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**Joint CCA Comments on the RFI for Program Design of IRA  
HEERHA Phase II**

*Additional submitted attachment is included below.*



January 10, 2025

California Energy Commission  
Docket Unit, MS-4  
Docket No. 23-DECARB-01  
715 P Street,  
Sacramento, CA 95814

**RE: Joint CCA Comments on the Request for Information, Program Design of Inflation Reduction Act Home Equipment and Appliance Rebates Phase II**

Dear Executive Director Drew Bohan and Commission Staff,

Sonoma Clean Power Authority (“SCPA”), Silicon Valley Clean Energy (“SVCE”), Peninsula Clean Energy (“PCE”), and Marin Clean Energy (“MCE”), are pleased to provide coordinated responses to the California Energy Commission’s (“CEC”) Request for Information (“RFI”) on the Program Design of Inflation Reduction Act (“IRA”) Home Equipment and Appliance Rebates (“HEEHRA”) Phase II.

The load serving entities listed above represent a coalition of community choice aggregators (“Joint CCAs”) providing electric service to more than 1.4 million customer accounts within Pacific Gas and Electric Company’s (“PG&E”) service area. The Joint CCAs offer a number of energy efficiency, demand response and decarbonization programs aligned with HEEHRA Phase II goals and bring that program design, implementation and evaluation experience to these comments.

The Joint CCAs would like to thank the CEC for the opportunity to provide responses to the HEEHRA Phase II RFI. The Joint CCAs support the CECs mission to successfully implement the State’s progressive decarbonization and electrification goals and we welcome the opportunity to provide input on the design on Phase II of the HEEHRA program. The \$152 million allocated to Phase II offers the potential to save money for customers served by the Joint CCAs and other load serving entities throughout the state. The successful design and implementation of HEEHRA comes at a critical time for ratepayers in California facing rising energy

bills. The comments in the Appendix provide insight into the unique perspective offered by CCAs throughout diverse regions of California.

Thank you for your time and consideration. Please do not hesitate to reach out to any of the undersigned parties below with any questions or if you wish to further discuss these responses.

Sincerely,

*/s/ Felicia Smith*

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## **Appendix – Responses to Requested Feedback:**

The Joint CCAs respectfully offer feedback on the following questions to help inform the development of the HEERHA Phase II program:

### **1. Eligible Equipment and Appliance Rebates**

#### ***Should all DOE eligible equipment (listed in Table 1) be available to single-family households and multifamily properties?***

The Joint CCAs believe that all DOE-eligible equipment listed in Table 1 should be available to both single-family households and multifamily properties. Providing access to the full range of eligible equipment ensures equity and inclusivity in how rebates are distributed, allowing households and property owners to select solutions that best address their unique needs and circumstances. Single-family households and multifamily properties often face different challenges and opportunities when pursuing energy efficiency upgrades or electrification projects; a technology-inclusive program design will enable a larger number of customers to benefit from incentives that they may have missed or otherwise not been ready to pursue in Phase I. Funding for heat pump HVAC systems was available for single-family homes in Phase I of HEEHRA, but did not include incentives for electrical panel upgrades. This next phase of funding will be essential to address significant gaps that exist for homes requiring panel upgrades and wiring actions in order to safely install heat pump HVAC units.

In addition, the CEC should allow prewiring as an eligible cost for the electrical wiring incentive. This encourages homeowners to plan for future electrification needs. For homes that are not yet ready to fully electrify all end uses, prewiring can minimize future costs and disruptions by enabling efficient placement of circuits and outlets. Since 2024, SVCE's \$500 pre-wiring rebate has encouraged the installation of 471 pre-wired circuits for future electric end-uses such as water heating, space heating, electric vehicle ("EV") charging, electric induction cooking, and electric drying.<sup>1</sup> Providing access to all technologies in Phase II is critical to expanding the scope of work and ensuring households of all types can fully benefit from these incentives.

#### ***a. Should the rebate amounts be reduced to allow more households to receive a rebate? If yes, please provide recommended amounts and rationale.***

The Joint CCAs recommend the CEC retains rebate amounts in full, and that incentives should not be reduced. The proposed rebate levels are essential for ensuring low- and moderate-income households can afford to participate, even though they do not cover the full cost of most projects. In addition, there are tremendous regional differences in access to contractors, technologies, labor costs, and cost of living. In regions with high living and labor costs, project expenses often far exceed these rebates, and many zero-emission technologies have not yet reached price parity with combustion appliances.

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<sup>1</sup> Silicon Valley Clean Energy's Home Rebates Program: <https://svcleanenergy.org/home-rebates/>

In addition, California's high electricity prices (particularly increasing IOU distribution and wildfire costs)<sup>2</sup> greatly reduce potential for customers to lower their utility bills through whole-home electrification, despite reducing home energy consumption by nearly 60%. As a result, the Joint CCAs believe the true retrofit costs require the full rebate to properly incentivize fuel-switching, and that such costs present a significant burden on low-income, disadvantaged, and otherwise under-resourced households if not mitigated at the adoption phase.

Maintaining the current rebate amounts is particularly critical for supporting participation in these areas. Additionally, we recommend collaboration with other rebate providers to allow for streamlined and low administrative burden program stacking processes. Leveraging additional funding will help to reach more households and will be necessary to further enhance affordability and accessibility, especially for low-income households and other environmental and social justice communities facing barriers to decarbonization.

## **2. Regional Allocation and Customer Engagement**

***a. To ensure fair geographic disbursement of funding and align with other energy equity programs, CEC allocated HEEHRA Phase I funding to three regions of California based on the proportion of under-resourced communities. This formula provides 23 percent of funding to Northern California, 19 percent to Central California, and 58 percent to Southern California. CEC is considering a similar allocation approach for HEEHRA Phase II funding. Should CEC consider other factors to ensure statewide distribution?***

Yes, Joint CCAs strongly support a regional approach to HEEHRA Phase II implementation based on the proportion of under-resourced communities. Joint CCAs believe decarbonization programs are best implemented at the local or smaller regional levels. Local and regional approaches allow programs to better respond to the diversity of local needs.

Joint CCAs also support prioritizing under-resourced communities given the many barriers to decarbonization and access to rebate programs that they face while simultaneously experiencing disproportionate health burdens of energy pollution.<sup>3</sup>

***b. Are there other active or past rebate programs in California or the United States with high uptake in underserved communities that CEC can learn from?***

Within the Joint CCAs, MCE specifically administers low or no cost direct-install energy efficiency programs with a decarbonization and equity focus, like its [Home Energy Savings program](#), [Multifamily Energy Savings program](#) and formerly offered the [Low-](#)

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<sup>2</sup> 2024 Senate Bill 695 Report, available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/office-of-governmental-affairs-division/reports/2024/2024-sb-695-report.pdf>, pp. 1-3.

<sup>3</sup> Environmental Protection Agency, Cumulative Impacts Research, September 2022, available at: <https://www.epa.gov/system/files/documents/2023-05/CUMULATIVE%20IMPACTS%20RESEARCH-FINAL%20REPORT-EPA%20600-R-22-014A%20%2812%29.PDF> (outlining and defining the cumulative impacts of built and social environments on human health).

[Income Families and Tenants](#) program. PCE administers a direct install program that has served over 300 households in 3 years with no cost electrification upgrades. This program will be scaled up in 2025 to serve more households with whole-home electrification projects.

MCE and PCE wish to emphasize one key lesson learned from administering these programs:

*It is essential for program success to serve low to moderate income households to cover the total project cost of measures, including technology and readiness measures like mold and pest remediation and electrical remediation that must occur prior to an eligible rebate installation.*

Additionally, on the ground outreach methods such as canvassing by local community-based organizations has helped to enroll hard-to-reach customers that may not be as easily reached through online and email marketing tactics. In Spring 2024, SVCE launched its no-cost direct-install program for deed-restricted multifamily properties. In Fall 2024, SVCE launched their no-cost direct-install program for low-income single-family customers. As agencies with connections in our local community and networks of community-based organizations, the Joint CCAs are well-positioned to test different program implementation and engagement strategies that best fit our communities' diverse needs.

The Joint CCAs hope to demonstrate the success of direct install and other programs and identify challenges and potential solutions for future scalability. We would collectively like to support the CEC team in whatever way is helpful as HEEHRA is rolled out. We will be happy to share with information surrounding our program learnings, best practices, and challenges confronted with the launch of our electrification direct install programs with CEC staff at any time.

### **3. Contractor Engagement and Support**

#### **a. What are effective methods to recruit contractors to participate in the program, especially in underserved, disadvantaged, low-income, and rural communities?**

The Joint CCAs have worked to develop thoughtful and robust workforce and contractor network development actions over the years. The Joint CCAs have identified the following best practices to be effective methods for contractor recruitment, particularly in disadvantages and underserved communities:

#### ***Build trust and relationships:***

Building trust is essential for contractor recruitment, especially in underserved communities. Engaging local organizations such as trade schools and community-based organizations can help to identify trusted contractors, while hosting community events like meet-and-greet sessions and networking opportunities can foster rapport while sharing program information. Using culturally relevant materials and communication channels preferred by the community, such as local radio, websites, newsletters and social media, is critical in making program details

widespread. Additionally, direct outreach to installers ensures targeted and effective engagement.

***Offer incentives:***

Offering incentives is another method for recruitment. Providing subsidized or free training, paying lost wages for attendees of trainings, certifications, or licensing fees can reduce barriers to entry for contractors. Bonuses or higher reimbursement rates for contractors who serve disadvantaged communities can further encourage participation. For example, SVCE's free contractor training program provides a \$500 training incentive for those who complete the online electrification course. After completing the training, contractors can receive a subsequent bonus incentive, up to \$5,000 a year, for installing electrification appliances for SVCE customers. Establishing a minimum number of projects installers can take on, guarantees consistent opportunities for smaller contractors and promotes equitable funding distribution.

***Tailored training and support:***

Tailored training and support are critical to fostering program participation. Offering multilingual, culturally competent, and up-to-date training, pairing experienced installers with newer entrants, and providing ongoing technical and administrative assistance can help contractors navigate program compliance. Hosting HEEHRA events that connect installers with suppliers, customers, and industry stakeholders not only strengthens their professional networks but also helps provide confidence in the program. The Joint CCAs support the CEC in efforts to pay for, or supplement, the lost wages of contractors and employees attending trainings. Specifically, MCE uses this approach in its Green Workforce Pathways program and has found it to be a valuable means of supporting education and fostering interest in training opportunities.

***Simplify participation:***

A major barrier to contractor participation in past programs has been the administrative burden and complexity of program participation. Streamlining processes to reduce paperwork, allowing for flexible scheduling to accommodate installer timelines, as well as clearly communicated program benefits can help foster transparency and increase contractor interest. The CEC should seek to minimize the complexity absorbed by contractors and rebate administrators wherever possible.

***Career opportunities:***

Promoting the program through vocational schools and apprenticeships programs and fostering trust in the new generation of installers by providing aid to workforce development programs. Sharing success stories from similar communities and emphasizing how program participation can grow an installers' client base over time showcases the programs long-term value.

***Other:***



The CEC may also wish to explore the CPUC's GO 156 Supplier Diversity Clearinghouse of certified diverse businesses for relevant outreach opportunities.<sup>4</sup>

***b. What type of training should the CEC offer to help installation contractors understand program requirements and streamline rebate processing for retailers, contractors, and homeowners?***

To help contractors effectively understand program requirements and streamline rebate processing, the California Energy Commission should offer comprehensive and accessible trainings tailored to installation contractors. The Joint CCAs believe the following elements are key to effective training:

***Program compliance and requirements:***

Trainings should cover HEEHRA program rules, eligibility requirements, and necessary documentation. This includes step-by-step guidance on navigating the application and approval process, including highlighting how to avoid common errors. Tutorials on how to use digital platforms for rebate submission and tracking, as well as streamlined tools for managing customer information, project details and paperwork, should be provided to enhance program efficiency.

***Technical training:***

Hands-on workshops and virtual demonstrations should focus on the installation and maintenance of eligible measures. These sessions should include updates on new technologies, industry best practices and energy efficiency standards to help contractors stay informed.

***Customer engagement and communication:***

Installers should receive guidance on effectively conveying program benefits and requirements to customers. Trainings should include strategies for addressing customer concerns regarding cost, timelines, and expected outcomes, which in turn fosters transparency and trust.

***Certification and continuing education:***

Offering certification upon training completion can help to build credibility and customer trust. Ongoing educational programs should keep installers updated on evolving program details, energy efficiency trends and other available incentives and rebates, guaranteeing they remain competitive and knowledgeable in the industry.

***Quality control:***

Training should incorporate quality control measures and clear requirements.

***Manufacturer and existing network collaboration:***

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<sup>4</sup> GO 156 Supplier Diversity Clearinghouse, available at: <https://thesupplierclearinghouse.com/the-supplier-clearinghouse/>.

Trainings should include partnerships with manufacturers of the specific technologies. In addition, contractors should be connected to additional training opportunities, such as decarbonization-focused resource like the Switch is On.

***Multilingual and inclusive trainings:***

To reach underserved communities, trainings should be offered in multiple languages with culturally relevant examples and scenarios. Additionally, mentorship programs pairing experienced contractors with new installers can help build capacity and confidence among less experienced contractors.

**4) Point-of-Sale Methodologies**

***a. How can CEC facilitate homeowners obtaining a rebate when shopping online? Are there any program design considerations or best practices unique to an online sales point?***

The Joint CCAs believe there are multiple viable means of issuing online rebates. Specifically, SCPA launched an electric bike point-of-sale incentive, where the rebate was applied directly as a discount at the bike store. Customers applied online for a voucher, which was mailed to them once approved. PCE has also offered point of sale rebates of both e-bikes and electric vehicles at local bike shops and dealerships. A portal was created for these retailers to submit these reimbursement requests for the customers receiving rebates.

Ideally, a point-of-sale process has an easy and quick method for customers to verify their eligibility and receive their voucher, and customers do not need to be involved in the back-end reimbursement process for the retailer. The California Golden State Rebate Program is another example of a successful point of process where customers apply for coupon voucher by simply entering their electric account information and receive an email voucher usable at participating retailers.

***b. How can CEC support small and local business owner participation in the program design?***

The CEC can support small and local business owner participation in program design through intentional personal contact and proactive outreach. For example, during the development of SCPA's Electric Bike Incentive program, agency staff personally visited every store that enrolled to discuss the program face-to-face. This approach not only built trust but also allowed staff to understand the unique needs and perspectives of each business owner.

***c. What are options for homeowners who don't have a smartphone and want to receive a rebate in store?***

For SCPA's Electric Bike Incentive program, individual vouchers were provided by mail. While this approach was somewhat costly, it served as an effective measure to ensure that the program remained accessible to everyone, regardless of their access to digital technology. Mailing physical vouchers allowed participants to redeem their rebates in-

store without relying on a smartphone or internet access, making the process more equitable and inclusive.

***d. What are challenging elements with existing point-of-sale rebate programs and what are some solutions or best practices to minimize or eliminate the challenge?***

There are several significant challenges with existing point-of-sale rebate programs, each of which can create barriers for both customers and contractors. One major issue is the burden of income verification, which can exclude qualified, historically underserved customers. Requiring extensive documentation for income verification often creates inequitable barriers, particularly for those who are most in need of assistance.

The Joint CCAs recommend the CEC limit any burdensome income verification processes which have been demonstrated to exclude qualified, historically underserved customers. Simple and direct strategies – such as self-attestation – for income qualified rebates to prevent inequitable barriers to access for intended recipients and fosters participation across customer classes. For example, MCE successfully uses self-attestation for income verification in its low-to-moderate income focused Home Energy Savings program. Joint CCAs observe other low-income serving energy programs like California Alternate Rates for Energy (“CARE”) and Family Electric Rate Assistance programs use self-attestation to establish income eligibility.

Another challenge with existing point-of-sale rebate programs involves delayed rebate payments to installation contractors. In many cases, contractors float the rebate amount upfront, relying on timely reimbursement from the rebate program. When payments are delayed, contractors can face cash flow issues, limiting their ability to take on additional projects. This is particularly concerning as the market looks to scale up the adoption of electrification technologies through programs like HEEHRA.

The Joint CCAs recommend designing the program to expedite payments to alleviate cash flow challenges. Faster payments will lead to more effective operations, enabling a higher volume of projects and support broader adoption of electrification measures.

Finally, some existing point-of-sale rebate programs involve significant paperwork and require customers to navigate complex eligibility criteria, often leading to confusion, eroded trust, and disengagement. This complexity can create barriers to participation, particularly low to moderate income households, environmental and social justice communities and others historically underserved by existing programs. To improve accessibility, the Joint CCAs recommend simplifying the process by minimizing paperwork, documentation collected from customers to determine eligibility and reducing the background knowledge required from customers. Streamlining the application and eligibility processes would make it easier for more people to participate without feeling overwhelmed by administrative hurdles.

In summary, addressing these challenges requires a multifaceted and flexible approach. Reducing income verification burdens, expediting contractor rebate payments, and simplifying customer application processes are all essential to creating a more equitable and efficient point-of-sale rebate system that can scale effectively.

## **5. Do-it-Yourself (DIY) Considerations**

### **a. What are best practices to ensure a quality DIY install? What type of proof should be provided?**

Best practices to verify a DIY installation should include:

#### **Photo or video evidence:**

Installers should submit a video or photo documenting the installation.

#### **Permits:**

For measures that require permitting, proof of permitting should be submitted.

#### **Receipts & Invoices:**

Detailed receipts for materials and project-related costs should be provided.

### **b. What are some guidelines and best practices for a program that allows for DIY installation of eligible equipment?**

Some guidelines and best practices for programs supporting do it yourself (DIY) installations of eligible equipment include but are not limited to the following:

#### **Clear eligibility criteria:**

To ensure success in a DIY installation, clear eligibility criteria should be established. This includes outlining eligible equipment and specifying any restrictions such as measures that requiring permitting or professional installation. HEEHRA Phase II should also provide clear guidelines on who qualifies for a DIY install, ensuring participants have access to resources that enable safe and effective work.

#### **Quality assurance:**

To maintain quality assurance, participants should be required to submit documentation, such as photos or videos to verify that the installation was completed correctly. Additionally, the language should make it clear that DIY installations must meet all program and local code requirements.

#### **Right to inspect:**

Reserving the right to inspect completed work and installed measures adds an additional layer of quality assurance. Another best practice involves randomly selecting 5-10% awards to DIY projects for quality assurance inspections. This flexibility offers opportunities to ensure satisfactory use of incentives in the event that additional monitoring is deemed necessary. In doing so, it is essential that any customer accepting an incentive for a DIY install is made aware of any such audit protocols prior to accepting an incentive.

#### **Completion checklist:**

A completion checklist that outlines each step in the process to complete a successful project is helpful for a DIY customer. The steps could include confirming that the chosen appliance meets the performance requirements, applying for a project permit (if required), purchasing the appliance, installing the appliance, completing a final inspection for the permit (if required), and applying for the rebate with the necessary documentation. This clearly communicates the programs expectations to DIY participants.

***Self-attestation:***

A self-attestation that the installation meets program guidelines should be included.

***Simplicity:***

Streamline the application to make participation straightforward and user-friendly.

***c. Are there other successful rebate programs in California or the United States that have provided rebates for DIY installed eligible equipment?***

SCPA, SVCE and PCE offer rebates for the self-installation of heating, ventilation and air conditioning heat pumps, heat pump water heaters and induction cooking solutions. The inclusion of DIY installations in SCPA, SVCE and PCE's rebate programs is designed to improve access to incentives while promoting efficient electric technologies. While SCPA's program is not limited to DIY projects, it offers a valuable opportunity for technically skilled participants to reduce costs associated with expensive installations.