordination and incentive layering, as set forth below to ensure the CEC's Direct Install Program complements CPUC's ESA programs and both agencies successfully achieve their respective goals.

I. Introduction

In Decision 21-06-015 (the Decision), the CPUC approved a suite of ESA programs targeting low-income customers across a variety of markets.¹ Specifically, the Decision required the Investor-Owned Utilities (IOUs)² to implement several programs that provide no-cost or reduced-cost energy efficient appliances or measures in qualifying low-income households: (1) the ESA Main program, which targets low-income single-family residents and also eligible residential buildings (i.e., group living facilities); (2) the ESA Multifamily Whole Building program (MFWB),³ which primarily seeks to treat deed-restricted and non-deed-restricted multifamily affordable housing owners and property managers; and (3) SCE's ESA Building Electrification Pilot (BE Pilot), which was designed to support the state's ambitious GHG reduction goals and strives to bring environmental equity to vulnerable populations through reducing indoor nitrogen oxide emissions by replacing combustion-based water heaters, space heating and cooling equipment, cooking appliances and laundry appliances. These programs have scopes that seek to provide an opportunity for high-usage, income qualified single-family households in disadvantaged communities (DAC) to receive electrification offerings.

II. Topics:

1. Household/Property Eligibility

The EBDDI program guidelines outline the building types, fuel types, and income eligibility requirements. SCE agrees with the building and fuel type eligibility requirements as these would expand opportunities for low-income customers to participate in programs where SCE's ESA programs may be limited. Under the EBDDI program guidelines, the income

¹ D.21-06-015, *available here*
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K107/387107687.PDF>.

² SCE, Pacific Gas and Electric, Southern California Gas, and San Diego Gas and Electric.

³ The MFWB program defines "multifamily properties" as having five or more units.

requirement utilizes Area Median Income (AMI)⁴ rather than Federal Poverty Level (FPL), which ESA utilizes to determine eligibility. This may hamper the ability for coordination between programs at a time when low-income stakeholders appear to desire greater consistency across the State’s low-income energy programs. Also, the EBDDI program guidelines list “proof of enrollment in an income-qualified program that requires an income less than or equal to the income threshold for this program”⁵ but does not include ESA within the list. SCE recommends two changes to the household eligibility criteria in the EBDDI program guidelines. First, the EBDDI program guidelines should be harmonized with the already approved ESA programs to include FPL as income eligibility criteria, and second, the EBDDI program guidelines should include ESA programs in its “proof of enrollment” list. These changes ensure that existing ESA customers can take full advantage of the CEC’s program and vice versa.

2. Eligible Measures

SCE appreciates the variety of eligible measures that would be funded through this program. However, SCE’s ESA programs offer the same or similar measures included in the EBDDI program guidelines. Where the measures are the same (e.g., space and water heat pumps), SCE strongly suggest that ESA dollars be applied first prior to tapping EBDDI funding. EBDDI can then be utilized to fund measures not included in the ESA offering. Additionally, SCE strongly recommends program administrators partner with SCE to ensure that the utilities’ ESA customers would benefit from the support of both programs, specifically around remediation costs,⁶ which are often needed in the case of installing larger appliances. If the customer is eligible for an ESA program, the customer should be able to utilize the EBDDI’s maximum remediation budget rather than the lower ESA remediation budget. Currently, the ESA program offers a \$2,500 remediation budget per home; however, depending on income, the EBDDI program offers a maximum of \$5,000 for remediation needs. This enables customers that may require more advanced construction repairs to be able to install applicable measures.

⁴ Draft Guidelines for the Equitable Building Decarbonization Direct Install Program, Pg. 9.

⁵ *Id.*, Pg. 10.

⁶ Examples of remediation costs may include panel and wiring upgrades and to address safety concerns.

3. Program Coordination and Incentive Layering

SCE agrees with the EBDDI program guidelines that state, “[t]o maximize the number of California households that benefit from the Equitable Building Decarbonization Program, complementary funding sources should be applied to a project prior to Equitable Building Decarbonization Program funds whenever possible”⁷ SCE strongly recommends adherence to this aspect of the program and requests that SCE and the other IOUs work in consultation with CEC program administrator(s) to develop the process by which not only funding sources, but also measure installations are prioritized between the already existing CPUC programs and the new CEC program that SCE support. SCE also recommends the CEC consider the best ways to leverage SCE’s existing clean energy program infrastructure, authorized by the CPUC, prior to the final implementation of the Equitable Building Decarbonization Direct Install program. For example, this could include utilizing existing contractor base to reduce the time needed to conduct solicitations and provide synergy for any administrative work required to set-up contracts or program ramp up activities. This could optimize coordination and prioritization of funds and/or measures. Specifically, SCE recommends including one or more ESA contractors for all the Regions with a focus in Climate Zones 13, 14, and 15 for seamless enrollment process for both ESA and the EBDDI program.

II. Conclusion

SCE thanks the CEC for consideration of the above comments and looks forward to continuing its partnership with stakeholders to develop the Equitable Building Decarbonization Direct Install Program guidelines. Please contact me at 626-302-9652 with questions. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Rosalie Barcinas

⁷ *Id.*, Pg. 18.