

**DOCKETED**

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April 5, 2024

Commissioner McAllister  
California Energy Commission

Re: Ceres' Response to CEC's Inflation Reduction Act Home Energy Rebates Proposal

Dear Commissioner McAllister and CEC Staff

On behalf of our businesses and investors, we write to you today to express our commitment to the accelerated deployment of job-creating, energy- and cost-saving technologies through the Inflation Reduction Act (IRA) appliance rebate programs and offer the following recommendations to the California Energy Commission (CEC) as you build out your HOMES and HEEHRA rebate programs.

Ceres is a sustainability advocacy organization collaborating with hundreds of leading investors and companies in our networks to advance climate solutions, protect water resources, accelerate sustainable capital markets, build a just and inclusive economy, and advocate for smart public policy. Through the Business for Innovative Climate and Energy Policy ([BICEP](#)) Network's [Energy Optimization Working Group](#), major employers, energy users, service providers, manufacturers, and retailers work to ensure state and federal energy programs reduce utility costs, create jobs, strengthen the economy, and build healthier communities. Members of this network include AO Smith, Daikin, Eaton, Franklin Energy, Home Depot Lowe's, Samsung, Sealed, Trane Technologies, and others. These companies know that energy efficiency, demand response, building electrification, and other clean technologies are key drivers of energy reliability and affordability. As industry experts, our member companies offer the following recommendations for your consideration and look forward to engaging with you on these topics in greater detail.

**Industry Knowledge, Consumer Education, and Program Timeline Transparency for the Retail and Manufacturing Community Will Help to Maximize Program Success.**

Ceres and our member companies are eager to see states maximize the environmental, economic, and equity benefits offered by this landmark funding opportunity. As industry experts, our companies understand the complex nature of the appliances eligible for participation in these rebate programs and wish to share our expertise with the relevant state agencies tasked with designing the programs. For example, manufacturers understand how to provide an effective consumer journey and industry stands ready on the variety of product categories covered by rebates, ranging from electric cooking products, heat pump dryers, heat pumps, heat pump water heaters, and more. We understand that this process will be time-consuming and involve many different stakeholders.

To ensure that our manufacturing, distribution, and workforce teams are ready to engage with the state as efficiently as possible, we encourage CEC to continue to be transparent and forthcoming with expected timelines and opportunities for public comment. While the CEC's most recent webinar did not cover the HEEHRA and Training for Residential Energy Contractor (TREC) funding we encourage the CEC to make the dates for those workshops known as soon as



possible. Additionally, we urge the CEC to provide robust marketing around the TREC workshop to ensure adequate contractor and installer participation. The contractor and installer stakeholders will be vital to program success.

We are eager to bring our technologies and job opportunities to your state, and transparency in your process is crucial to ensuring that we are prepared to meet the state's needs. Moreover, industry needs to ensure products are available in California as they are already factoring in supply chain considerations and building readiness. To avoid unforeseen barriers in program design we offer our support and willingness to provide educational material related to the technologies available, market readiness, workforce development and any other topic CEC may wish to hear industry insight about.

**Whole-State Cohesion, Interstate Collaboration, Communication, and Consistency are Vital to Program Success.**

Most of our member companies have footprints in multiple states, and while eager to see these programs implemented across the country are concerned about interstate collaboration and communication. While the Department of Energy (DOE) has given states leeway to tailor their programs to state's individual needs, the business community urges all states to be transparent in the program design and foster open lines of communication across state boundaries. Designing programs with some cohesion across state lines will allow for efficiency in technology access, installation, and overall program implementation. It will also result in less consumer confusion by ensuring consistency across regions.

Ceres supports the current process and braiding opportunities that the CEC has put forward to maximize uses of the HOMES funding. We believe the most successful program will be run at the state level rather than local level to ensure consistency across the state and ease of participation for the contractor, installer, and retail communities. It is critical to get input on program implementation from local community-based organizations (CBOs) and we encourage the CEC to work closely with CBOs to do outreach and consumer education to ensure that all interested consumers have easy access to information on how to participate in these programs.

Additionally, we urge the CEC to ensure that retailers are included in the conversation on how best to implement the HOMES/HEEHRA programs. Ceres and the business community strongly believes that including retailers in these programs through in-store and online shopping experiences, specifically through a point-of-sale rebate offering, is critical for program success. Providing constituents, contractors, program administrators, and consultants with the optionality and flexibility to make purchases at retail outlets will maximize the efficacy of state programs. Without a retail in-store and online component in program design, customer and industry confusion is likely to result, creating unnecessary barriers to program participation. Programs lacking point-of-sale components may be drastically different from programs offered in neighboring states, thus making it more difficult for retailers, manufacturers, and installers to easily participate in programs across multiple states, or whole regions.

Consistency across state lines will be vital for the industry to fully participate in these programs, and thus for the state to maximize potential savings for its residents. While the CEC has not offered insight into their HEEHRA proposal yet, we encourage CEC to ensure that all eligible



product categories are offered under the HEEHRA program. Offering a limited list may lead to unforeseen barriers to product installation or lack of rebate maximization for residents. Many home upgrades include multiple components, some unknown until the upgrade is underway. By including all eligible product categories, CEC will ensure that any resident seeking home energy upgrades through the HEEHRA program will not reach a roadblock preventing them from completing their home retrofitting process.

### **Data Access for Consumers, Third-Party Participants, and Cross Agency Collaboration**

At its heart, the HOMES and HEEHRA programs are designed to encourage advancement in home energy efficiency, reduce the residential building stock's carbon emissions, and to save American residents money on their utility bills. To do this, we want to stress the importance of access to energy usage data for successful implementation of both rebate programs.

Understanding a home's energy usage is crucial to both program implementation and consumer education and behavioral changes. CEC should work closely with the California Dept. of Housing and Community Development, Labor and Workforce Development Agency, and California Public Utility Commission, and major investor-owned utility companies to ensure that all overlapping programs requirements are made obvious and opportunities for collaboration are discussed.

For these rebate programs to succeed, it is critical that pathways to data access for all program participants are established. We recommend that California continue to expand their online portal energy data portal to provide easily accessible program data for aggregators, installers, and consumers. All parties should be able to access their data to determine rebate (and other program) eligibility and easily track usage to inform future upgrades and home energy retrofitting opportunities. Moreover, energy management systems can help reduce the stress on the grid at peak times by load-shifting and states should incorporate these benefits through HOMES implementation.

Finally, we encourage CEC to offer simple and speedy verification processes for the income verification components of these programs. The industry would like to emphasize the need for mobile phone support for both programs. Many low-moderate income individuals may not have access to a computer, and therefore will require a program that is mobile browser friendly. Secondly, customers should have the opportunity to learn about the program in real time while shopping for appliances in retail stores. Creating a simple online verification process for point-of-sale rebates will ensure that customers under duress looking to replace broken appliances will still be able to access rebates and will still be able to prioritize efficiency over the "quickest fix".

### **CONCLUSION**

As mentioned above, the ultimate goals of these programs are to improve home energy efficiency and reduce our overall carbon emissions. California has set ambitious climate goals, which will be nearly impossible to meet without increasing the rate of home energy retrofitting and overall building stock energy efficiency. If an individual's water heater or HVAC fails, they are going to be less concerned about efficiency, and more concerned with cost and keeping their home warm in the winter or cool in the summer. When these emergencies occur it is vital for



consumers that these programs are easy to understand, easy to access, and that there is a short turnaround time for customers between applying for a rebate and receiving the funds.

We appreciate CEC's consideration of our comments and look forward to continuing to offer your office support through this process.

Sincerely,

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