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California Energy Commission Docket Unit, MS-4 Docket No. 22-DECARB-03 Docket No. 23-BUSMTG-01 715 P Street Sacramento, California 95814

Re: <u>Comments of the Labor Coalition on the Revised Program Guidelines</u> for the Equitable Building Decarbonization Direct Install Program

Dear Commissioners and Staff:

We write on behalf of the Joint Committee on Energy and Environmental Policy, Western States Council of Sheet Metal, Air, Rail and Transportation Workers, California State Pipe Trades Council, and the International Brotherhood of Electrical Workers-National Electrical Contractors Association Labor Management Cooperation Committee (collectively "the Labor Coalition") in support of the Program Guidelines for the Equitable Building Decarbonization Direct Install Program, as revised on October 17, 2023.1

For twenty years, stakeholders have been advocating for the inclusion of meaningful workforce standards in state energy efficiency programs and every time these programs merely adopt platitudes and "encouragement" of such standards – but nothing meaningful is ever actually implemented. Without clear mandatory standards, this program would have been more of the same: one that subsidizes low road contractors that use undertrained and underpaid workers – resulting in the creation of dead-end jobs and poor installation of subsidized energy efficiency measures that fail to provide the efficiency assumed by project administrators.

¹ California Energy Commission, Program Guidelines: Equitable Building Decarbonization Direct Install Program Guidelines (Oct. 2023), *available at* https://efiling.energy.ca.gov/GetDocument.aspx?tn=252609&DocumentContentId=87700. 4087-003j

We are pleased to see staff finally reject incentivizing low road, low quality work. As revised, the Program Guidelines include enforceable workforce standards which will promote work quality, generate greater energy savings, improve customer satisfaction (which leads to increased customer participation), reduce callbacks and equipment failures from ineffective installation or maintenance, improve safety (particularly important for programs that add higher electrical loads to existing building electrical systems), accelerate market adoption and improve compliance with codes and standards. Critically, the Program Guidelines ensure that program administrators (1) are fully responsible for complying with all applicable prevailing wage laws and (2) create workforce plans that detail how the administrators will implement the contractor preference, training and experience, and bundling requirements specified in the guidelines.

We applaud the Commission's revisions to the contractor preference criteria to ensure prioritization of high-road contractors and inclusion of a priority bidding period to ensure those contractors are actually given first preference in awarding contracts. In addition, we strongly support the Commission's decision to mandate that program administrators establish minimum training and experience requirements for the on-site construction workforce to ensure the workers are qualified and energy savings are not lost or foregone due to poor quality workmanship. Finally, we agree with the Commission's decision to require bundling projects into single contracts to increase economies of scale and facilitate participation of high road contractors.

We greatly appreciate Commissioner McAllister and staff's meaningful engagement with stakeholders to develop the most effective program possible. We look forward to assisting with implementation of the program to ensure it achieves its goals of reducing greenhouse gas emissions and advancing energy equity.

Thank you for your consideration of these comments.

Sincerely,

Thomas A. Enslow Andrew J. Graf

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