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*Comment Received From: La Cooperativa Campesina de California/Maroma Energy Services*

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## **Joint Parties EBD Draft Solicitation Comments**

*Additional submitted attachment is included below.*



March 28, 2024

Reliability, Renewable Energy & Decarbonization Incentives Division  
California Energy Commission (CEC)  
715 P Street  
Sacramento, CA 95814

Re: The comments of La Cooperativa Campesina de California and MAROMA Energy Services, Inc on Equitable Building Decarbonization Program Direct Install Program: Draft Solicitation Documents.

Dear Commissioners and CEC Staff,

### **Introduction**

La Cooperativa Campesina de California, a 501 c (3) corporation, and MAROMA Energy Services, Inc. (“the Joint Parties”) are California Low-Income Human Services providers with a long-standing history of providing localized community services through trusted relationships in targeted communities, and valued expertise with the Department of Community Services and Development and Investor-Owned Utility Low Income Energy Programs.

The Joint Parties serve as program administrators for the State of California and California Investor-Owned Utilities, including the Low-Income Weatherization Program, Building Electrification Program, and Whole Home Program (a.k.a Pilot Plus/Deep). As well as other human based service programs that utilize public funds from federal, state, and local grants that target farmworkers and low-income communities.

The Joint Parties and the communities we serve are directly affected by the California Energy Commission’s Equitable Building Decarbonization (EBD) Program and we feel compelled to offer our comments and recommendation that seek to improve the solicitation and program design. These comments are based on a long history of experience serving disadvantaged customers as well as administering energy efficiency direct install programs to these populations. We look forward to working with the Commission and stakeholders in the successful implementation of the EBD Program.

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Michelle Engel-Silva  
Chairperson



Marco Lizarraga  
Executive Director



## Recommendations

### 1. Standard and Performance Retention

The CEC is recommending a ten percent standard retention and five percent performance retention to ensure project accountability and the achievement of energy-saving goals. Although the CEC's implementation of the proposed retention strategy is motivated by good intentions, it may impede the program and service providers' ability to accomplish the program's goals. Service providers predominantly consist of small diversified organizations, Community Based Organizations (CBOs), and non-profit entities. These organizations function with minimal profit margins and depend on punctual payments to achieve success and, above all else, maintain their operations.

This is evident in Southern California, where numerous ESA Program contractors are experiencing financial difficulties as a result of utilities' delayed payments. The retention strategy suggested by the CEC, which requires five percent holdback until the verification of energy savings is complete, may substantially prolong the payment period and expose these organizations to the potential risk of defaulting on their financial commitments, such as payroll, building leases, credit lines with suppliers, and other expenses. It is important to note that this is not common practice in other California programs, such as the IOUs ESA program and DCSD's, Low Income Weatherization Program.

In order to protect both the administrator and service providers from substantial financial risks and to ensure their successful implementation, the Joint Parties advise that the proposed retention strategy be abandoned in favor of a Quality Assurance and Control process that incorporates field quality control inspections and desktop reviews, in addition to contract language mandating chargebacks for non-compliance with program standards.

### 2. Task 3: Project Tracking, Data Collection, and Reporting

The CEC identifies a role for a subcontractor to oversee the project tracking, data Collection, and reporting at a statewide level. Furthermore, it suggests the program's regional administrators work together to choose or create a single project management tool that will be used by all of the regions. This task, in its current form, can cause delays in the program's launch and ramp up because 1) it will need three different entities with different needs and timelines to come to a consensus on a single solution; and 2) the database's cost is unknown and will affect each region's administrative budget.





It is crucial to have a reliable data management system in place, tested, and working before the program launches. In order to select a subcontractor and solution in time for program launch, the Joint Parties recommend that the Commission: 1) Work with the regional administrators to establish a sound and expeditious process to select a subcontractor and database solution; 2) Allocate funds using a separate line item from the administrative budgets of the regional administrators to cover the cost of the solution; and 3) Clarify whether or not a regional administrator could also fill the role of the statewide subcontractor for the data collection and management tool.

### **3. Incorporate Experience Administering Low-Income Energy Efficiency Direct Install Programs**

The Administrators' experience and capacity to provide program services to California's most vulnerable communities—including remote, hard-to-reach, and tribal communities—will be crucial to the program's success. The Joint Parties believe it's critical that the CEC concentrates its assessment on qualified organizations that have a track record of managing and executing direct install programs in Disadvantaged Communities.

The Joint Parties recommend the CEC add the following criteria under Section II – Eligibility Requirements, A. Applicant Requirements

The team must have:

1. A minimum of five years' demonstrated experience administering programs and providing support services to low-income customers in California.
2. A minimum of five years' demonstrated experience administering low-income, energy efficient, and renewable energy services of similar scale and structure.
3. Demonstrated ties to communities in the region to be served.

The bidder must provide a clear demonstration of this experience, and the CEC should exclude entities that do not meet the minimum requirements and score entities with a higher rating who exceed the minimum amount of experience.





#### 4. Administrative Funds and Outreach

The Joint Parties believe that a 5% cap as an administration and outreach budget is not adequate to both manage and properly market the EBD Program.

To meet the aggressive project requirements and service the vulnerable targeted population of EBD with the desired outcomes, based on our 30 years of experience administering low-income direct install programs, the Joint Parties recommend the CEC allocate a minimum of 10% to Program Administration.

Other programs designed to service similar underserved populations have already established the need for a minimum of 10% Administrative budgets.

- The California Department of Community Services and Development (CSD) Single-Family Energy Efficiency & Solar Photovoltaics Program Farmworker Housing Component authorizes 20% of the budget to program administration.
- The IOUs ESA CORE, Building Electrification Pilot, Pilot Plus/Deep Pilot, and San Joaquin Valley Electrification Pilot, all provide for administrative budgets above 10%.

We recommend that Outreach be a cost category within direct project costs and separate from the administrative budget. This activity is the most crucial in creating customer awareness and educating the customer on the goal of reducing greenhouse gas emissions and to advance energy equity. In addition, a critical secondary goal to support the Governor's goal of 6 million heat pump installations by 2030 will require a well-planned campaign that explains the advantages of this technology to customers that have relied in a perceived less costly fossil fuel technology.

#### Conclusion

The Joint Parties appreciate the commitment of all stakeholders to develop a program that best suits the needs of our most vulnerable populations in California. We look forward to the ongoing discussion and working with the Commission and other interested stakeholders during the solicitation process.

Sincerely,

Marco Lizarraga  
Executive Director  
La Cooperativa Campesina de California (La Cooperativa)

