

DOCKETED	
Docket Number:	22-DECARB-03
Project Title:	Equitable Building Decarbonization Program
TN #:	248476
Document Title:	California Efficiency + Demand Management Council Comments - CA Efficiency + Demand Management Council Response to CEC RFI
Description:	California Efficiency + Demand Management Council Comments - CA Efficiency + Demand Management Council Response to CEC RFI re Equitable Building Decarbonization Program
Filer:	System
Organization:	California Efficiency + Demand Management Council Comments - CA Efficiency + Demand Management Council
Submitter Role:	Public
Submission Date:	1/20/2023 3:56:24 PM
Docketed Date:	1/20/2023

*Comment Received From: California Efficiency + Demand Management Council
Submitted On: 1/20/2023
Docket Number: 22-DECARB-03*

**CA Efficiency + Demand Management Council Response to CEC
RFI re Equitable Building Decarbonization Program_01202023**

Additional submitted attachment is included below.

January 20, 2023

California Energy Commission
Docket Unit, MS-4
Docket No. 22-DECARB-03

715 P Street
Sacramento, California 95814

Re: Request for Information Response - Equitable Building Decarbonization Program

The California Efficiency + Demand Management Council (“Council”) appreciates the opportunity to reply to the California Energy Commission’s (“Energy Commission”) Request for Information (“RFI”) regarding the Equitable Building Decarbonization Program (“Program”). The Council also appreciates the Energy Commission’s extension of the deadline for stakeholder responses to the RFI.

The Council is a statewide trade association of non-utility businesses that provide energy efficiency (“EE”), demand response (“DR”), and data analytics services and products in California. Our member companies include EE, DR, and distributed energy resources (“DER”) service providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and EE product manufacturers.

The Council supports the stated goals of the Program: “...to reduce greenhouse gas (GHG) emissions in homes and advance energy equity.”¹ An equitable energy system is one where the economic, health, and social benefits of participation extend to all levels of society, regardless of ability, race, or socioeconomic status. Achieving energy equity requires intentionally designing systems, technology, procedures, and policies that lead to the fair and just distribution of benefits in the energy system.²

The Council offers the following responses to the Energy Commission’s RFI with a focus towards leveraging existing opportunities, funding proposals that offer the greatest benefits, and establishing programs and investment channels that succeed well beyond the scope and timeline of the Program. The Council looks forward to further collaborating with the Energy Commission and others on the Program.

Sincerely,



Joseph Desmond
Executive Director, California Efficiency + Demand Management Council

¹ <https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program>

² Pacific Northwest National Laboratory. (PNNL 2021). 2021. Review of Energy Equity Metrics. Tareknege, Pennell, Preziuso, O’Neil. https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-32179.pdf

Direct Install Program Criteria

1) a. What criteria should be weighed more heavily or prioritized when scoring program proposals?

The Council suggests heavily weighting key criteria that serve the Program's goals to reduce GHG emissions in homes and advance energy equity as well as the Program's objectives, including to encourage resiliency to extreme heat, improve indoor air quality, improve energy affordability, and provide electric grid support. The Council finds the following criteria to serve the Programs goals and objectives and should be heavily weighted when scoring proposals:

- Improves customer energy affordability and reduces energy burden;
- Provides quantifiable non-energy benefits to participating consumers (such as health, safety, and avoided carbon emissions);
- Layers with other existing programs and benefits at the State, local, and federal levels;
- Rapidly deploys to expedite delivery of benefits to target participants;
- Considers current or future potential to expand target participants' access to clean energy technology (e.g. panel upgrades);
- Delivers benefits to underserved communities (e.g. proposals that contract with local labor or businesses, particularly in under-resourced communities); and
- Establishes measures that can continue delivering benefits beyond the timeframe and funding established for the Program.

b. The CEC plans to require the use of meter data and analytical-based tools to prioritize and target participant households and measures through the lens of greenhouse gas (GHG) emissions, energy usage, and bill impacts. Should the CEC require all proposals to include independent, data-driven targeting of participants and eligible measures, or should the CEC itself contract to provide a single, program-wide tool to target participants and eligible measures that program administrators would be required to use?

The Council believes that meter data is a crucial policy and program component to the state's ability to meet its climate and clean energy goals reliably, affordably, and tangibly. The Energy Commission is well suited to collect and leverage meter data to prioritize target participant households and measures.

The Council suggests the CEC itself contracts to provide a single, program-wide tool to target participants and eligible measures that program administrators would be required to use. The Council believes this approach would benefit the Program by expediting its implementation and establishing clearer and more consistent methods of evaluating individual proposal successes. The Council is concerned that Program benefits would face unnecessary and burdensome slow-downs as well as significant inconsistencies in program evaluation were the CEC to require all proposals to include independent, data-driven targeting of participants and eligible measures.

c. Should low-income and moderate-income households be incentivized at different levels? If so, how should that be approached?

The Council acknowledges properly designed and implemented incentives could provide greater benefits for lower-income households in at least reducing their energy burden relative to their household income. The Council suggests lifting the Energy Commission's proposed area median income ("AMI") threshold from 120% to 150% to align with the AMI threshold in provisions of the Inflation Reduction Act (e.g. the Home Owner Managing Energy Savings Rebate Program³) as well as to better reflect the state's relatively high cost of living.

³ Congressional Research Service . 2022. The Inflation Reduction Act: Financial Incentives for Residential Energy Efficiency and Electrification Projects. <https://crsreports.congress.gov/product/pdf/IF/IF12258/2>

2) To optimize program funds, CEC may offer preference for proposals that layer incentives or leverage other programs.

a. What best practices, program elements, or state actions would facilitate layering or leveraging different program offerings?

The Council recommends the Energy Commission develop a robust set of incentive layering principles to apply when scoring program proposals as an important and initial best practice in facilitating layering different program offerings. Though these principles should be further considered and vetted through public discussions, the Council recommends the following five key principles to guide layering different program offerings:

- Incentive layering should be allowed and heavily weighted in all cases as long as the total value of layered incentives does not exceed the direct project cost. Direct project costs include products, labor, and enabling technology or services.
- Administrators and implementers of direct install programs must work to ensure that any party benefiting from financial incentives does not inflate the true value of direct install projects based on the maximum available combination of incentives. Such work includes creating and maintaining records in service of program evaluation.
- The requirements and risks placed on any party taking advantage of incentives should not be so unduly burdensome that it precludes, reduces, or confuses the participant(s). The Energy Commission can mitigate those concerns by engaging with community based organizations (“CBOs”) or Tribal communities as is appropriate.
- Incentive recipients should be able to claim the full value of the benefits on the basis that the project may not have proceeded without each of the layered program offerings. This principle applies so long as it does not conflict with the first principle described above.

The Council also recommends incorporating common program factors that make incentive layering a successful and important component of those programs. For example, the Council recommends the Energy Commission review and consider TECH Clean California’s⁴ incentive layering practices as a model for successfully incorporating different program offerings. A key component of TECH’s success in layering incentives is its quick and simple collection of data and resources on potentially complementary incentive offerings.

b. Should layering or leveraging other programs be a requirement for proposals or a prioritization when scoring proposals?

The Council believes incentive layering should be a prioritization for the Energy Commission when scoring proposals. Though the Council finds significant value in prioritizing and implementing proper incentive layering - it is possible that proposals could be rejected for this sole factor that otherwise could provide significant benefits to under-resourced communities. Those proposals should not be disregarded or disqualified for the sole reason that they are unable to stack or layer with other program incentives.

3) The inclusion of both low-income and moderate-income households allows flexibility for proposals that want to electrify specific neighborhoods or communities.

a. What program elements, geographic targeting, or state actions would facilitate this approach?

The Council suggests the Energy Commission consider the following geographic targeting elements were it to address proposals that want to electrify specific neighborhoods or communities: regions or areas where natural gas is the predominant energy used for space heating, water heating, and cooking; areas zoned for a specific type of land use (i.e. residential

⁴ <https://techcleanca.com/>

single-family, residential multi-family, etc.); geographic areas in high fire risk zones which may share building characteristics amongst each other; and areas with unique microclimate characteristics that drive specialized heating, cooling, and/or weatherization measures.

Electrification poses a myriad of unique cost impacts (beneficial or otherwise) to each customer and community both in the short and long terms. The Council suggests the Energy Commission incorporate distributional equity analyses (“DEAs”) into their cost considerations when reviewing proposals to incentivize electrifying specific neighborhoods or communities. DEAs can complement limitations of cost, rate, bill, and participation analyses by assessing energy equity. DEAs can complement those limitations as they can explicitly account for the difference in impacts between target populations and other customers. Typical metrics of DEAs include rate impacts, bill impacts, participation rates, energy burden, reliability, resilience, public health, etc. The DEA framework can build upon the metrics identified in the CEC report,⁵ *California Clean Energy Equity Framework and Indicators: An Approach for Tracking Progress of Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities* to the extent that report is applicable to the Program.

4) AB 209 authorizes the CEC to require tenant protections in participating rental properties.

a. What tenant protections could be applicable in all regions of the state?

The Council does not have a response to this question at this time.

b. Who would be responsible for enforcing the agreements?

The Council does not have a response to this question at this time.

c. What programs should the CEC look to for examples of effective building retrofit and decarbonization programs with tenant protection requirements?

The Council suggests the Energy Commission consider existing programs and policies that address and mitigate the challenges posed by the “split-incentive problem”.⁶ The split-incentive problem captures the challenges renters often face when they (rather than the rental property owner) pay for utility costs. In that scenario, renters are generally more likely than rental property owners to reduce energy consumption/costs through simple conservation practices instead of investing in efficient appliances and weatherization, including insulation and related technological advances. In scenarios where rental property owners pay for utility costs, they are more likely than renters to invest in efficient appliances and weatherization. The Council suggests consideration of the Green Lease Leaders Program⁷ and its key provisions to reduce energy costs for renters and mitigate the split-incentive problem..

⁵ Doughman, Pamela, Michael J. Sokol. 2017. *California Clean Energy Equity Framework and Indicators: An Approach for Tracking Progress of Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities*. California Energy Commission. Publication Number: CEC-300-2017-051-SD.

⁶ Joint Center For Housing Studies Of Harvard University. (JCHS 2013). 2013. *Reducing Energy Costs in Rental Housing: The Need and the Potential*. Carliner. https://www.jchs.harvard.edu/sites/default/files/harvard_jchs_carliner_research_brief.pdf

⁷ <https://www.greenleaseleaders.com/>

Direct Install Third-Party Implementers and Solicitation Scoring

- 5) a. **How should the CEC segment the state for a multiple-implementer solicitation (e.g., by climate assessment regions, climate zone, groupings of air districts, counties, etc.)? Are there other ways to segment the state to provide geographic diversity and advance equity?**

The Council suggests the Energy Commission segment the state by climate zones which can help the Energy Commission analyze how to maximize Program funding impacts, in-part, depending on each climate zone's unique climate. Better understanding the granularity and unique characteristics of differing climate zones is relevant and important to investing in more appropriate equipment and measures that better serve participants in those climate zones than others. The California Air Resources Board ("CARB") noted in their 2022 Scoping plan Update⁸ that climate zones are an important factor in determining efficient appliance cost impacts:

...studies show that bill impacts vary greatly by climate zone, equipment efficiencies, and tank temperature settings. Heat pump water heaters tend to have better performance in hotter climate zones as compared to mountain and coastal climate zones.

The state is already segmented into separate climate zones so leveraging this approach not only allows for more regionally-appropriate investments but also expedites distributing Program dollars.

- b. **What opportunities for workforce development should be considered, encouraged, or leveraged?**

The Council points to one of our suggestions in our response to question 1)a. The benefits of supporting local labor or businesses located in under-resourced communities can provide lasting social and economic benefits to those communities. To augment those benefits, the Council also suggests encouraging and leveraging proposals that incorporate existing workforce education and training ("WE&T") opportunities preferably serving or geographically targeting under-resourced communities across the state. The WE&T elements of the Solar on Multifamily Affordable Housing ("SOMAH") Program⁹ may serve as a model for the Energy Commission's consideration.

- c. **Should maximum incentives – at building, unit, and/or region – be established? If yes, at what level(s)?**

The Council does not suggest the Energy Commission establish incentive maximums or ceilings. However, *if* the Energy Commission wishes to establish maximum incentives, the Council recommends maximum incentives be established at the measure level. In that instance, it is highly important the Energy Commission establish thoughtful and meaningful ceilings rather than arbitrary incentive ceilings, particularly at the site level. The Council points to the federal Low-Income Home Energy Assistance Program¹⁰ ("LIHEAP") and California's Energy Savings Assistance Program¹¹ ("ESA") as successful examples of implementing thoughtful incentive maximums at the measure level.

⁸ California Air Resources Board. 2022. Appendix F Building Decarbonization.

<https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp-appendix-f-building-decarbonization.pdf>

⁹ Program Overview & Requirements. Cal SOMAH. <https://calsomah.org/contractors-overview-requirements>

¹⁰ Department of Health & Human Services, Office of Community Services. 2022. Low Income Home Energy Assistance Program (LIHEAP). <https://www.acf.hhs.gov/ocs/low-income-home-energy-assistance-program-liheap>

¹¹ California Public Utilities Commission. Energy Savings Assistance.

<https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/energy-savings-assistance>

6) a. How can the CEC best facilitate awareness for residents and building owners within under-resourced communities to encourage program participation?

The Council suggests the Energy Commission seek the knowledge and experiences of individual communities by leveraging existing information channels. Particularly, input from community based organizations (“CBOs”) and Tribal communities should be sought to ensure Program investments meet unique community needs. This is particularly true in ensuring education, communication, and marketing methods are catered to help maximize funding distribution across the state.

The Council suggests leveraging the framework of its Disadvantaged Communities Advisory Group¹² (“DCAG”) to guide efforts to facilitate awareness for residents and building owners within under-resourced communities to encourage program participation. The structure of the DCAG appears ready and capable to address community-level considerations.

The 11-member group meets several times a year to review CPUC and CEC clean energy programs and policies to ensure that disadvantaged communities, including tribal and rural communities, benefit from proposed clean energy and pollution reduction programs. Group members are either from or represent disadvantaged communities.

b. Are there any unique considerations that should be taken into account when developing program criteria or reviewing proposals for decarbonizing homes on Tribal lands?

The Council echoes our recommendation in our previous response and ensures that the Energy Commission engages the appropriate Tribal community members and organizations to seek guidance and input on program criteria development and review.

c. Should CEC issue a Tribal-only solicitation to fulfill items (2) and (3) more effectively?

The Council does not have a response to this question at this time.

7) a. Should other currently active building decarbonization programs be allowed to compete for funding from the Equitable Building Decarbonization Program?

The Council suggests that other currently active building decarbonization programs should not be allowed to compete for funding from the Program. The Council acknowledges the unique characteristics and benefits of the Program and believes those are best retained and served if Program funding is not effectively removed and reallocated to another program. In fact, allowing other, existing programs to compete for Program funding may in fact conflict with advancing the Program’s goals and objectives.

However, if the Energy Commission decides to allow Program funding to be distributed to other, existing programs, the Council urges the Energy Commission to ensure those other programs effectively serve the same goals, objectives, and target participants as established by the Program.

¹² California Energy Commission. 2022. DACAG Meetings, Notices, and Documents
<https://www.energy.ca.gov/about/campaigns/equity-and-diversity/disadvantaged-communities-advisory-group/dacag-meetings>

b. Should the CEC fund decarbonization programs that have existing infrastructure in an initial phase to allow for the Program to quickly decarbonize homes and provide benefits to residents?

The Council believes efficient and expeditious distribution of Program funds is an important factor in its success. However, the Council echoes our response in the previous response and adds that efficient and expeditious distribution of Program funds should not come at the cost of serving its stated goals, objectives, and target participants.

Direct Install Eligible Equipment and Measures

8) a. What specific equipment and measures should be prioritized?

The Council points to our response to question 1)a. The Council emphasizes the Energy Commission prioritize existing and proven technology and equipment that aligns with the objectives of the California Public Utilities Commission's efforts under Docket R.22-11-013 Phase 2: Equipment Performance Standards.¹³ These objectives include supporting technologies that meet grid needs, are capable of grid interaction where appropriate, and mitigate incentives for devices with "limited or inferior capabilities, unreasonable restrictions on data use, proprietary software, limited access to communications, or other attributes that could limit their usefulness."

The Council encourages the Energy Commission to prioritize incentivizing equipment that is capable of expanding target participants' access to clean energy technology and future programs (e.g. panel upgrades or equipment with load flexibility capabilities). Prioritizing equipment with these capabilities can improve the participants' ability to access future cost and energy savings measures and technologies by mitigating upfront capital costs.

The Council also encourages the Energy Commission to prioritize incentivizing more efficient equipment and measures that expand access to other efficient equipment and complementing measures. Equipment with higher efficiency ratings help mitigate any potential energy costs resulting from the Direct Install Program. The Energy Commission should also consider graduating incentive levels to further incentivize energy efficient equipment.

b. What, if any, equipment standards or certifications should be considered as requirements?

The Council does not have a response at this time beyond our response to the question immediately above.

c. What unique equipment and measures should be considered for different building segments, i.e., existing single-family, multi-family, and mobile/manufactured homes?

The Council does not have a response at this time.

d. How should the CEC consider equipment and measures that mitigate impacts from extreme heat, wildfires, or local air pollution but increase individual energy use (e.g., installing a heat pump heating and cooling system in a home that previously did not have an air conditioner)? How does this align with the legislative direction that the program shall "reduce the emissions of greenhouse gases"?

The Council acknowledges there are benefits beyond energy-related benefits that can be provided to participants and their communities through the Program's incentives. The Council suggests

¹³ California Public Utilities Commission. 2022. Order Instituting Rulemaking To Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Use And Access, And Equipment Performance Standards.
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K158/499158023.PDF>

the Energy Commission prioritize providing information and resources relevant to participant access to existing measures which may reduce the costs of operating their incentivized equipment. This question addresses an important balance that must be struck especially for under-resourced communities in improving access to new and useful equipment while mitigating or even reducing bill impacts. The Council also recommends the Energy Commission consider the use of fuel substitution calculators, such as that established by the California Public Utilities Commission¹⁴ in the instance a proposal may substitute fuels.

e. Should the CEC consider unique portfolios, technologies, and measures to reflect California regional diversity, such as different climate zones, electric utilities or community choice aggregator providing service, technology performance, electric reliability, wildfire risk, etc.?

Yes, the Council recommends the Energy Commission consider unique portfolios, technologies, and measures as posed in this question. As noted in the Council's response to question 5)a., the Energy Commission should consider the unique characteristics of individual climate zones when reviewing proposals. Certain equipment and measures will be more effective at meeting targeted participants'/communities' needs than other equipment and measures. The Council also believes we have addressed this question in other sections throughout this response.

9) a. What load flexibility requirements should be included in the direct install program, and which load flexibility measures should be prioritized?

The Council suggests the Energy Commission incorporate the eligible uses as laid out by the Department of Energy's ("DOE") Grid Deployment Office ("GDO"), in collaboration with the Office of Clean Energy Demonstrations ("OCED"), for the Smart Grid Grants Program in its Request for Information (RFI): Grid Resilience and Innovation Partnerships ("GRIP") Program (DE-FOA-0002827).¹⁵

Eligible investments include metering, control, and other devices, sensors, and software... to support smart grid deployment; technologies and programs to integrate electric vehicles to the grid; devices and software for buildings support demand flexibility and other smart grid functions....

The Council also suggests that equipment that is supported by Program funds be required to provide data for research purposes. The Council cautions that simple participation in a tariff should not obligate a participant to disclose this information. It is also imperative that participant anonymity be preserved.

The Council also suggests the Energy Commission consider all sources of load shifting and consider incentive schedules that are tied to the incentivized equipment's efficiency, where the more efficient technology receives a higher incentive. Potential sources of load shifting include, but are not limited to:

- Process;
- Pumping;
- Refrigeration;
- Heating, ventilation, and air conditioning;* and
- Water heaters*

¹⁴ California Public Utilities Commission. 2022. Fuel Substitution in Energy Efficiency.

<https://www.cpuc.ca.gov/about-cpuc/divisions/energy-division/building-decarbonization/fuel-substitution-in-energy-efficiency>

¹⁵ GRIP RFI FundOpp_DE-FOA-0002827, Section 40107 Topic Area 2, p. 12 : Deployment of Technologies to Enhance Grid Flexibility/Smart Grid Investment Matching Grant Program (Smart Grid Grants)

*Efficient heat pumps with low global warming potential are available for both applications.

10) a. What considerations should be taken for mobile or manufactured homes that are different from other eligible buildings?

The Council does not have a response to this question at this time.

b. Should the CEC consider unique portfolios, technologies, and measures to reflect California regional diversity, such as different climate zones, electric utilities or community choice aggregator providing service, technology performance, electric reliability, wildfire risk, etc.?

The Council echoes our response to question 8)e.

Incentive Program

11) a. How should the CEC prioritize the use of funds between these options? What market actor should be incentivized? Why?

The Council believes the factors discussed in our response to question 1)a. should also be leveraged to prioritize the use of funds for the Incentive Program:

- Provides energy and non-energy benefits to participating consumers, especially under-resourced communities;
- Layers with other existing programs and benefits at the State and federal levels;
- Rapidly deploys to expedite delivery of benefits to target participants;
- Considers current or future potential to expand target participants' access to clean energy technology including panel upgrades;
- Delivers benefits to under-resourced communities across the state (e.g. proposals that contract with local labor or businesses, particularly in under-resourced communities); and
- Establishes measures with a clear path to deliver benefits beyond the timeframe and funding established for the Program.

The Council recommends that the 50% threshold to benefit residents living in under-resourced communities remain a floor, or a minimum, rather than general target or maximum. In other words, the Energy Commission should prioritize statewide incentive programs that target and engage under-resourced communities, intending to apply as much incentive money as possible to benefit those communities.

The Council does not have a recommendation on what market actor should be incentivized at this time.

b. What criteria or factors beyond the reduction of direct GHG emissions should be considered when evaluating incentive options? How do these considerations benefit residents living in under-resourced communities?

The Council echoes our responses to questions 1)a. and 11)a. that quantifiable non-energy benefits are important proposal factors for the Energy Commission to take into consideration. In particular, health, safety, and avoided carbon emissions should be considered when evaluating incentive options. These considerations not only likely lead to mitigating energy burdens experienced by residents living in under-resourced communities, but also provide additional social, economic, and health benefits.

The Council also points to our response to questions 8)a. and 9)a. where technologies that are highly efficient and capable of load shifting when called should be additional criteria the Energy should consider beyond the reduction of direct GHG emissions. More efficient equipment can provide an economic benefit to under-resourced communities, particularly if those members enroll in demand response programs.

c. Where are the gaps in current incentive offerings that if addressed could advance the market for low and zero-carbon building technologies?

The Council acknowledges there are dismal incentive programs available in the market for efficient plug-load purchases despite the fact that plug-loads account for at least 25% of electricity use in buildings across California, excluding major appliances like clothes washers and dryers.¹⁶ When looking at all appliances and other plug loads in the residential sector, the number is at least 70%¹⁷. Appliances that contribute to plug loads may be more accessible to lower-income consumers as they generally do not require professional installation services, and the 2021 Low-Income Potential & Goals study found that 57% of energy efficiency potential was associated with appliances and other plug loads¹⁸. The Council therefore recommends the Energy Commission backfill gaps in plug load incentives to provide additional and potentially attainable options to lower-income consumers to access low and zero-carbon building technologies, consistent with principal recommendation 5(e) in the SB 350 Low Income Barriers Study¹⁹.

d. How should incentives from this project interact with other incentives such as those available from the direct install program, utility programs, tax credits, etc.?

The Council strongly suggests incentives from the Incentive Program, much like with our recommendation regarding the Direct Install Program, access and leverage layered incentives when possible. The Energy Commission should frame the Incentive Program to complement ratepayer-funded utility and federal rebate programs to the greatest extent possible while limiting duplication and mitigating any potential program manipulation (e.g. as discussed in the Council's response to question 2)a.: working to ensure incentives do not inflate the true value of direct install projects based on the maximum available combination of incentives).

e. What, if any, criteria should there be regarding the disposal of replaced equipment including refrigerants where applicable?

The Council urges the Energy Commission to consider incentivizing proper and sustainable disposal practices particularly for equipment that use refrigerants. Proper and sustainable disposal practices can include haul-away and recycling services.

f. Should CEC consider funding currently active building decarbonization incentive programs in an initial phase?

The Council echoes our response to question 7)a. that the Energy Commission should not fund currently active building decarbonization incentive programs solely for the sake of expeditiously distributing Program funding. The Council's interest as previously stated remains: to ensure

¹⁶ California Energy Commission, Research & Development Division. 2020. Final Project Report Efficient And Zero Net Energy-Ready Plug Loads. <https://www.energy.ca.gov/sites/default/files/2021-05/CEC-500-2020-068.pdf>

¹⁷ California Energy Commission. 2019 Residential Appliance Saturation Study. <https://www.energy.ca.gov/data-reports/surveys/2019-residential-appliance-saturation-study>

¹⁸ California Public Utilities Commission. 2021 Potential and Goals Study. <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/energy-efficiency-potential-and-goals-studies/2021-potential-and-goals-study>

¹⁹ SB 350 Low-Income Barriers Study, Part A, p. 8.

Program dollars serve and benefit the stated goals, objectives, and target participants. However, the Council continues to encourage the Energy Commission to leverage existing programs and opportunities to layer incentives and maximize benefits.

g. CEC aims to leverage and/or align with programs supported by the federal Inflation Reduction Act and the Infrastructure, Investment, and Jobs Act. Should CEC continue to leverage or align if it is at the cost of earlier implementation?

The Council disagrees with the implication that leveraging and/or aligning the Program with federal funding opportunities will decelerate Program implementation and funding distribution. The federal government has provided substantial resources on both the Infrastructure Investment and Jobs Act²⁰ as well as the Inflation Reduction Act²¹. Those resources provide enough of a framework for the Energy Commission to continue designing and implementing the Program without sacrificing the timing and impact or ability to layer Program funding with federal funding. In fact, making progress on statewide incentive design can inform Inflation Reduction Act rebate program design and applications.

12) a. What data not mentioned above should be collected for tracking program performance and evaluating program success?

The Council does not have a response to this question at this time.

²⁰ The White House. 2022. A Guidebook To The Bipartisan Infrastructure Law For State, Local, Tribal, And Territorial Governments, And Other Partners. <https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf>

²¹ The White House. 2022. Building A Clean Energy Economy: A Guidebook To The Inflation Reduction Act's Investments In Clean Energy And Climate Action. <https://www.whitehouse.gov/wp-content/uploads/2022/12/Inflation-Reduction-Act-Guidebook.pdf>