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Council Response to CEC 5 04 Draft EBD DIP Guidelines_6282023

Additional submitted attachment is included below.

June 28, 2023

California Energy Commission
Docket No. 22-DECARB-03

715 P Street
Sacramento, California 95814

Re: Response to May 4 Draft Equitable Building Decarbonization Direct Install Program Guidelines

The California Efficiency + Demand Management Council (“Council”) appreciates the opportunity to respond to the California Energy Commission’s (“Energy Commission”) Equitable Building Decarbonization Direct Install Program (“EBDP”) Draft Guidelines.

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 Energy Commission’s EBDP Draft Guidelines and offers recommendations. Our comments address three topics: existing programs, standardization, and program evaluation.

I. Support for Existing Programs

The Council supports the Energy Commission in leveraging EBDP funds to bolster existing state programs that provide building decarbonization upgrades for low-income California households. For example, the Technology & Equipment for Clean Heating (“TECH”) Clean California multifamily program¹ incentivizes heat pump installations in multifamily dwellings. More than 75% of these incentives invest in equity communities.² The success of the program thus far suggests additional incentives would be utilized rapidly and with minimal acquisition costs.

II. Statewide Infrastructure / Program Administration Budget

The Council recommends the Energy Commission consider what program elements should be administered at the regional or statewide levels, and, for statewide program elements, how to appropriately resource those services within the 15% program administration budget or other funding mechanisms such as the DER Programmatic and Technical Analysis contract resulting from RFP-22-806, or some combination of both. While the EBDP will be administered by different implementation teams for each region, the Energy Commission should take an active role in creating standardized statewide resources for use by regional program implementers where program elements will be similar statewide. This effort could lead to process and funding efficiencies, rather than having regional program implementers spend time and resources in developing their own parallel systems and resources. The Energy Commission can more effectively support regional programs by helping develop a path to scale.

¹ <https://techcleanca.com/incentives/multifamily-information/>

² <https://techcleanca.com/about/reporting/>

EBDP elements that should be standardized statewide for the reasons stated above, include:

1. Metrics and data dictionaries
2. Meter Data Analysis for Customer Targeting
3. White-Labeled Marketing Materials for standard program information in which locationally-customized calls to action can be added
4. Income verification
5. Evaluation
6. Umbrella Website

III. Evaluation

The EBDP can deliver significant energy and cost savings benefits to communities that may not otherwise be able to access those benefits. Due, in part, to the EBDP's significant budget allocations, the Energy Commission also maintains a significant responsibility to ensure such sizable investments kickstart broader market development while preventing waste, fraud, and potential abuse of public funds.

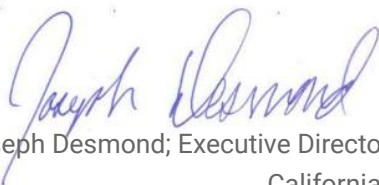
In order to help prevent and deter programmatic and financial waste, fraud, and abuse, the Energy Commission must incorporate independent third-party evaluation in the EBDP final guidelines. It is essential to embed evaluation within the program design, implementation, and reporting processes to support evidence-based decision-making as well as provide near real-time feedback to inform continuous programmatic improvement, similar to the approach adopted for the Building Initiative for Low-Emissions Development ("BUILD") and TECH programs outlined in CPUC Decision (D).20-03-027.

The EBDP is new and continues to evolve. As proposed in the draft EBDP guidelines, the program will likely be layered with pre-existing and new programs with various goals. The EBDP's evaluation process will need to be flexible and adaptable over the course of the EBDP's funding duration given that program elements and priorities will likely shift over time. The Energy Commission and engaged stakeholders should ensure evaluation efforts follow developmental evaluation approaches. This means the evaluation approach must occur with flexibility and technical acumen to adapt evaluation approaches due to new/updated information and changing market conditions.

A developmental evaluation approach allows for early collaboration with the implementation team(s) to infuse real-time independent evaluation insights into each step of program design and implementation. The result is a third-party evaluation that emphasizes the interconnectedness and complexity of the clean energy landscape and focuses on the individual components of a program and the system as a whole.

The Council appreciates the opportunity to provide input on the EBDP and looks forward to collaborating further with the Energy Commission and engaged stakeholders.

Sincerely



Joseph Desmond; Executive Director



Clark McIsaac; Director, Policy & Strategy

California Efficiency + Demand Management Council