

DOCKETED

Docket Number:	23-DECARB-01
Project Title:	Inflation Reduction Act Residential Energy Rebate Programs
TN #:	255538
Document Title:	Building Performance Association Comments
Description:	N/A
Filer:	System
Organization:	Building Performance Association
Submitter Role:	Public
Submission Date:	4/5/2024 1:41:55 PM
Docketed Date:	4/5/2024

*Comment Received From: Building Performance Association
Submitted On: 4/5/2024
Docket Number: 23-DECARB-01*

Comments of the Building Performance Association (BPA)

Additional submitted attachment is included below.



April 5, 2024

Commissioner J. Andrew McAllister
California Energy Commission
715 P Street
Sacramento, CA 95814

Re: Docket No. 23-DECARB-01: BPA Comments on the Inflation Reduction Act HOMES Pay for Performance Workshop

Dear Commissioner McAllister:

Thank you for the opportunity to provide comments to the California Energy Commission's (CEC) regarding the IRA Home Efficiency Rebate (HOMES) Pay for Performance Pathway Workshop, held on March 21, 2024. The Building Performance Association (BPA) is a 501(c)(6) membership-driven industry association dedicated to advancing the home and building performance industry. BPA members will play a pivotal role in implementing the rebate programs, since contractors represent the primary source of information and advice for most homeowners performing energy efficiency improvements – and because of their direct work in homes to reducing household energy costs.

The CEC should consider the following priorities in implementing the HOMES program:

- **Maintain Support for Performance-Based Rebates** – As BPA expressed in our previous comments, HOMES performance-based rebates can transform the home energy retrofit market by providing increasing incentives based on whole-home energy savings. BPA supports the CEC proposal to dedicate at least 40% of HOMES funding to a pay-for-performance program using the measured pathway to reach the maximum number of homes with these critical decarbonizing opportunities.
- **Maximize Equity Benefits** – Low-income households face both high energy burdens and challenges accessing funding for energy-efficiency upgrades. Pay-for-performance approaches maximize equity benefits by ensuring that rebates only pay for actual, delivered savings. Additionally, the structure of the pay-for-performance programs provides higher rebates for leaky and poorly insulated houses – precisely those that often need the most attention within disadvantaged communities.
- **Flexible Payment Rates for Low-Income Households** – The CEC can further leverage the flexibility provided by the IRA statute to pay higher incentive rates to low-income households, including based on time, location, and greenhouse gas emissions factors. These innovative rate structures allow for higher rebates to cover costs for low-income households, while still aligning incentives to maximize customer benefits, minimize grid impacts, and reduce costs.

BPA Comments on HOMES Pay for Performance Workshop

- **Prioritize Energy Efficiency** – A pay-for-performance program will support CEC to maximize efficiency across all HOMES projects. Properly installed efficiency upgrades (insulation, air sealing, and more) reduce household energy use, utility bills, greenhouse gas emissions, and grid impacts. CEC should adopt DOE’s envelope-first Home Energy Rebate recommendations to protect consumers from significant increases in energy bills.¹ Per DOE’s Program Recommendations page, “DOE strongly recommends states require that [weatherization] need[s] be met before any mechanical or appliance upgrades are considered. For example, states should consider requiring all cost-effective envelope upgrades prior to the installation of efficient equipment.”
- **Maintain Strong Workforce Certification Requirements** – Quality work begins with an organization's ability to support its workforce. Contractor firms should be evaluated based on their ability to manage the project's sales, design, scheduling, installations, and job close-out processes. Specific credentials of individuals will be dependent on job roles, the types of measures that the contractor firm is qualified to design and install, and the internal systems that the contractor has established to perform quality control and quality assurance. These requirements are well aligned with pay-for-performance programs, which reward high-quality installations with higher incentives.

BPA submitted more detailed comments on January 26, 2024, and we encourage the CEC to continue to fully consider those recommendations as well. Thank you again for the opportunity to provide these comments on the pay-for-performance program, and we look forward to working with you on successful implementation of this important opportunity for California households.

Kara Saul Rinaldi
Chief Policy Officer
Building Performance Association

¹ DOE Program Requirements and Application Instructions, dated October 13, 2023, allows states to “require envelope upgrades prior to the installation of mechanical or appliance upgrades.” p. 35-36. DOE’s Envelope-First Home Energy Rebate recommendations are available at <https://www.energy.gov/scep/slsc/home-energy-rebate-program/maximizing-home-energy-performance-when-using-home-energy>.