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Accenture LLP RFI Response

Additional submitted attachment is included below.

January 26, 2024

California Energy Commission (CEC)
Docket No. 23-DECARB-01
RFI: Braiding the HOMES Program into the EBD Direct Install Program

On behalf of Accenture, I am pleased to submit our response to your request for information about program design for the federal Inflation Reduction Act (IRA) Home Efficiency Rebates (HOMES) Program and its application to the U.S. Department of Energy (DOE) for \$292 million in funds. This letter includes our company profile information.

Company Profile

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| Company Name | Accenture LLP |
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As the largest global professional services company with leading capabilities in managing both large-scale government program initiatives and the energy transition, Accenture offers a full spectrum of professional services in the areas of Strategy and Consulting, Technology, and Operations. While we have global capabilities and reach, we are focused on making an impact locally, with particular interest in engaging where our people work and live. Accenture has more than 9,500 employees living and working across California. We are invested in growing our relationship and partnering with CEC to positively impact the State's future.

In this RFI response, we provide Accenture's views specifically on RFI Question 1 (braiding HOMES with the EBD Direct Install Program), Question 2a (overall program design), and Question 2d (income verification). We have applied our industry-leading expertise in clean energy and sustainability, complex benefits/rebates programs, government customer experience, and federal funding programs into our answers. In our experience, a successful HOMES program will have to address four key challenges: 1) how to drive real impact considering the dollar value of the rebates including how best to braid the program with the Equitable Building Decarbonization (EBD) Direct Install Program and other State programs and incentives; 2) how to minimize the hassle of applying for the rebates, given the multiple verifications needed; 3) how to build capacity and capability in California's workforce to deliver on the program; and 4) how to raise awareness of the program in communities and stakeholders, particularly the low-income households and the low-income, multifamily buildings that HOMES targets.

Accenture also has a long history of successfully operating, maintaining, and enhancing large-scale, complex social service eligibility systems for SNAP, TANF, Medicaid and other programs and will draw on this experience to inform HOMES and Home Electrification and Appliance Rebates (HEAR) program design and implementation. Our eligibility teams process more than 35 million applications every year. Within our Public Service practice, we have a dedicated Federal Funds and Grant Management Center of Excellence (COE) focused on delivering services to support public and private sector entities with maximizing IIJA and IRA funding

opportunities. We recently supported \$4B+ in IIJA grant applications for utilities and energy clients across the country, winning ~\$1B+ in IIJA grants to date, from broadband, to grid resiliency, to hydrogen hubs. We also administer the largest IT contract the US Department of Energy (DOE) has ever awarded which includes the development and support of digital infrastructure to track clean energy infrastructure funding.

We welcome the opportunity to discuss these programs and provide additional insights from our national work with CEC.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Kelly". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael A. Kelly

Our Recommendations for HOMES Implementation

Based on our experiences discussing the HOMES program and the Home Electrification and Appliance Rebates (HEAR) program with other state energy offices, we have developed a set of considerations for you to consider as you work to design the HOMES program in California. While California has already submitted its application for HEAR funds, we believe these recommendations generally apply to both programs.

California Should Focus on A Technology-driven Approach in Its Program Design

Nationally and historically, most state energy efficiency rebates have gone to middle- and high-income households. The HOMES and HEAR programs are designed to level the playing field and prioritize low-income households with the highest energy burdens. Reaching and encouraging adoption of these populations will be challenging and participants will need to be supported in the process—from awareness, to understanding, to buy-in and ultimately to program adoption. These efforts will take focused and consistent outreach from trusted community organizations, followed by an easy to understand, intuitive program enrollment process.

Technology will be key to achieving the goals and should be infused throughout the process. The following expertise will be needed:

- **Data and Analytics:** Expertise in data and analytics will be necessary to effectively target outreach. Outreach for these programs should be tailored and focused on delivering the highest impact. This can be achieved by analyzing data sources such as energy consumption and household and demographic data at the block group level. In addition, Applied Intelligence tools can be leveraged to determine where clean energy and energy efficiency deployment would most benefit certain customer segments, what funding could be blended and braided by project and premise, and where existing contractors have capacity to provide services. Programs that equip community engagement partners, home improvement contractors, and program implementors with insights about the probability and viability of rebate adoption and opportunities to stack funding will move faster, be more compelling, and ultimately deploy dollars (and achieve economic uplift) more effectively.
- **Integration with Other Systems:** Technical expertise will be needed to seamlessly integrate rebate application and processing system(s) into DOE-provided tools and platforms, as well as existing CA state systems (e.g., to verify eligibility through categorical eligibility, among other functions). Full integration of these systems will speed up processing time and ensure that federal reporting requirements are met, while maintaining appropriate records. Solution integration should also support eligibility verification across other programs that could be used to stack benefits (e.g., from 25C tax credits to utility rebates, to existing weatherization programs). When systems of engagement are set up, it's paramount that the user experience be intuitive and seamless – and that hands-on support is made available to walk contractors and customers through application submission and rebate processing. Digital security will also be essential on the back end and your system integrator and program operator should be experts in setting up and ensuring the highest levels of customer data protection.

- **Artificial Intelligence:** Infusing AI throughout the process will allow the state of California to be efficient in how funds are deployed, ultimately saving the state administrative dollars while providing stakeholders with faster access to the rebates. There are two main areas where AI can be leveraged. First, AI can be combined with data and analytics to increase accuracy in identifying eligible recipients. Second, AI can be incorporated throughout application processing, both speeding up the process and identifying potential patterns of fraud. Given the potential complexity of these rebates, there is a real risk of fraud and inadvertent misuse of these funds, hence states should incorporate controls to alert for potential fraud.

California's HOMES Program Design Should Be Stakeholder-centric

Consumer-centricity will be key to the program's success. Stakeholders must also be involved in both shaping program design and in crafting effective marketing messages.

- **Stakeholder-Centric Program Design to Minimize Administrative Burdens:** For HOMES to be successful, California should design the program such that the process of receiving the rebates is centered on the journey experienced by the end-users and the key middleman (contractors, retailers). This would enable understanding how to shape the choice architecture so that the default choice of those making decisions on home upgrades should be to utilize the upgrades and advance energy-efficient changes. For example, consumers, contractors, retailers, and other stakeholders should experience the process of receiving the rebates in an easy and seamless manner rather than be forced to be proactive and jump through administrative hoops to receive them. We also recognize that organizations, particularly larger organizations, have a much higher capacity to negotiate the processes needed to receive the rebates compared to individual households. The HOMES program should thus consider the respective capacity of stakeholders to navigate the administration to receive the rebate, as well as target a design that maximizes the ability to receive rebates. This includes income verification. CEC should identify where the programs that are acceptable to qualify a resident as low-income within the EBD Direct Install Guidelines (Categorical Eligibility) overlaps with the DOE's definition of low-income for HOMES and use those programs for verification. Even if additional data is needed for income verification, consumers should have the option of allowing the State to access and use the existing data that the State may already hold from other existing state programs rather than having to resubmit data, while respecting all data privacy considerations. In that regard, any braiding of HOMES funding with the EBD Direct Install Program and any stacking of HOMES with other existing programs should be designed to be advantageous not only from the administrator's point of view (as it creates efficiencies in using the same administrators and regional infrastructure), but also from the point of view of those receiving the funding, whether they be individual households or contractors. Minimizing the administrative burdens, such as the number of applications for similar funding sources will be particularly beneficial for low-income sources.
- **Stakeholder Partnerships:** Given that this program will be complementary to existing home energy programs, CEC should be prepared to partner with the wide network of stakeholders involved in implementing successful Home Energy Rebate programs. A diverse ecosystem is essential for effective program outcomes. CEC will need to create new and expanded partnerships to drive consumer and building owner engagement. The list of interested stakeholders is vast, including other state agencies, community action

organizations, housing advocates, workforce training organizations, consumer protection advocates, contractors and contractor associations, labor organizations, utility partners, and retailers among others. One of the priorities will be to align on equitable representation needs, identify gaps within the current ecosystem, and outline a path to filling those gaps.

- **Campaign Outreach and Marketing:** Compelling and relevant marketing campaigns with a tailored rollout are essential to raise awareness and garner interest, ensuring that eligible individuals are informed about the program’s offerings and have clear call-to-actions that compel them to care and adopt. A multi-channel approach, integrated through traditional media outlets, stakeholder engagement and messaging, and social media platforms, can effectively reach target audiences. Rising awareness and driving uptake among these populations will require significant stakeholder outreach and engagement with local nonprofits, focusing especially in identifying trusted partners and aligning with grassroots visions for strong, healthy, and prosperous communities.

California Should Use This Opportunity to Enhance Targeted Workforce Development

While HOMES is designed to grow the demand for energy efficiency in homes, we believe a successful HOMES program should also include a strong workforce development strategy and plan. This will enable the HOMES and HEAR programs to meet the increased demand and successfully implement energy efficiency and electrification improvements.

- **Design for Diversity and Scale:** The HOMES / HEAR programs will supercharge jobs in the HVAC and home improvement contracting market. Nationally, growth in these sectors is projected at 200% by 2030, which would be a boon for CA’s ~290,000-strong energy efficiency workforce. These jobs—like all advanced energy jobs—provide an array of benefits to workers, including versatility, geographic diversity, higher-than-median wages, and upward mobility, among others. To ensure sufficient supply of talent (which is in-demand and lacking) and to achieve equity in employment, California should design workforce development programs that consider the needs of a diverse workforce, with many low-barrier onramps to education and on-the-job-training. Coupling technical training (e.g., for heat pump installation or energy efficiency retrofits) with support services that many community-based partners provide (from recruiting of disadvantaged populations to wrap around services and tailored soft skills training) will open the candidate pool and prepare more and more diverse job seekers for careers in clean energy.
- **Identify Career Pathways:** Building an energy efficient workforce will require intentional planning on how to build the right skills in the workforce. Currently, 50%+ of heat pumps are incorrectly installed. Working with community partners, existing learning and credentialing programs will need to be identified and potentially expanded. The Contractor Training Grants can be deployed to support these efforts.
- **Leverage Training Grants:** CEC should leverage DOE State-Based Home Energy Efficiency Contractor Training Grants to develop and implement a state workforce energy program that prepares workers to deliver energy efficiency, electrification, and clean energy improvements. California can choose to apply these funds to supplement existing workforce development programs, create new workforce programs, or seek out a combination of these approaches. CEC can utilize these grants to reduce the cost of

training contractor employees, provide access to workforce development tools for contractors, and partner with community organizations to develop and implement an equitable state program.

Considerations for External Vendor Support

Due to the size of the Home Energy Rebate programs, we see many opportunities for CEC to partner to fill the gaps in in-house expertise, tools, experience, and capacity. Potential scopes of program design could include:

- **Program Operations:** Due to the scale of these programs, CEC may need to process a significant number of rebates (actual figure to be driven by program policy decisions). CEC may look to partner with an external vendor to assist with application intake and processing.
- **Technology Implementation:** Designing and operating a program at this scale will require significant technology investment. If CEC already has a platform in mind, a partner can assist with configuration in terms of application design, API configuration, and reporting interfaces, such as a dashboard reporting on analytics and providing insights.
- **Distributing Funding and Reporting:** CEC may need to work with a partner to create a plan for how to distribute funding for HOMES rebates and incorporate reporting measures that complement DOE available tools.
- **Workforce Development Strategy & Implementation:** Building the clean tech economy of the future requires reconsidering how we think about recruiting, upskilling, and traditional education and training efforts. CEC may look to a partner to help design this workforce strategy and guide its implementation.
- **Outreach to Support Widespread Access:** To support uptake in households located in disadvantaged communities or with a low income, CEC must move recipients along a change process—from awareness, to understanding, to buy-in, and ultimately, to program adoption. That will require compelling value propositions, easy/intuitive program enrollment processes, and trusted partners, especially for individuals with the fewest means for capital intensive home retrofits.

To achieve these goals, CEC should look for vendor partners that have the right expertise and experience to complement CEC's own, including the below:

- **Experience administering large-scale benefits programs that involve assessing individual eligibility:** Accenture has the experience necessary to process individual applications and assess individual eligibility building on our experience and tools that drive our administration of eligibility-based programs. Our application processors document important eligibility factors and review submitted documentation to confirm an appropriate system of record audit trail that supports the final determination and rebate issuance, as well as ensures that specific DOE requirements are addressed.

- **Experience using data and analytics to drive programmatic efficiencies:** Accenture's applied intelligence tools aid with harnessing the power of data for front-end design, back-end processing, and performance management. CA state agencies already have a lot of data necessary to inform program design decisions (e.g., locating eligible populations from other programs and location premise data). We can partner with CEC to combine that with energy load data and machine-learning powered algorithms to test assumptions and refine program operations. Aggregating this data can increase application processing speed.
- **Experience working with state agencies and partners to design workforce strategies that work for clean tech industry:** Accenture's talent and organization process is already collaborating with states to design electrification workforce strategies. Accenture, through investment with Goodwill, is also [launching Clean Tech Jobs Academies](#) in 20 cities throughout the US. Through our global Skills to Succeed initiative, we also provide employment opportunities alongside our partners. We have equipped more than 5.8 million people worldwide with the skills to make substantive improvements to their lives.
- **Access to experts in clean energy, analytics, and artificial intelligence:** If CEC looks to implement parts of HOMES/HEAR in-house, CEC may want a partner that can offer access to subject matter advisors in a variety of areas to augment the knowledge of CEC staff, helping upskill CEC's existing staff and expand their expertise and value to the State.
- **Experience in the most successful methodologies on large impact projects:** Accenture has seen our most successful clients in this area apply agile methodology to allow for sprint development and evolution of technologies, so we recommend CEC consider vendors with this robust skillset. Along those lines, given the number of people this will impact and the large potential budget, any vendor partner that CEC considers should have experience working on technology projects that support at least one million users and a project budget of \$40-50M.

Accenture is pleased to submit this informational response to CEC and looks forward to discussing it further. The information, material and ideas contained herein are to be used exclusively to evaluate the capabilities of Accenture to provide assistance to CEC. This is an initial response for informational purposes only and is not meant to constitute a formal offer, acceptance, or contract by Accenture.