

DOCKETED	
Docket Number:	23-DECARB-02
Project Title:	Inclusive Utility Investments
TN #:	251215
Document Title:	Request for Information Inclusive Utility Investment Report
Description:	<p>*** This document supersedes TN 250860 ***</p> <p>The California Energy Commission is seeking input and comment to inform the implementation of Senate Bill 1112 (Becker, Chapter 834, Statutes of 2022).</p> <p>Comments and supporting documentation are due by August 24, 2023.</p>
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CEC-70 (Revised 7/22)

*IN THE MATTER OF:**Inclusive Utility Investments Program*

DOCKET NO. 23-DECARB-02

REQUEST FOR INFORMATION

RE: Inclusive Utility Investments Program

Request for Information Inclusive Utility Investment Report

The California Energy Commission (CEC) is seeking input and comment to inform the implementation of Senate Bill (SB) 1112 (Becker, Chapter 834, Statutes of 2022). Staff has developed a list of questions in the Input Request section of this document, but other feedback and topics are welcomed.

Comments and supporting documentation are due by ~~July 27, 2023~~. **August 24, 2023.**

Background

Achieving California's goals for building decarbonization requires comprehensive solutions to help scale successful programs and deliver options to overcome challenges, increase access, and improve affordability. There is a real risk that without thoughtful and intentional prioritization, the state's most vulnerable and underserved will be the last to receive the benefits of a clean energy future due to lack of capital, credit, and access to infrastructure.

The 2021 Integrated Energy Policy Report¹ calls for significant investments in retrofitting California's nearly 13.7 million homes and more than 7.4 billion square feet of commercial space to reduce greenhouse gas emissions from buildings, allow consumers to address climate change impacts from extreme heat and wildfires, and to achieve California's climate goals.

As noted in the *California Building Decarbonization Assessment*, the Building Decarbonization Coalition has estimated that a grant-only approach to low- to moderate-income household decarbonization would require a cumulative public and ratepayer investment over 25 years on the

¹ Kenney, Michael, Jacob Wahlgren, Kristina Duloglo, Tiffany Mateo, Danuta Drozdowicz, and Stephanie Bailey. 2022. [Final 2021 Integrated Energy Policy Report, Volume I: Building Decarbonization](#). CEC. Publication Number: CEC-100-2021-001-V1. Available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=241361>.

order of \$72 billion to \$150 billion.² Especially in the near-term, sustained subsidies are needed to decarbonize low-income households; in the long-term, capital markets must be brought to bear.

The *2019 California Energy Efficiency Action Plan*³ recommends new financing mechanisms for low-to-middle-income households and multifamily units with eligibility not based on credit score or income, such as a statewide tariffed on-bill repayment program, also known as inclusive utility investments (IUI).

In September 2022, Governor Newsom signed SB 1112. Public Resources Code section 25235 directs the CEC, in coordination with the Governor’s Office of Business and Economic Development, the Public Utilities Commission, and the State Treasurer’s Office, to identify and apply for state and federal financing or investment solutions.

For the purposes of SB 1112, financing or investment solutions must be consistent with the United States Environmental Protection Agency’s IUI policies or other industry best practices that will enable electrical corporations, community choice aggregators, or other eligible entities to provide zero-emission, clean energy, or decarbonizing building upgrades.

As part of its work on implementing SB 1112, the CEC is required to submit a report to the Legislature on or before December 31, 2023, that describes statutory changes necessary to improve access to federal funding for financing or investment solutions.

Input Request

1. What barriers (such as statutory, regulatory, or financial barriers) do electrical corporations, community choice aggregators, and other eligible entities face in accessing state and federal financing for IUI?
2. What barriers do electrical corporations, community choice aggregators, and other eligible entities face in implementing and administering IUI programs?
3. Please provide information on available state and federal IUI programs and similar programs, if any. What are the lessons learned from these programs? What sources of funding do these programs use? Please provide relevant case studies, program results, reports, and participation data if possible.
4. What technical assistance would be most beneficial to electrical corporations, community choice aggregators, and other eligible entities to access state and federal financing for IUI?
5. What decarbonization measures are most appropriate for existing IUI programs? Are measures required to be cost effective? Should programs that access state or federal financing be required to ensure participants realize utility bill savings? What, if any, consumer protections are required to improve access to financing or investment solutions?

2 Mast, Bruce, Holmes Hummel, and Jeanne Clinton. June 2020. [Towards an Accessible Financing Solution, Building Decarbonization Coalition](https://buildingdecarb.org/wp-content/uploads/Towards-an-Accessible-Financing-Solution.pdf), p. 14. <https://buildingdecarb.org/wp-content/uploads/Towards-an-Accessible-Financing-Solution.pdf>.

3 Kenney, Michael, Heather Bird, and Heriberto Rosales. 2019. [2019 California Energy Efficiency Action Plan](https://efiling.energy.ca.gov/GetDocument.aspx?tn=231261). CEC. Publication Number: CEC-400-2019-010-CMF. Available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=231261>.

6. What statutory changes are necessary to improve access to federal funding for financing or investment solutions?
7. Input on other topics welcomed.

Responses and Comments

The CEC encourages the use of its electronic commenting system. Visit the e-commenting page for this docket [23-DECARB-02](#) at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-DECARB-02> [23-DECARB-02](#) at <https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=23-DECARB-02>. Enter your contact information and a subject title that describes your comment. Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document in compliance with California Code of Regulations, Title 20, section 1208.1. The maximum file size allowed is 10 MB.

Written comments may be submitted to the Docket Unit by **5:00 p.m.** on ~~July 27, 2023~~. **August 24, 2023.**

Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine. Written comments may also be submitted by email. Include docket number **23-DECARB-02** and **Inclusive Utility Investments Program** in the subject line and email to docket@energy.ca.gov.

A paper copy may be mailed to:

California Energy Commission
Docket Unit, MS-4
Docket No. 23-DECARB-02
715 P Street
Sacramento, California 95814

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Media Inquiries. Email mediaoffice@energy.ca.gov or call (916) 654-4989.

General Inquiries. Email the Inclusive Utility Investments team at InclusiveUtilityInvestment@energy.ca.gov.

Technical Subject Inquiries. Email Jacob Wahlgren at jacob.wahlgren@energy.ca.gov.

Availability of Documents: Documents related to this request for information will be available at the [Financing and Investment Solutions for Clean Energy Building Upgrades web page](#), at <https://www.energy.ca.gov/programs-and-topics/programs/financing-and-investment-solutions-clean-energy-building-upgrades>, or at the docket [23-DECARB-02](#), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-DECARB-02>.

When new information is posted, an email will be sent to those subscribed to the “Decarbonization Topics” email subscription topic. To receive these notices or notices of other email subscription topics, visit [Subscriptions](https://www.energy.ca.gov/subscriptions), at <https://www.energy.ca.gov/subscriptions>.

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