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**Inflation Reduction Act Residential Energy Rebate Programs-  
Request for Information (RFI TN 253718)**

*Additional submitted attachment is included below.*



January 26, 2024

California Energy Commission  
715 P Street  
Sacramento, CA 95814

RE: Inflation Reduction Act Residential Energy Rebate Programs – Request for Information (RFI TN 253718)

Docket No. 23-DECARB-01

## **I. Introduction**

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) appreciates the opportunity to provide comments on the California Energy Commission’s (CEC) program design for the federal Inflation Reduction Act (IRA) Home Efficiency Rebates (HOMES) Program. The CEC issued a Request for Information (RFI TN 253718) on December 21, 2023 that raised several questions and sought input on developing an “Implementation Blueprint.”<sup>1</sup> Cal Advocates’ comments focus on issues related to issue (d) Income Verification and make the following recommendations:

- The CEC should use the categorical eligibility (CE) programs listed in Section E.3 of the Equitable Building Decarbonization (EBD) Direct Install Program for automatic eligibility to recipients applying for IRA rebates because they reflect low-income status and have received Department of Energy (DOE) approval.<sup>2</sup>
- The CEC should also consider utilizing CalFresh Confirm Hub and Equifax’s payroll data for near-term implementation of IRA programs.
- The CEC should explore utilizing Franchise Tax Board (FTB) data for long-term implementation of IRA programs.

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<sup>1</sup> TN Number: 253718

<sup>2</sup> Department of Energy, Federal Programs Approved for Categorical Eligibility for DOE Home Energy Rebates. Available at: [https://www.energy.gov/sites/default/files/2023-10/ira-50121-50122-home-energy-rebates-categorical-eligibility-list\\_10-13-2023.pdf](https://www.energy.gov/sites/default/files/2023-10/ira-50121-50122-home-energy-rebates-categorical-eligibility-list_10-13-2023.pdf). Accessed on 01/12/2024.

## II. Discussion

### a. Most Categorical Eligibility programs approved in the EBD Direct Install program have received Federal approval for IRA rebate programs.

The EBD program is intended to reduce greenhouse gas (GHG) emissions in homes and advance energy equity. The EBD program provides decarbonization retrofits to low- and moderate-income households to increase the adoption of low-carbon technologies. Section (d) (ii) of RFI TN 253718 requests public input on whether IRA residential rebate programs for low-income households should permit CE eligibility that mirrors the list of federal and state assistance programs used to prove low-income status in the EBD direct install program. The EBD Direct Install Program guidelines approved 18 separate CE programs in October 2023.<sup>3</sup> The Department of Energy (DOE) has issued guidance that states programs 3-18, listed below, are to be accepted as proof of eligibility for households seeking DOE Home Energy Rebates.<sup>4</sup> The CEC should utilize this same list of programs as proof of eligibility for IRA-program rebates.

The CEC should also adopt the DOE's guidance and utilize this same list of programs to demonstrate proof of eligibility for HOMES and Home Electrification and Appliance Rebates (HEEHRA) rebates. The first two programs listed below, CARE and FERA, were not included in the DOE guidance and are unique to California, providing bill-discounts to investor-owned utility (IOU) customers. IOU customers are eligible to receive the CARE discount by providing proof of CE and enrollment in the same programs approved in the EBD guidelines<sup>5</sup> or if their household income is at or below 200% of the Federal Poverty Limit (FPL).<sup>6</sup> IOU Customers are eligible to receive the FERA discount if their household income is at or below 250% of the FPL.<sup>7</sup> Cal Advocates recommends that customers receiving either the CARE or FERA discount also

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<sup>3</sup> Equitable Building Decarbonization Direct Install Program Guidelines, Sec. E. (3), p. 11. Available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=252682&DocumentContentId=87762>. Accessed on 01/16/2024.

<sup>4</sup> Department of Energy, Federal Programs Approved for Categorical Eligibility for DOE Home Energy Rebates. Available at: [https://www.energy.gov/sites/default/files/2023-10/ira-50121-50122-home-energy-rebates-categorical-eligibility-list\\_10-13-2023.pdf](https://www.energy.gov/sites/default/files/2023-10/ira-50121-50122-home-energy-rebates-categorical-eligibility-list_10-13-2023.pdf). Accessed on 01/12/2024.

<sup>5</sup> Qualifying CE Programs to receive the CARE discount are available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>. Accessed on 01/7/2024.

<sup>6</sup> CARE & FERA Program Guidelines available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>. Accessed on 01/10/2024.

<sup>7</sup> CARE & FERA Program Guidelines available at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/care-fera-program>. Accessed on 01/10/2024.

be eligible for low-income<sup>8</sup> IRA program rebates. All of the programs approved for CE in the EBD Direct Install program should be adopted as proof of eligibility for HOMES and HEEHRA rebates.

The 18 programs are:<sup>9</sup>

1. California Alternative Rates for Energy (CARE)
2. Family Electric Rate Assistance Program (FERA)
3. Low Income Home Energy Assistance Program (LIHEAP)
4. Low-Income Weatherization Program (LIWP)
5. Energy Savings Assistance Program (ESA)
6. Weatherization Assistance Program (WAP)
7. Disadvantaged Communities — Single-Family Solar Homes Program (DAC-SASH)
8. Women, Infants, and Children (WIC)
9. CalFresh/Supplemental Nutritional Assistance Program (SNAP)
10. CalWORKs/Temporary Assistance for Needy Families (TANF)/Tribal TANF
11. Supplemental Security Income (SSI)
12. Medicaid/Medi-Cal
13. Head Start
14. Lifeline Support for Affordable Communications
15. Food Distribution Program on Indian Reservations
16. National School Lunch Program
17. Housing Improvement Program
18. Housing Opportunities for Persons with AIDS

**b. The CEC should consider utilizing CalFresh Confirm and Equifax’s payroll data for near-term implementation of IRA programs.**

The CEC can use the CalFresh Confirm program and Equifax’s TheWorkNumber product in the near-term to quickly confirm whether households are eligible for the IRA programs.

**i. Utilize CalFresh Confirm for quick confirmation of rebate eligibility.**

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<sup>8</sup> Low-Income is defined as at or below 80% of area median income, per the Department of Housing and Community Development. Resource available at: <https://www.hcd.ca.gov/grants-and-funding/income-limits>. Accessed on 01/05/2024.

<sup>9</sup> Equitable Building Decarbonization Direct Install Program Guidelines, Sec. E. (3), p. 11. Available at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=252682&DocumentContentId=87762>. Accessed on 01/16/2024.

The CEC should work with the Department of Social Services (DSS) to implement income verification in the near term with CalFresh Confirm. CalFresh Confirm is a DSS administered program that verifies whether a household is receiving DSS assistance, including CalFresh or CalWORKs benefits. CalFresh and CalWORKs are shown in the list in the above section as programs that can be used for categorical eligibility by the DOE. The CalFresh Confirm program requires an applicant’s name, date of birth and social security number<sup>10</sup> to quickly verify an applicant's eligibility. Figure 1, below, demonstrates how CalFresh Confirm verifies eligibility.

**Figure 1**



**CalFresh Confirm**

First Name \*  
 John

Last Name \*  
 Doe

SSN \*  
 .....

Date of Birth - MM/DD/YYYY \*  
 12/07/1986

Start Date - MM/YYYY \*  
 01/2020

End Date - MM/YYYY \*  
 01/2021

Confirm CalFresh   Confirm CalFresh E&T   Clear   +

Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

✓ = CalFresh confirmed  
 - = Cannot confirm CalFresh enrollment at this time

The CalFresh Confirm program default interface in Figure 1 requires a customer’s name, date of birth, and social security number. CalFresh Confirm can be tailored to meet program requirements, such as requiring only the last four digits of a customer’s social security number. CalFresh Confirm is utilized by the California Public Utilities Commission (CPUC) LifeLine program to verify approximately 50% of applicants. A data-sharing agreement between the CEC and DSS is likely needed before the CEC can access CalFresh Confirm. Subject to any required data sharing agreement, CalFresh Confirm could quickly verify rebate eligibility, consistent with the CEC’s goal for implementation of IRA rebates in 2024. Households that cannot be verified through

<sup>10</sup> CalFresh Confirm search criteria can utilize an applicant’s last 4 digits of their social security number instead of the full 9-digit number.

CalFresh Confirm should instead be able to verify their incomes with Equifax's TheWorkNumber.

**ii. Equifax's TheWorkNumber provides employment and income verification for several state and federal agencies.**

The CEC should also adopt usage of Equifax's TheWorkNumber as a complementary method of income verification, in addition to allowing categorical eligibility with the programs listed above and usage of CalFresh Confirm. The DSS references TheWorkNumber as a data source when determining an applicant's eligibility for CalFresh (Food stamps) and CalWORKs.<sup>11</sup> The DSS has found benefits in using TheWorkNumber and has expanded funding for its usage.<sup>12 13</sup> Notably the DSS states that the increase in allocated funding is not from increased contractual costs with Equifax but due to increased utilization.<sup>14</sup> The DSS has access to several other databases (FTB, IRS, SSA, EDD) but has nevertheless opted to expand use of TheWorkNumber to assist with eligibility determinations. This illustrates the usefulness of TheWorkNumber to verify income levels. Equifax stated TheWorkNumber has successfully verified the income of over 75% of applicants receiving social services in California.<sup>15</sup>

TheWorkNumber is used to verify income for other agencies. Information from TheWorkNumber is also used for income verification by the Department of HealthCare Services (DHCS) which manages the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS) datahub in a partnership with Covered California.<sup>16</sup> CalHEERS incorporates California Franchise Tax Board, Internal Revenue Service, Social Security Administration, Employment Development Department, and Equifax's

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<sup>11</sup> Department of Social Service's All County Letter Outlining *TheWorkNumber's* use available at: <https://www.cdss.ca.gov/lettersnotices/entres/getinfo/acl/2016/16-43.pdf>. Accessed on 01/05/2024.

<sup>12</sup> The CalWORKs portion of TheWorkNumber contract is \$3.9 million in FY 2022-23 and \$7.2 million in FY 2023-24, an increase of \$3.3 million. The CalFresh portion of TheWorkNumber contract funding is \$9.2 million in FY 2022-23 and \$16.9 million in FY 2023-24, an increase of \$7.7 million.

<sup>13</sup> *Department of Social Services May Budget Revision*, at 58, bullet 12 and at 334, bullet 3. Available at: <https://www.cdss.ca.gov/Portals/9/Additional-Resources/Fiscal-and-Financial-Information/Local-Assistance-Estimates/2023-24/2023-May-Revision-EstimateMethodologies.pdf>. Accessed on 07/15/2023.

<sup>14</sup> *Department of Social Services May Budget Revision*, at 59, Sec. "CHANGE FROM GOVERNOR'S BUDGET." Quote: "There is no change in The Work Number contract in FY 2022-23. The FY 2023-24 increase reflects increased utilization."

<sup>15</sup> *Comments of the Public Advocate's Office on the Assigned Commissioner's Ruling Inviting Comments on the Implementation Pathway for Income Graduated Fixed Charges*, Submitted 07/31/2023, p. 18, at line 4. Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M515/K940/515940216.PDF>.

<sup>16</sup> CalHEERS [CA-219076] Verify Current Income Service Letter for Medi-Cal/Covered California. Available at: <https://www.calsaws.org/wp-content/uploads/2021/11/Medi-Cal-CMSP-CA-219076-JIRA-Extract.pdf>. Accessed on 01/10/2024.

Verify Current Income (VCI) product.<sup>17</sup> VCI is an Equifax product that utilizes a smaller subset of TheWorkNumber data. CalHEERS utilizes TheWorkNumber VCI as part of its data repositories when conducting income verification. Equifax's VCI product for Medicaid and the Covered California insurance marketplace<sup>18</sup> is provided to all states nationwide under the federal government's Federal Data Services Hub (FDSH) to help verify the income of applicants.<sup>19</sup>

**iii. Equifax's TheWorkNumber can be implemented quickly and is non-invasive.**

Equifax's TheWorkNumber is listed as a prequalified vendor available to the CEC without the need for extended negotiations.<sup>20</sup> Equifax has provided assurances that a rollout of an income verification database could be completed within three-months once a Master Service Agreement (MSA) is signed.<sup>21</sup> The applicable MSA has been signed by DGS and Equifax to enable a prompt rollout if the CEC chooses to partner with Equifax. DGS states that, "Master Agreements are contracts that are competitively bid by the Department of General Services and available to any agency that expend[s] public funds. These types of agreements establish a prequalified list of vendors and simplify the purchasing process for the end user."<sup>22</sup> DGS has made clear that no additional contractual negotiations are needed for use by a state agency, including the CEC.<sup>23</sup> TheWorkNumber MSA published by DGS outlines all costs associated with contracting with Equifax, and stipulates that verification costs can be lower than the outlined price if over 30,000 verifications are completed.

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<sup>17</sup> *Medi-Cal CalHEERS - MAGI Verifications*, CALHEERS memo adding Equifax's Verify Current Income for income verification. Please see: <http://www.calsaws.org/wp-content/uploads/2022/03/CIT-0017-22-JA-Medi-Cal-CalHEERS-MAGI-Verifications.pdf> Accessed on 06/25/2023.

<sup>18</sup> The Federal Affordable Care Act (2010) established insurance marketplaces that are administered by states, such as Covered California, or the federal government in regions where states opt out.

<sup>19</sup> *CalHEERS Income Verification System Guide*, at 1, par. 2. Available at: <http://www.calsaws.org/wp-content/uploads/2022/03/CIT-0017-22-JA-Medi-Cal-CalHEERS-MAGI-Verifications.pdf#:~:text=This%20job%20aid%20also%20provides%20information%20for%20using,a%20free%20service%20by%20Equifax%20available%20through%20FDSH.> Accessed on 07/09/2023.

<sup>20</sup> DGS lists Equifax's TheWorkNumber Contract ID as: 5-22-70-29

<sup>21</sup> Cal Advocate's Opening Testimony on Implementation of Income Verification for IGFC, at 2-8. Available at: <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/R2207005/5913/505449162.pdf>. Accessed on 01/18/2024.

<sup>22</sup> *Department of General Services, Master Service Agreements*, Use of Equifax's TheWorkNumber by any California state agency has already been negotiated by DGS. The competitively bid contract is available via DGS's website. Available at <https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/Master-Agreements>. Accessed on 08/08/2023.

<sup>23</sup> Department of General Services » Procurement Division, "RE: Question regarding MSAs," email correspondence with DGS discussing contracting with outside vendors. 08/10/2023. Attached as Appendix.



TheWorkNumber database currently holds over 650 million employee records and contains *payroll* data collected from over 2.9 million employers.<sup>24</sup> This payroll data is provided to Equifax on a live basis and is up to date. Because the database only references payroll data, there is no credit inquiry done on consumers, whether ‘soft’ or ‘hard,’ that could impact a customer’s credit rating. Consumers must provide the following information to receive an income report from Equifax:

- Name
- Date of Birth
- Address
- Social Security Number is preferred but *not* required

**c. The CEC should utilize Franchise Tax Board (FTB) data for long-term implementation of IRA programs.**

Cal Advocates recommends CEC’s adoption of an income verification model that is seamless for customers, accurate and widely applicable. Both CalFresh Confirm and TheWorkNumber currently meet these requirements. The CEC should utilize FTB data as a long-term strategy for IRA-program rebates.

FTB regulations restricts the use of income verification from tax returns. For example, existing Franchise Tax Board privacy restrictions forbid the furnishing of tax information<sup>25</sup> unless requested directly by the tax filer. Nearly 18.5 million tax returns were processed by the FTB for tax year 2020, of a total adult population of just over 30 million.<sup>26</sup> <sup>27</sup> FTB’s coverage of California residents’ income information is expansive and usage of this data for IRA-program rebates should be a long-term strategy if requirements allow for it. The existing FTB framework permits the sharing of income tax returns,<sup>28</sup> but requires active engagement on the customers’ part to initiate the request to share their income information. The current FTB requirement would require customers to mail requests to forward tax data to the utility and pay a \$20 fee.<sup>29</sup> Alternatively, online FTB access provides a slow, cumbersome process that requires identity-verification and the ability to print and mail forms on the part of the tax-filer.

Exceptions for social service programs have been included in statute to allow the FTB to share information with other government agencies.<sup>30</sup> Usage of FTB data for the

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<sup>24</sup> *By The Numbers*, TheWorkNumber product sheet available at: <https://theworknumber.com/>. Accessed on 01/18/2024.

<sup>25</sup> Cal. Rev. & Tax. Code §19552.

<sup>26</sup> California FTB data on total tax returns filed available at: <https://data.ftb.ca.gov/stories/s/Personal-Income-Tax/2it8-edzu/>. Accessed on 01/18/2024.

<sup>27</sup> 2020 ACS data on California’s adult population, available at: <https://www.census.gov/quickfacts/fact/table/CA,US/PST045221>.

<sup>28</sup> Franchise Tax Board Form 540- California Resident Income Tax Return.

<sup>29</sup> Request for Copy of Tax Return (Form FTB 3516) available at: <https://www.ftb.ca.gov/forms/misc/3516.pdf>. Accessed on 01/17/2024.

<sup>30</sup> Cal. Rev.& Tax. Code §19555.

CEC's long-term implementation of IRA programs would require a statute that provides a similar exception for the CEC and can be narrowly tailored to provide income verification information. The CEC should work with the FTB to determine an appropriate mechanism that would allow the FTB to provide the CEC with information that retailers and contractors could access to apply HOMES/HEEHRA point-of-sale rebates.

### III. Conclusion

Cal Advocates appreciates the opportunity for engagement with the CEC in helping the state achieve its decarbonization-program goals in a timely and equitable manner.

The CPUC began exploring income verification options to implement Income-Graduated Fixed Charges (IGFCs) as part of the Rulemaking 22-07-005 proceeding.<sup>31</sup> Cal Advocates made several detailed recommendations to the Commission for near-term and long-term tools to verify incomes and implement IGFCs.<sup>32 33</sup> The CPUC and the CEC should utilize income verification tools that provide access to accurate income information without burdening customers.

If there are any questions regarding these comments, please reach out to Cindy Li at XL2@cpuc.ca.gov.

Sincerely,

/s/ MICHAEL CAMPBELL

Mike Campbell

Assistant Deputy Director for Energy, Public Advocates Office

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<sup>31</sup> The Proceeding docket for R.22-07-005 is available at: [https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R2207005](https://apps.cpuc.ca.gov/apex/f?p=401:56:::RP,57,RIR:P5_PROCEEDING_SELECT:R2207005). Accessed on 01/18/2024.

<sup>32</sup> Cal Advocate's Opening and Rebuttal Testimonies on Implementation of Income Verification for IGFC are available at: <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/R2207005/5913/505449162.pdf> and <https://docs.cpuc.ca.gov/PublishedDocs/SupDoc/R2207005/6698/520423684.pdf>. Accessed on 01/18/2024.

<sup>33</sup> *Comments of the Public Advocate's Office on the Assigned Commissioner's Ruling Inviting Comments on the Implementation Pathway for Income Graduated Fixed Charges*, Submitted 07/31/2023. Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M515/K940/515940216.PDF>.