

DOCKETED

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Home Electrification and Appliance Rebates Program Phase I: Community Benefits Plan

CEC Staff

July 22, 2024



Housekeeping

1. Today's workshop is being recorded
2. All presentations will be posted to the CEC website
3. CEC welcomes and encourages written comments and supporting documentation
4. Zoom issues?
Contact Zoom at (888) 799-9666 ext. 2, or the
CEC Public Advisor at publicadvisor@energy.ca.gov or by
phone at (916) 957-7910



How to Comment & Connect

During Today's Workshop

During Presentations

- Use Zoom Q&A Feature

During Public Comment Period

- Use Zoom Raise Hand for an opportunity to speak
- On phone, press *9 to raise hand and *6 to (un)mute
- When called upon, please unmute, say and spell your name, state your affiliation, and make your comment.

After Today's Workshop

- Please visit:
<https://www.energy.ca.gov/programs-and-topics/programs/inflation-reduction-act-residential-energy-rebate-programs>
- Docket: 23-DECARB-01
- IRAresidentialenergyrebates@energy.ca.gov



Agenda

- 9:00 Introduction and Housekeeping
- 9:10 IRA Program Overview
Home Equipment and Appliance Rebates (HEEHRA)
- 9:25 HEEHRA Phase I Community Benefits Plan
- 11:00 Public Comment Period
- 11:30 Closing Remarks and Adjourn



Welcome

Presenter:

Deana Carrillo, Director

Reliability, Renewable Energy & Decarbonization Incentives (RREDI)
Division



Inflation Reduction Act (IRA) Program Overview

Presenter:

Savi Ellis-Pachori, CEC



Inflation Reduction Act (IRA) Overview

- \$391 billion climate and energy investment
- \$8.8 billion for **Home Energy Rebates**



IRA Home Energy Rebates Goals

Accelerate the clean energy transition in the residential sector by:

- Improving energy efficiency
- Reducing indoor and outdoor air pollution
- Scaling access to energy efficiency upgrades
- Saving households money on energy
- Ensuring access to capital for low- and middle-income households





Home Energy Rebates

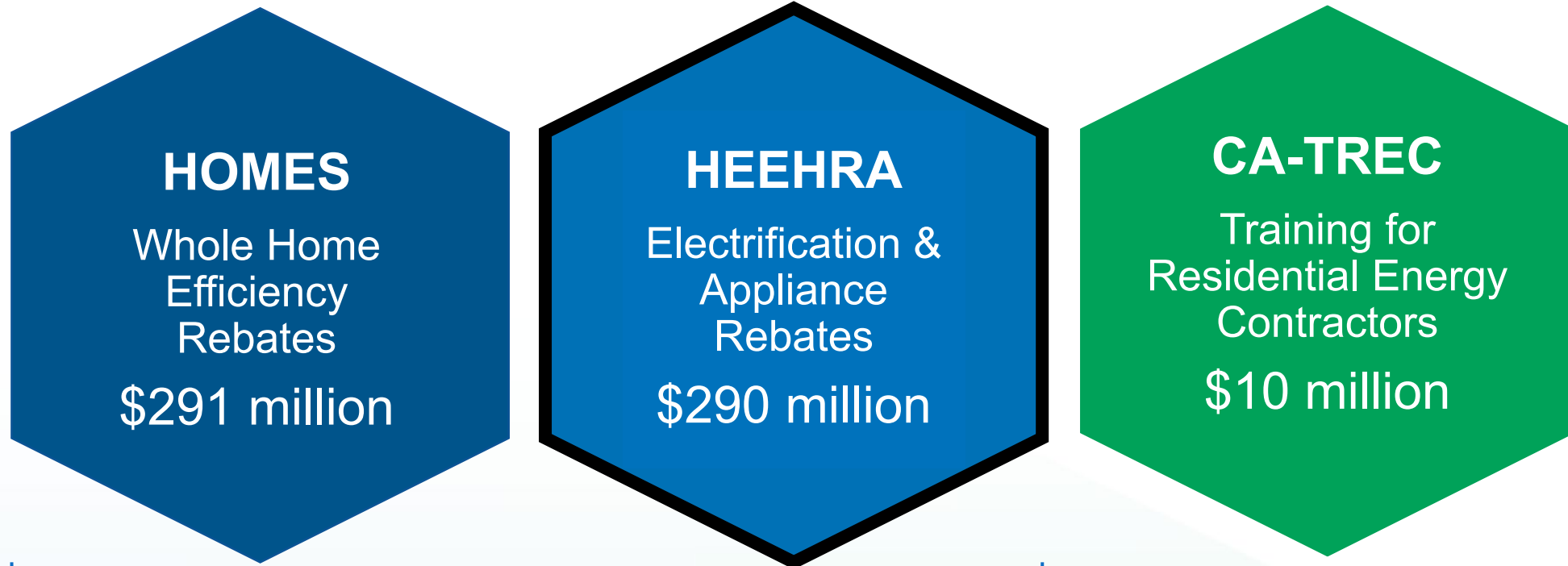
Home Energy Rebates established in two sections of Inflation Reduction Act (IRA):

- **Section 50121 Home Efficiency Rebates (HOMES):** \$4.3 billion for single-family and multifamily discounts on whole home efficiency upgrades
- **Section 50122 Home Electrification and Appliance Rebates (HEEHRA):** \$4.5 billion for single-family and multifamily discounts on the electrification of home appliances and equipment

The Rebates program is housed within US Department of Energy (DOE) Office of State & Community Energy Programs



California Allocation of IRA funds



Home Energy Rebate Programs



HEEHRA Phases

HEEHRA Phase I: \$80M

Low- to moderate-income

Single- and multifamily households

Statewide heat pump and electrification rebates

Funding the existing TECH Clean California Program

HEEHRA Phase II: \$152M

Under Development

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Seeking public input in August



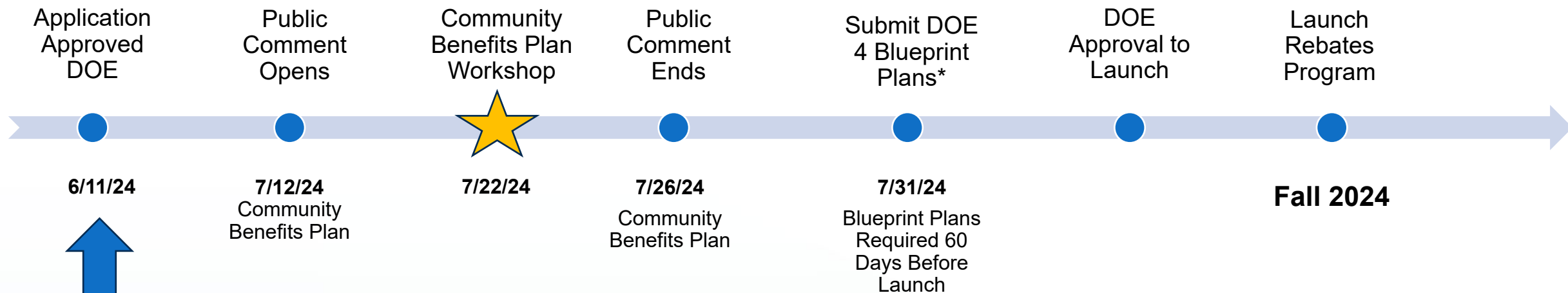
HEEHRA Phase I

\$80M Rebates by home type & income level

Single-Family	Rebate Amount
<u>Low- Income:</u> Heat Pump for Space Heating or Cooling (HP HVAC) (<80% AMI)	\$8000
<u>Moderate-Income:</u> Heat Pump for Space Heating or Cooling (HP HVAC) (80%-150% AMI)	\$4000
Multifamily – Low-to-moderate income	
Heat Pump for Space Heating or Cooling (HP HVAC)	\$1000
Heat Pump for Space Heating or Cooling – Variable Speed (HP HVAC)	\$1500
Heat Pump Water Heater (<55 Gallons)	\$1400
Heat Pump Water Heater (>=55 Gallons)	\$1750
Central HPWH (<15 Gallons per bedroom)	\$1200
Central HPWH (>=15 Gallons per bedroom)	\$1750
Electric Load Service Center*	\$3000
Electric Wiring	\$1000
Electric Stove, Cooktop, Range, Oven, and/or Heat Pump Clothes Dryer	\$840



HEEHRA Phase I Timeline



California was one of the first four states to submit a DOE application in January 2024.

*Community Benefits, Consumer Protection, Education and Outreach, Data Privacy and Security Blueprint Plans.



HEEHRA Phase I: Leveraging TECH Clean California

Presenter:



Teddy Kisch, Energy Solutions



TECH Clean California Overview

What is TECH Clean California?

- California's heat pump market transformation program for designed to help achieve the state's goals
- Launched in 2021, offering statewide incentives for single and multi-family homes through HVAC and plumbing contractors
- Integrated with [The Switch Is On](#), a one-stop shop for consumers and interested contractors
- HEEHRA Phase I is being implemented under the TECH umbrella

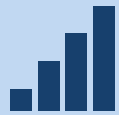
California Heat Pump Goals	
 Heat Pump Water Heating	6 million heat pumps installed by 2030
 Heat Pump HVAC	Climate ready / friendly homes: <ul style="list-style-type: none">• 3 million by 2030• 7 million by 2035 50% of funding delivered to low-income households or disadvantaged communities

Source: California Office of Governor website. July 2022. "Governor Newsom Calls for Bold Actions to Move Faster Towards Climate Goals"



TECH Clean California's Strategic Vision

California's heat pump market transformation initiative for space and water heating is designed to help achieve the state's 2030 heat pump goals and inform a path towards carbon-free homes by 2045.



Spur the clean heating market through statewide strategies



Accelerate decarbonization of the residential sector



Inform long-term building electrification planning

Deployment Highlights To Date:

- > 1,000 contractors participating
- Single Family: > 30,000 units
- Multifamily: > 10,000 units
- Projects completed in 51 of 58 California counties
- 38% of incentives deployed in equity communities
- Collaboration with 33 training centers throughout the state to support heat pump workforce development



Setting the Stage: What is a Community Benefits Plan?

Presenters:

Carol Schmitt, CEC

Chiara Arellano, Rising Sun



HEEHRA Phase I Implementation Blueprints

IRA programs have four required implementation blueprint plans submitted to DOE 60 days prior to each program launch:

- 1) Consumer Protection Plan
- 2) Education & Outreach Plan
- 3) Privacy & Security Assessment Plan
- 4) Community Benefits Plan

Within one year of launch:

- 5) Market Transformation Plan

+ Requirement before releasing next tranche of HEEHRA/50122 funds



Purpose of HEEHRA Phase I Community Benefits Plan

Address 4 Core Federal Policy Priorities:



Engage
Community and
Labor
Stakeholders



Engage and
Support a Skilled
and Qualified
Workforce



Incorporate
Diversity, Equity,
Inclusion, and
Accessibility
(DEIA)



Address Justice40
Initiative



RISING SUN

CENTER FOR OPPORTUNITY

Chiara Arellano

Associate Director of Policy



Mission

Building career pathways
for economic equity and
climate resilience

Vision

A just and sustainable
future for all people and
our planet

Our Programs

- Opportunity Build
- Climate Careers
- Policy Advocacy/HRTP



Low Wage Worker

76% are workers of color

40% are immigrants

47% have college experience

Compared to the overall CA workforce, low wage workers are:

- Twice as likely to be part time
- Less likely to be members of a union
- Less likely to receive employer provided health insurance or retirement benefits
- More likely to live in households with incomes below the federal poverty line

Construction Industry

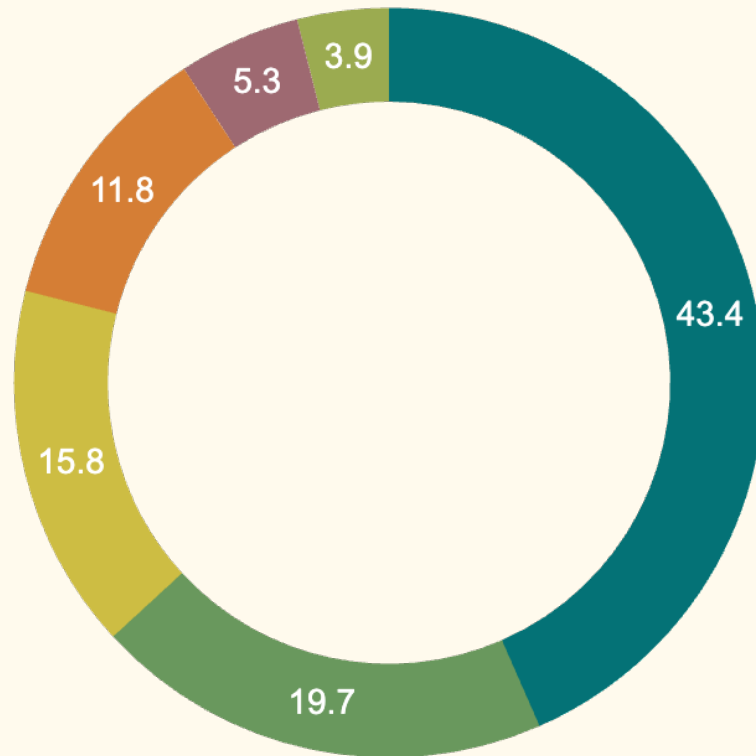
Almost half of families of construction workers in CA rely on one or more social safety net program - an annual cost of \$3 billion/year

Compared to a rate of **one third** of all worker families statewide



Work hours by occupation/trade

- HVAC
- General construction labor
- Electrical
- Engineers/Analysts
- Envelope/Insulation
- Plumbing



6,000 - 10,000
Workers

(spending half of their work hours on residential decarb projects on average)

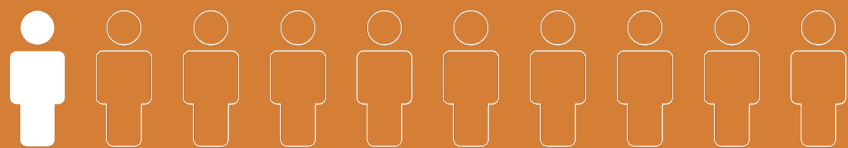
3,000 - 5,000
Full-time equivalent jobs

200 - 1,000
New jobs added in 2025
(Projected additional full-time equivalent jobs)

Proportion of workers that are union

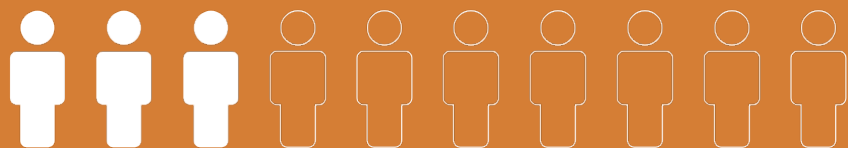
<1 in 10

Residential decarbonization workers



3 in 10

All frontline construction workers



Median hourly wages

\$33

Residential
decarbonization
workers

\$34

All construction
workers

\$36

All workers

*** SF Bay Area specific data

Industry Specific Labor Standards

- **Fair Wages & Benefits**
- **Targeted Hire; Regional Hire**
- **Supporting Minority, Women, Disadvantaged Contractors**
- **Training & Certification**
- **Compliance & Accountability**

Contractor Supports are Critical

- Small / minority contractors need systemic resources to be high road employers
- Leverage existing contractor supports, address current gaps in supports



HEEHRA Phase I: Overview of Community Benefits Plan

Presenters:

Meghan Harwood, VEIC

Sandy Fischler-Laube, Energy Solutions



Purpose of HEEHRA Phase I Community Benefits Plan

Address 4 Core Federal Policy Priorities:



Engage
Community and
Labor
Stakeholders



Engage and
Support a Skilled
and Qualified
Workforce



Incorporate
Diversity, Equity,
Inclusion, and
Accessibility
(DEIA)



Address Justice40
Initiative



HEEHRA Phase I: Overall Program for Equitable Rebate Delivery

Income Eligibility

<80%-150%
Area Median
Income

Rebate Stacking

TECH Clean California



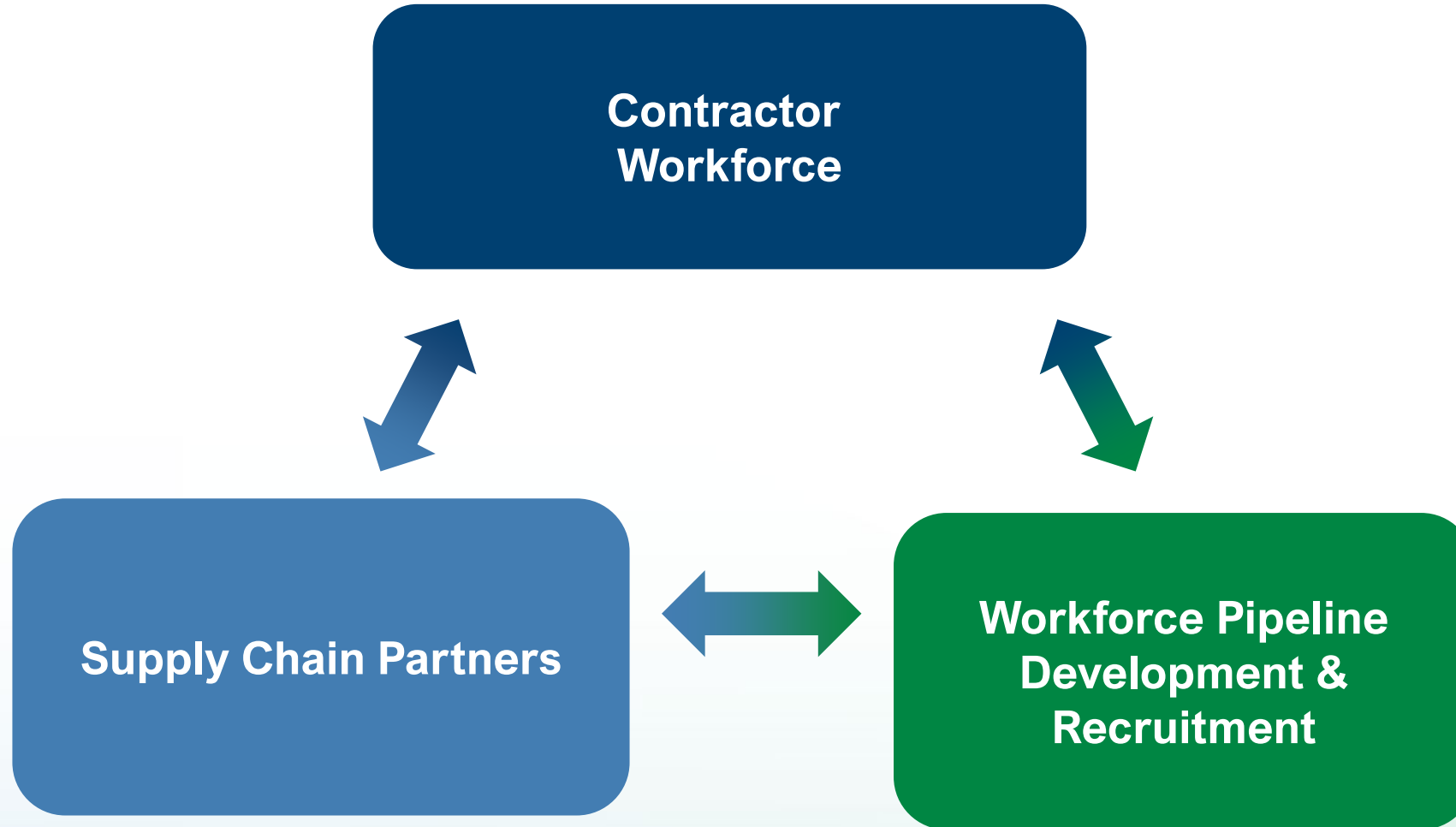
HEEHRA



Local and Community
Choice Aggregator Rebates



Engage Labor Stakeholders





Engage Community Stakeholders



**Multifamily Rental
Property Owners
& Managers**



**Local
Governments &
Tribal Leadership**



**Community Based
Organizations &
Advocates**



Engage and Support a Skilled and Qualified Workforce

The CEC and TECH Clean California funded by HEEHRA will create and support a skilled, stable workforce to enable high-quality jobs within the home energy upgrade industry by:

Utilizing TREC funding to support education and training of the residential workforce

Prioritizing outreach to smaller contractors to increase diversity of contractor base

Pursuing pipeline development and career path creation for new trades workers



Workforce Education and Recruitment in Disadvantaged Communities



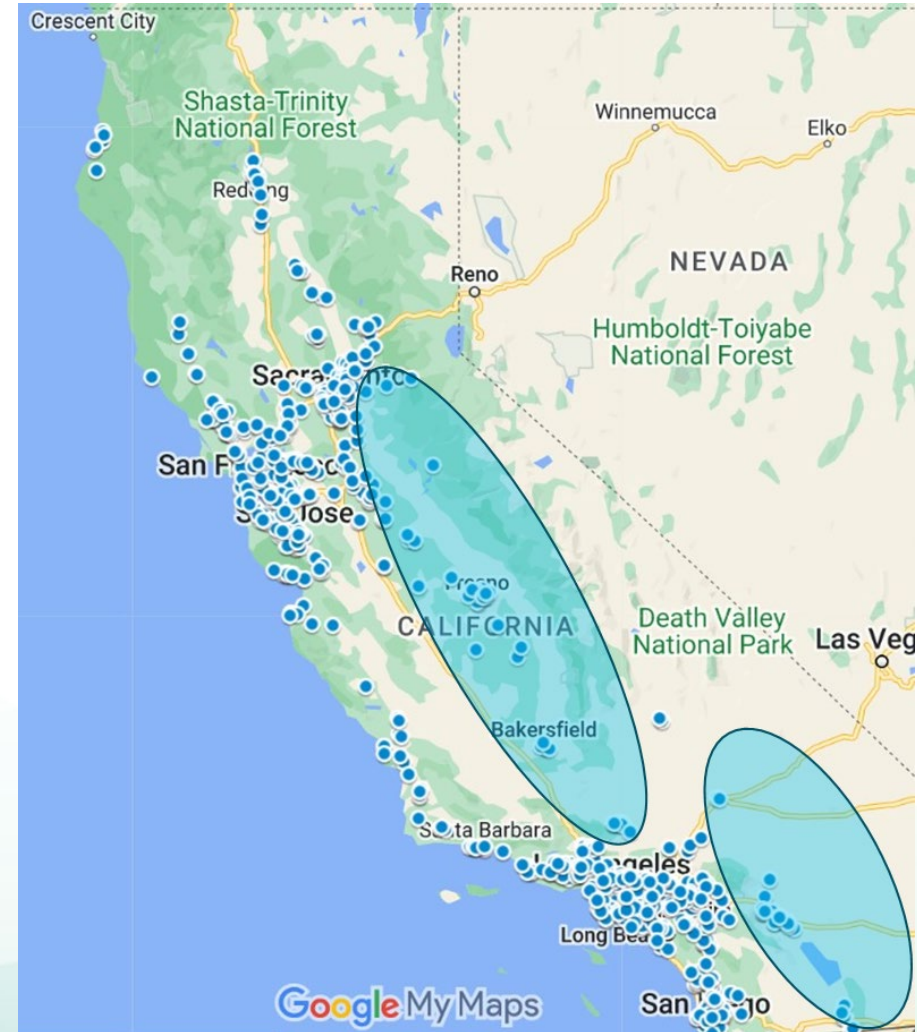
Focus on contractor gaps in disadvantaged communities, rural, and hard-to-reach areas



Recruit contractors through Community Based Orgs



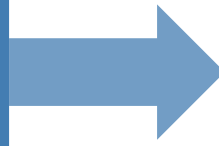
Stipends for heat pump training





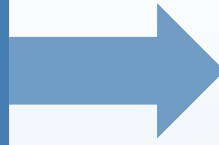
Workforce Education Pipeline

More Schools Teaching Heat Pumps



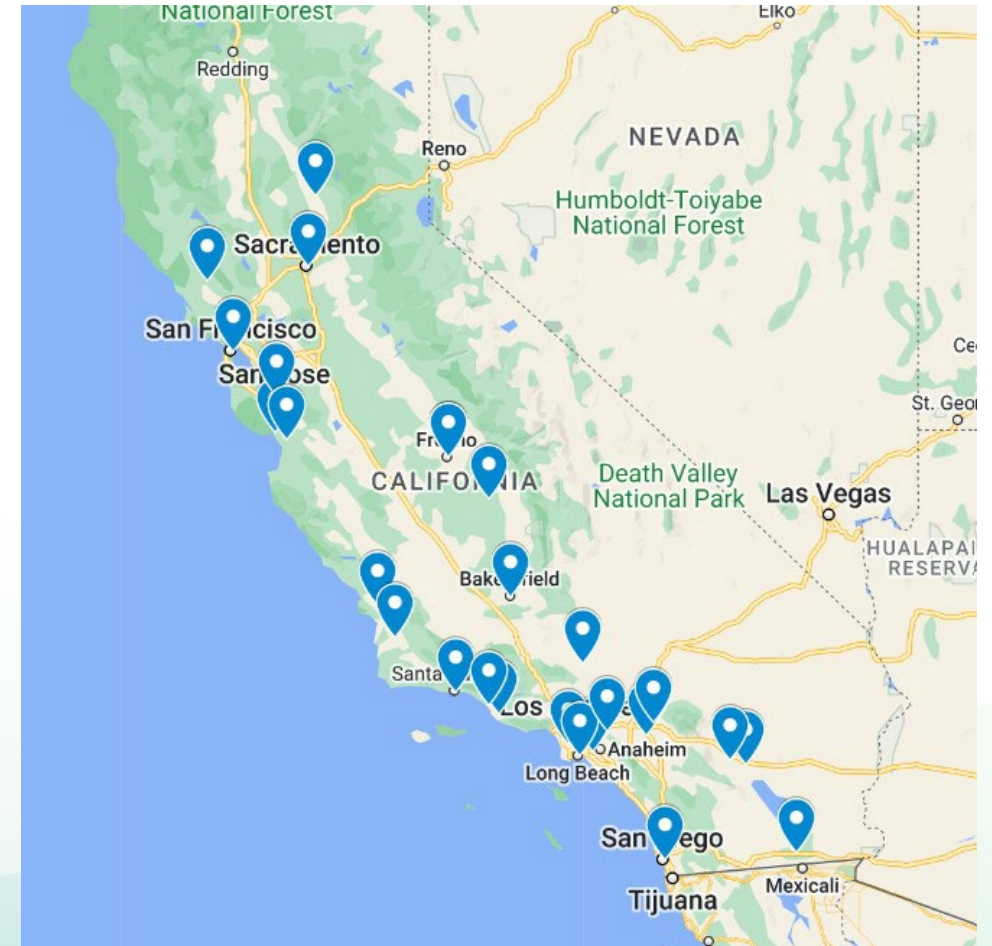
- **Focus on disadvantaged communities**
- **Focus on rural & hard-to-reach**

Support New Graduates



- **Tool stipends**
- **Placement assistance**

TECH funded trade schools & colleges





Outreach and Education - Single-Family and Multifamily Households



**Community
Based
Organization
Partners**



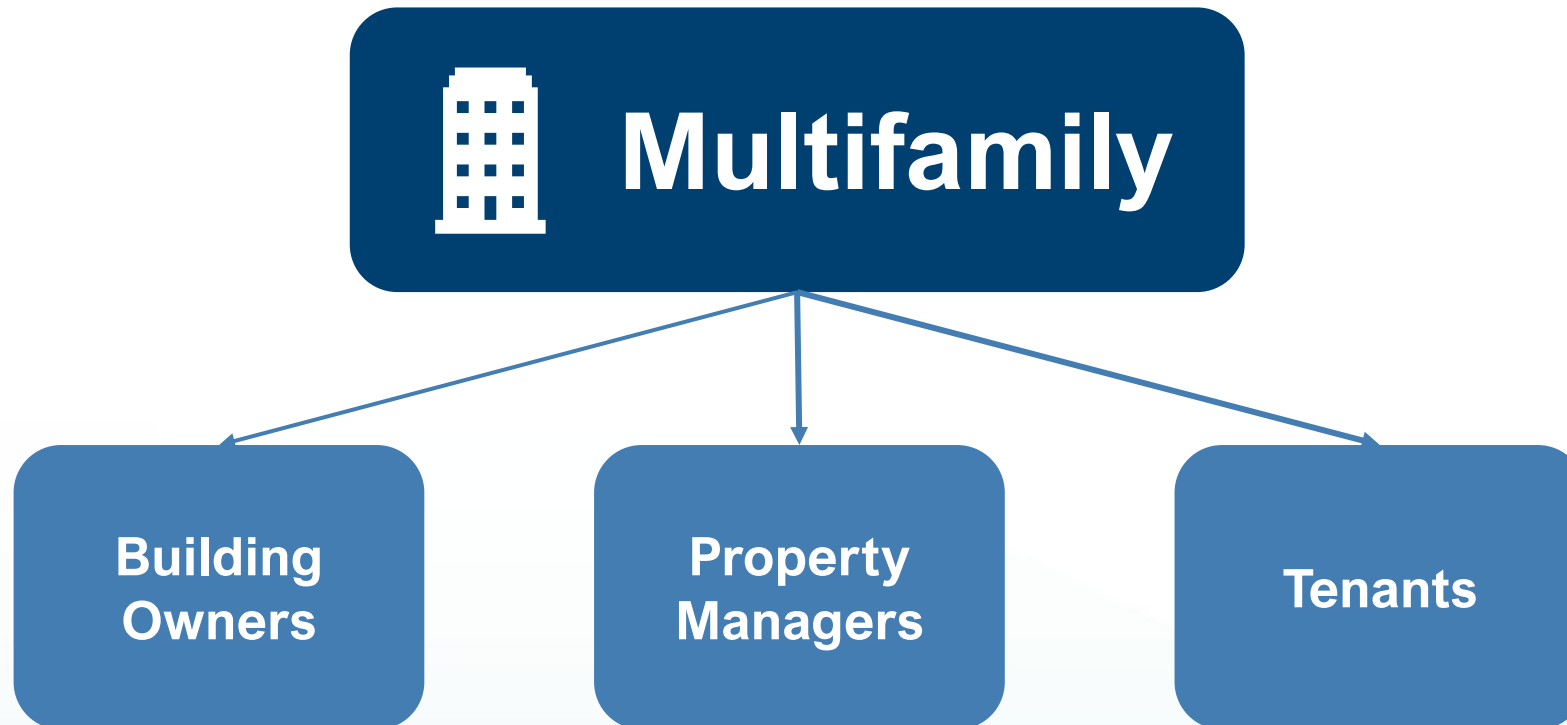
**Tribal &
Language
Isolated
Communities**



**Local
Government,
Community
Choice
Aggregators,
Agencies**



Outreach and Education





HEEHRA Phase I Diversity, Equity, Inclusion, and Accessibility Goals

The CEC and TECH Clean California will incorporate Diversity, Equity, Inclusion, and Accessibility (DEIA) in program implementation by:



50%+ rebate allocation to low-income households



Community Based Organization partnerships and community outreach (focus on rural, tribal, and language-isolated communities)



Low-Income Ambassador Panel to inform HEEHRA strategy



Disadvantaged community focused contractor training and recruitment (including via community college apprenticeship programs)

Community Benefits Plan Sections 1.III, 1.III.A, 1.VI, 1.V, 1.VI.C, 1.VII.C, 1.VIII, 2.A, 3.A, 3.B, 3.C, 3.D, 4.II.B



Address Justice40 Initiative

The TECH Clean California funded by HEEHRA will address the Justice40 Initiative by:

Ensuring at least 40% of program rebate spending serves low-income and disadvantaged communities

Utilizing the CalEnviroScreen 4.0 definition of a Disadvantaged Community for identification and reporting

Providing the following benefits to disadvantaged communities:

- A decrease in environmental exposure and indoor air quality burdens
- An increase in the clean energy job pipeline and job training for individuals in equity communities
- An increase in energy and climate resilience

CA HEEHRA Phase I rebate disbursement mandate:

40.7% low-income

10% low-income multifamily



Address Justice40 Initiative

HEEHRA Phase I Strategic Priorities and Reporting Commitments:



Indoor air quality benefits and impacts in disadvantaged communities



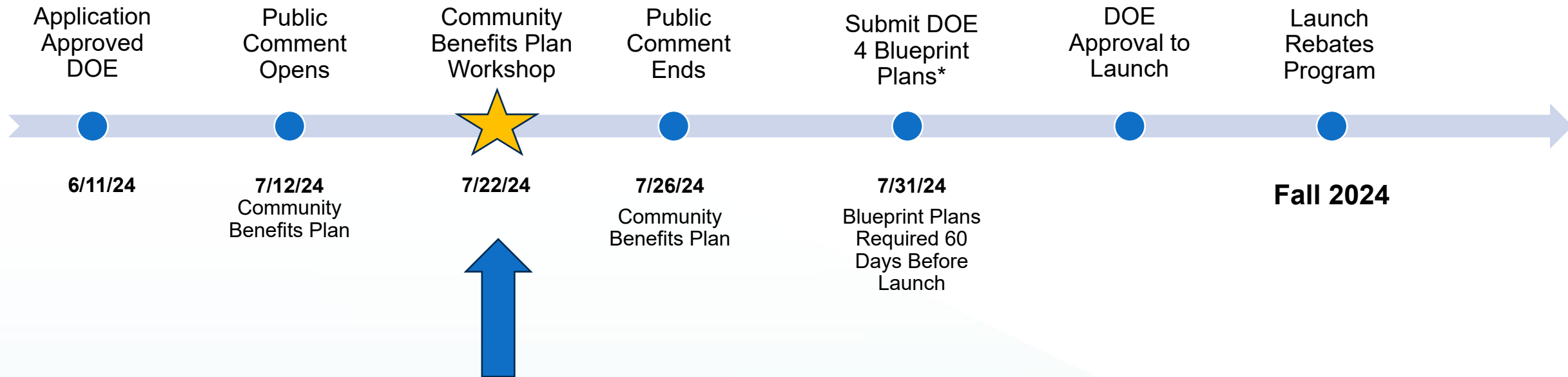
Workforce development impact in disadvantaged communities



Climate resilience impact and benefits, with a focus on resilience to extreme heat



HEEHRA Phase I Timeline



*Community Benefits, Consumer Protection, Education and Outreach, Data Privacy and Security Blueprint Plans.



Public Comment

Instruction

- 2 minutes or less per person
- 1 representative per organization

Zoom App/Online

- Click “raise hand”

Telephone

- Press *9 to raise hand
- Press *6 to (un)mute

When called upon

- Public Advisor will open your line
- Unmute, spell name, state affiliation, if any

2-MINUTE TIMER

For Phone Participation: Dial (669) 219-2599 or (888) 475-4499
Enter Webinar ID: 849 0359 3365 and Passcode 051353



HEEHRA General Information

- **IRA Webpage**

- <https://www.energy.ca.gov/programs-and-topics/programs/inflation-reduction-act-residential-energy-rebate-programs>

- **IRA FAQ**

- <https://www.energy.ca.gov/programs-and-topics/programs/inflation-reduction-act-residential-energy-rebate-programs/faq-ira>

- **TECH Clean California**

- <https://techcleanca.com/>



Comment Submission

- **Draft Community Benefits Plan**
 - <https://efiling.energy.ca.gov/GetDocument.aspx?tn=257705&DocumentContentId=93602>
- **Submit comments to our docket 23-DECARB-01**
 - <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=23-DECARB-01>



Contact Us

IRAresidentialenergyrebates@energy.ca.gov



Thank you

