

DOCKETED

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Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
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*Comment Received From: RESOURCE INNOVATIONS, INC.
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Docket No 23-DECARB-01 - HOMES RFI Response from Resource Innovations

Resource Innovations' RFI response to Docket No. 23-DECARN-01 are uploaded below. These comments are provided in response to the CEC's RFI regarding the US Department of Energy's federal Home Efficiency Rebates (HOMES) program, funded through the Inflation Reduction Act (IRA).

We thank you for the opportunity to provide our comments. If you have questions, or need any clarifications regarding our comments, please contact us at ri.bd@resource-innovations.com or 650.678.9154.

Additional submitted attachment is included below.

DOCKETED	
Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	253718
Document Title:	Request for Information (RFI)
Description:	*** This document supersedes TN 253640 *** - Request for Information to inform the CEC's application to the US Department of Energy for the federal Home Efficiency Rebates (HOMES) Program, funded through the Inflation Reduction Act (IRA).
Filer:	Jacob Wahlgren
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	12/21/2023 4:12:08 PM
Docketed Date:	12/21/2023

January 26, 2024

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

Subj: Docket Number: 23-DECARB-01 Request for Information
Re: Inflation Reduction Act Home Efficiency Rebates Program

Thank you for inviting public comment on the California Energy Commission's (CEC) Inflation Reduction Act (IRA) Home Efficiency Rebates (HOMES) Program. Representatives from Resource Innovations, Inc. (Resource Innovations) participated in your scoping workshop, and we are happy to provide comments and recommendations for your consideration.

If you have questions, or need any clarifications regarding our comments, please contact me at ri.bd@resource-innovations.com or 650.678.9154.

Sincerely,



Lauren Casentini
CEO, Resource Innovations

RFI Comments

1. Braiding HOMES with Equitable Building Decarbonization Direct Install Program.

- a. *Share any best practices for braiding federal and state funds for highly effective rebate, incentive, and/or direct install programs aimed at households in disadvantaged communities or meeting low-income guidelines.*

We recommend the following strategies to coordinate application processes effectively, streamline the customer experience, minimize customer burden and confusion, and expedite the funding procurement timeline.

- **Establish a Single Point of Contact.** The Program will assign a single point of contact to Program applicants. They will guide customers through the process, provide clarifications, and assist with any questions or concerns.
- **Streamline Application Requirements.** The Program will coordinate with leveraged programs and stakeholders to harmonize and streamline application requirements; identify common elements across funding sources and attempt to consolidate them into a unified set of application materials.
- **Create a Clear and User-Friendly Application Guide.** The Program will develop a comprehensive, user-friendly application guide that provides step-by-step instructions, outlines requirements, and explains eligibility criteria. The Program will use plain language (in multiple languages) and provide examples or templates.
- **Develop a Digital Application Platform.** The Program will implement a user-friendly, web-based application platform that enables applicants to access, complete, and submit applications online
- **Use Pre-Qualification or Eligibility Check.** The Program will implement a pre-qualification or eligibility validation process to assess an applicant's alignment with the funding criteria for the programs being leveraged.

Our **Digital Application Platform** provides a no code/low code end-to-end technology solution that provides one intake for all braiding/stacked funding sources (state, federal, utility (electric & gas), and philanthropic). Fundamentally this solution also needs to be integrated with the DOE API and SOC II Type 2 certification requirements. This integration mitigates the risk of duplications of benefits, simplifies reporting to various funding sources, retains flexibility as rules, documentation, required data points change over the lifetime of the program for the various funding resources. The technology needs to be intuitive and contractor friendly as to not encumber direct install contractors work in the field.

2. In the situation where CEC does not incorporate/braid HOMES program funding into the EBD Direct Install Program, respond to the following questions to inform CEC's HOMES program design and application to DOE.

a. Overall program design:

- i. How can HOMES funds that are awarded to deliver residential whole building energy efficiency retrofits, be best utilized to support the state's decarbonization and electrification goals?*

We recommend coordinating with the existing Weatherization programs.

- ii. Aside from ensuring that program participation is a simple process from the resident's point of view and the need to avoid cash outlays, how should the program be structured to support widespread access and uptake in households located in disadvantaged communities or with a low income? How could CEC structure HOMES's pay-for-performance option to reach low-income communities more effectively?*

We recommend coordinating with Weatherization programs to effectively reach low-income communities. We do not recommend the HOMES's pay-for-performance (measured) option as an effective strategy to reach the low-income communities.

- iii. If funds are provided directly to existing residential efficiency programs, which programs will make the highest impact in terms of market transformation for efficiency and decarbonization technology?*

Infusing the funds into the Program Administrators' EE and electrification-focused equity programs and their low income programs (such as the Energy Savings Assistance program) would provide significant decarb value to disadvantaged communities and low income customers throughout the state. We will outline in greater detail our specific approach and partnerships during the formal RFP process.

iv. Leveraging and stacking:

- a. CEC has gathered feedback on how electrification incentives could best be leveraged and stacked with existing programs. Are there additional considerations for best leveraging and stacking residential whole house efficiency rebates, like HOMES with existing programs?*

We will outline our CA-region specific stacking and braiding approaches in a formal RFP process.

- b. Are there considerations for stacking pay-for-performance rebates (see below) with existing programs?*

We do not recommend stacking pay-for-performance (P4P) rebates with existing programs. Our P4P program administration experience indicates that stacking rebates with an existing program complicates the applicant and contractor experience and is administratively burdensome.

c. What are the best strategies for effective and efficient integration into existing programs' administration, websites, and materials?

We will outline our CA-region specific marketing outreach approaches in response to a formal RFP. As mentioned earlier – marketing ties into our technology approach (Answer to 1.A) and our CA-region specific stacking and braiding approaches that we will detail in response to a formal RFP.

d. Which existing program quality assurance, quality control, workforce, or other implementation standards or best

Our end-to-end technology (iEnergy) enables a streamlined program quality assurance, quality control, and workforce development enablement. We will detail our DOE-compliant approaches, which are based on our Federal/State program experience, in response to an RFP.

*b. **Rebate determination approach and rebate values.** DOE offers both a modeled and a measured savings pathway. The measured savings pathway requires energy savings of 15 percent or greater per home or portfolio of homes.*

As noted above, through the measured savings pathway, the state can choose to set rebate values by either 1) paying a fixed portion of the project cost (80 percent for low-income households and 50 percent for households with income at 80 percent AMI or greater or 2) a pay-for-performance calculation payment rate equal to \$4,000 for a 20 percent reduction of energy use for the average home in the state for low-income households and \$2,000 for a 20 percent reduction of energy use for the average home in the state for households with income at 80 percent AMI or greater. States may seek approval from DOE to increase the maximum amount available for low-income households.

For both measured pathway options, CEC is to receive and review nine to 12 months of each retrofitted home's energy consumption data to confirm 15 percent of energy savings prior to issuing a rebate to the contractor, aggregator, or program implementers. Additionally, to maximize participation, we recommend that the state incorporate program designs that do not burden low incomes customers with out-of-pocket expenses for rebate eligible measures.

i. What are the advantages and drawbacks of program design using the fixed costs versus pay-for-performance method? Can the pay-for-performance method effectively serve low-income households?

We have direct experience implementing programs using both fixed costs and P4P models and we have found that the drawbacks drastically outweigh the advantages. There is no existing market precedent of a pay-for-performance program cost-effectively serving low-income households.

ii. What are the options to manage and allocate performance risk and financing costs during the 9 to 12-month post-installation period prior to issuing the rebate? Options should consider at a minimum that: low-income households are not required to utilize personal funds to pay for rebated work, the inability for many contractors, installers, or small

businesses to “float” rebate costs, and the cost of capital for aggregators (or some designated entity) to float those costs.

As noted above, we do not recommend this delivery model due to its complexity.

iii. For the fixed cost method, how should the CEC approach setting allowable project cost caps? What are similar programs CEC should use as examples?

As noted above, we do not recommend this delivery model due to its complexity and limited precedent in residential programs.

iv. is the best way for the CEC to obtain consistent and sufficient documentation for contractors, such as itemized cost breakdowns, while remaining consistent with contractor business practices?

Our end-to-end technology (iEnergy) enables a streamlined program quality assurance, quality control, and ensures contractor operational efficiency/efficacy in the field. We will detail our DOE-compliant approach, which is based on our Federal/State program experience, in response to an RFP.

c. Eligible recipients

i. Should CEC reserve additional HOMES funds for low-income households, beyond the DOE-requirement of 50 percent of total rebate funds? If so, why, and what percent?

Yes, the CEC should reserve additional HOMES funds for low-income households. We also recommend that you retain flexibility in the use of these as the program(s) mature(s) overtime.

d. Income Verification.

i. What approaches should CEC consider to verify individual household income that are efficient and accurate, safeguard information, and create a minimal burden for residents? Please provide examples of other programs and why you consider them effective models?

Categorical Eligibility: it is DOE approved.

ii. The EBD Direct Install Guidelines established a list of federal and state assistance programs that can be accepted to qualify a resident as low- income (i.e., “Categorical Eligibility”). Should the CEC utilize the same list of programs for Categorical Eligibility for a program(s) developed with HOMES funding? In addition to the programs found in Section E

Yes.