

Q&A from May 18, 2023 Quarterly Stakeholder Meeting

1. Why are SF HVAC and WH incentives spread out with launch — using all \$50M for HVAC so funding isn't available now for the WH portion until new state budget is approved?

ASKED BY: Anonymous

Thanks for asking! HPWH incentives will launch hopefully in Q3 and will incorporate funding from both the SGIP HPWH budget and from the new \$50m TECH budget. The SGIP HPWH funding has a few more requirements for us to work through, so we need to stagger the launches to ensure smooth implementation. Peter will be talking through this more during his section.

ANSWERED BY: Carter Frantz-Geddes

2. How does the 6 million heat pumps break down between space vs water heating and commercial vs residential and within residential Single Family vs Multifamily?

ASKED BY: Sierra H.

Hi Sierra, thank you for your question. There is no breakdown associated with the goal, so the goal could be comprised of any percentage of heat pump types.

ANSWERED BY: Evan Kamei

3. Can you clarify if/when MF incentives re-launch in June/July if that will include HVAC and water heaters, or just HVAC?

ASKED BY: Terra S.

The MF relaunch will include both WH and HVAC. I'll be providing a full overview of the relaunch in the coming sections.

ANSWERED BY: Peter Florin

4. In your data analysis, can you please move to the city not just county level analysis/data?

ASKED BY: Anonymous

Hi, thanks for your question. For our data analysis, we cannot provide more granular data yet because we cannot represent the data through city-level analysis without exposing specific contractors.

ANSWERED BY: Evan Kamei

5. For Equity Customer Criteria, are the criteria independent? (E.g. Is Multifamily in the SF Bay Area eligible if in DAC census tract or high unemployment census tract?)

ASKED BY: Barry H.

Hi Barry, thank you for your question. Yes, the criteria are independent. If a project qualifies for a single criterion, then it will be eligible.

ANSWERED BY: Evan Kamei

6. It seems like, if 40% of the funding is to address equity, it should go to LESS than 40% of the population — otherwise it is only maintaining the status quo, not improving it. Or else put a greater amount of funding (80%?) toward the 40% identified population to remedy past injustices.

ASKED BY: Jennifer W.

Hi Jennifer, thanks for your comment. I agree with you. We set 40% as the upper limit, but are definitely targeting less than 40% of the population.

ANSWERED BY: Evan Kamei

7. Are the equity incentives for Multifamily such that *all* of the attributes must be met in order to access equity incentives? Or is it that *any* can be met?

ASKED BY: Andrew M.

Hi Andrew, thanks for your question. Any of the criterion can be met to be eligible. The projects do not have to meet all of them.

ANSWERED BY: Evan Kamei

8. To clarify, Single Family in SF Bay Area, LA, SD are eligible?

ASKED BY: Jeffery L.

Hi Jeffery, thanks for asking! Yes, the whole state is eligible for SF HVAC incentives at the moment, with HPWH to come later in Q3.

ANSWERED BY: Carter Frantz-Geddes

9. Why is CARE/FERA not applicable to MF — are they not eligible for this program?

ASKED BY: Anonymous

For Multifamily, the incentive reservations are more involved, so we are able to use affordable housing instead of CARE/FERA rates as a better method of qualifying projects.

ANSWERED BY: Evan Kamei

10. Just to make sure I understand, if we are Multifamily in SF Bay area, we can still qualify?

ASKED BY: Anonymous

Thanks for asking! The non-equity portion of the MF program will be available for the full state.

ANSWERED BY: Carter Frantz-Geddes

11. For MF housing: “Not in Bay Area etc” would apply to market rate housing but not low-income deed restricted housing?

ASKED BY: Ben T.

Hi Ben, thanks for your question. Yes, the qualifying attributes are separate, so a project does not have to qualify for both in order to be eligible.

ANSWERED BY: Evan Kamei

12. Where does the TECH criterion for Multifamily buildings “Not in SF Bay Area, Greater LA” etc. come from? Is that from the CPUC ESJAP?

ASKED BY: Owen H.

Hi Owen, thanks for your question. Yes, this is from the CPUC ESJ Action Plan. This attribute comes directly from the Hard-to-Reach customer definition.

ANSWERED BY: Evan Kamei

13. For San Francisco: is Multifamily excluded from the new TECH funds?

ASKED BY: Magdalena S.

Thanks for asking! The non-equity portion of the MF program will be available for the full state. Also want to clarify that MF projects can qualify for the equity portion of the budget if they meet one of those equity definition criterion.

ANSWERED BY: Carter Frantz-Geddes

14. Really interesting equity definition. Where does TECH source the data on the unemployment rates of census tracts?

ASKED BY: Laura F.

Hi Laura, thanks for your question. Unemployment percentiles are available through the CalEnviroScreen tool at the census tract level.

ANSWERED BY: Evan Kamei

15. Are you planning any kind of backcast analysis of the incentives to date relative to the newly designed disadvantaged customer criteria? Curious for the comparison between previous results and the relaunch (noting that this may not be possible because you lack some of the data for previous installations).

ASKED BY: Grey S.

Hi Grey, thanks for your question. Yes, once we finalize these criteria, we will publish previous results for incentives to date.

ANSWERED BY: Evan Kamei

16. Will the Single Family HVAC be administered through SMUD in their territory, or should we apply separately to SMUD incentive and TECH Initiative?

ASKED BY: Madan D.

Hi Madan, you would apply separately to both incentive programs.

ANSWERED BY: Carter Frantz-Geddes

17. What are the restrictions to SGIP? Do you have to be in an IOU service territory?

ASKED BY: Tristan D.

Hi Tristan, we will be diving into the HPWH requirements later this summer, but some of the requirements for the SGIP HPWH funding source is that the customer needs to be an IOU customer, on a Time of Use rate, and enroll in a Demand Response program. However, we will be providing incentives out of the TECH budget for those non-IOU customers in the rest of the state so that everybody should have access to HPWH incentives.

ANSWERED BY: Carter Frantz-Geddes

18. On the granular data (city-level) response, perhaps you still could for only select, larger cities?

ASKED BY: Anonymous

Hi, that's a good suggestion. We are constantly assessing how we are publishing data, so I will share your suggestion with our Data Team.

ANSWERED BY: Evan Kamei

19. The equity attributes table is really helpful. Would the site need to fit all the checked boxes or just one of them to receive the increased incentive? For example, our city does not have CalEnviroScreen 4.0 disadvantaged community census tracts when I look at the maps, but we do have income-restricted properties.

ASKED BY: Terra S.

Hi Terra, thanks for your question. Sites just need to qualify for one criterion. Also, qualifying does not mean they will receive increased incentives. However, we are reserving some funds only for equity customers to ensure funding is distributed fairly.

ANSWERED BY: Evan Kamei

20. We have heard about quotes for Heat Pump HVAC that are between \$25-30,000. Why is the incentive only \$1,000? I understand that last time the money disappeared too quickly, but where did you hear that \$1,000 was the sweet spot?

ASKED BY: Tristan D.

Hi Tristan, our data shows the average cost is actually around \$16k - \$22k. But we also want to look at the cost difference between the AC + Furnace installation and Heat Pump, which is a much smaller number. In general, our goal with setting the incentive level was to provide just enough to make the HP worth it, versus providing too much when it wasn't necessary.

ANSWERED BY: Peter Florin

21. Would be curious who is saying that \$1K is the sweet spot for HP HVAC. Did those projects already have AC, and/or how were they cheaper than the est. \$15K-\$25K cost to install this?

ASKED BY: Anonymous

The sweetspot referenced was shared by installers we reached out to about the installation rate. This represented the level needed to convince a customer to consider HP installation versus AC + Furnace. It was never intended to cover the full or significant cost of the HP installation given that there is a fairly similar cost for a customer to go AC + furnace.

ANSWERED BY: Peter Florin

22. Just checking re: the equity table, do participant households have to meet ALL those requirements, or just some of them? I.e., does TECH require the building to be in a top 10% unemployment census tract as well as being an EnviroScreen disadvantaged community?

ASKED BY: Owen H.

Hi Owen, thanks for your question. A site only needs to fulfill one criterion in order to qualify as eligible.

ANSWERED BY: Evan Kamei

23. To confirm, can rebates from other programs (SMUD, BayREN, SVCE) be layered with TECH incentives?

ASKED BY: Kristi C.

Hi Kristi, yes, our incentives are intended to layer with other programs.

ANSWERED BY: Carter Frantz-Geddes

24. Can customers directly submit for TECH incentive, as there are limited numbers of TECH-approved contractors in the region?

ASKED BY: Madan D.

Hi Madan, TECH incentives can only be applied for by TECH-enrolled contractors. If there are contractors in your area that are not enrolled, please encourage them to enroll via <https://switchison.cleanenergyconnection.org/form/enrollment-form>.

ANSWERED BY: Carter Frantz-Geddes

25. Will the equity incentives be available as the programs re-launch this year, or are those coming at a later time?

ASKED BY: Terra S.

Hi Terra, thanks for your question. At this time, we are not planning for different incentive levels for equity incentives, but we are setting aside budget separately for these customers. The goal of establishing these criteria is to start tracking progress.

ANSWERED BY: Evan Kamei

26. Greetings, where can stakeholders find detailed information on the stakeholder feedback you've received (e.g. interview transcripts), especially from contractors and distributors?

ASKED BY: Anonymous

Unfortunately we are not able to share direct transcripts from these conversations as many of them happen either live in-person, via phone calls, or some other type of method. Our goal is to summarize the key takeaways as we many times do not have permission to share direct feedback. We did receive permission from the contractor I quoted on the HPWH Learn and Earn slide, which is why I was able to share it word for word.

ANSWERED BY: Peter Florin

27. Are approved contractors required to connect SGIP incented HPWHs to an energy saver project upon installation as a condition to receive an incentive or rebate, like Watter-Saver or other LSE run type program, or is that just optional?

ASKED BY: Bruce H.

Hi Bruce, Complete requirements will be shared ahead of launch, but to share a snippet: Customers must enroll in a CAISO integrated demand response program, such as Ohm Connect. Additional demand response programs, such as WatterSaver, are advised but not required.

ANSWERED BY: Peter Florin

28. To confirm, multifamily incentive levels are unchanged in the relaunch, correct? The only changes presented today are at the program allocation level (75% for equity), allocation in 2 rounds, \$500K participant/property cap?

ASKED BY: Andrew M.

Hi Andrew, thanks for your question. Yes, that is correct. The Multifamily incentive levels are unchanged with the exception of the changes you noted.

ANSWERED BY: Evan Kamei

29. What is the current HPWH incentive level in SoCalGas territory? And any idea why the funding has gone much more slowly there?

ASKED BY: Cora W.

Hi Cora, thanks for your question. Incentives for HPWHs in SoCalGas territory range from \$1,000 to \$3,100 depending on the equipment being replaced. Our thought is that funding has gone a lot faster in Northern California because of the existing rebate programs and contractor experience in the area.

ANSWERED BY: Evan Kamei

30. For the 40 firms trained, where are they located and are there plans to spread out to other areas instead of just Stockton and Sonoma in Southern CA? The Bay Area is really the population center in Northern CA.

ASKED BY: Anonymous

These 40 firms are located throughout the State. Our trainings to date have been conducted in areas around Redding, Sacramento, Bay Area, Los Angeles, San Diego, and Inland Empire.

ANSWERED BY: Peter Florin

31. Are you working with union apprenticeship programs?

ASKED BY: Jennifer W.

Great question. I will check with our WE&T team as I am not directly involved with any such efforts.

ANSWERED BY: Peter Florin

32. Slide 28 mentioned something about heat pumps not being a panacea (sorry, didn't fully capture it). Two questions: 1. Was the message that customers who install ASHP/HPWH shouldn't expect the technologies to solve comfort issues? 2. The slide also mentioned the importance of other considerations (envelope improvements). Is there a way to integrate (perhaps in training) envelope improvements?

ASKED BY: Grey S.

Hi Grey, to clarify a bit further. The feedback was that not all homes are appropriate for a heat pump- for example, older homes in cold climates with minimal insulation, old windows and no solar on the roof would lead to a poor experience. So it is about looking at the home as a full building versus just at the system. And yes, some of our trainings do include building envelop improvements as an emphasized topic

ANSWERED BY: Peter Florin

33. For Multifamily, has a determination been made as to how projects on the waitlist for incentives as of today will be treated upon relaunch?

ASKED BY: Andrew M.

Hi Andrew, thanks for asking. The current waitlisted projects will be released and encouraged to reapply for the relaunched MF incentives, though more details will come shortly.

ANSWERED BY: Carter Frantz-Geddes

34. Which cities in the Bay Area are covered by the media campaign?

ASKED BY: Jennifer W.

Jennifer, here are the cities: Lafayette, Concord, Pleasant Hill, San Ramon, Livermore, Pleasanton, Alameda, Rio Vista.

ANSWERED BY: Carter Frantz-Geddes

35. Will TECH Qualified Products List include whether they are IRA eligible?

ASKED BY: Anonymous

live answered

36. For Multifamily incentives, 2 questions: 1) a “property/participant” cap of \$500K was noted. Is the definition of “participant” the property owner? 2) Are there any changes to the TECH contractor caps?

ASKED BY: Andrew M.

Hi Andre — The caps referenced are for both property owner or participant. Participant is defined as the TECH contractor. The caps are refreshed for this round, meaning any submissions in this round are not included in the round 2 cap calculations.

ANSWERED BY: Peter Florin

37. What would be the incentive level for SF HPWH in the relaunch?

ASKED BY: Anonymous

Hi, thanks for your question. The incentives for SGIP HPWHs expect to range from \$3,100 to \$10,385 depending on the measures. TECH will provide coverage for projects that do not fall within the eligible SGIP HPWH territory. More information will be released as we approach the relaunch date.

ANSWERED BY: Evan Kamei

38. How do contractors qualify to participate in the TECH program? I reached out to 3 contractors from the SwitchOn list and none of them disclosed the availability of the rebate. In fact, when I mentioned the launch of the rebate, one of them told me that they will give me that amount in the discount rather than apply to get the rebate. Is application process cumbersome, or is it because city permit and HERS rating are required to qualify the project?

ASKED BY: Senait F.

Hi Senait, Contractors just need to apply online — the sign up link is located here: <https://switchison.cleanenergyconnection.org/form/enrollment-form>. I am unable to speak to why those specific contractors may not have wanted to participate. However, we do suspect that the longer application form may dissuade some from participating. We have slimmed down our form to info that will help us in collecting data, but we are only able to slim it down so much. In addition, some contractors have expressed concern about the permitting and HERs testing requirements. However, we always advise customers to ensure their jobs are permitted and tested according to local jurisdiction regulations and to ensure the job is done to code requirements. We are also working on an effort to reduce permitting burden wherever possible because we recognize it is a major barrier to large scale participation.

ANSWERED BY: Peter Florin

39. So for clarification, if a contractor has two different clients looking to do Multifamily projects, they can only assist with installs qualifying up to the cap amount with the two projects combined incentive amount?

ASKED BY: Anonymous

Hello — Yes that is correct. These caps are in place to ensure the budget can be spread across multiple participants/properties versus one project or participant from absorbing all funding.

ANSWERED BY: Peter Florin

40. I would think the 120V HPWH would also be eligible for utility efficiency incentives. Seems like a great opportunity for layering.

ASKED BY: Grey S.

Hi Grey — agreed! Because this was a Quick Start Grant, I believe the full cost of the equipment was covered.

ANSWERED BY: Evan Kamei

41. Do we know the additional total cost of doing a gas loaner within the Barnett Plumbing pilot?

ASKED BY: Gerard M.

live answered

42. Did you say TECH/VEIC will be deploying a tariffed on-bill financing pilot? If so, can you provide more details on that? Is that the same as the IUI?

ASKED BY: Kristi C.

live answered

43. Any update on the permitting streamlining pilot?

ASKED BY: Jennifer W.

live answered

44. Kalee indicated that 90% of water heater replacements are due to failure. Is that a good benchmark?

ASKED BY: Frank S.

live answered

45. Would be great to have a live webinar/recording of Barnett Plumbing telling their story so we can plug it with other contractors.

ASKED BY: Kelly D.

live answered

46. How will the Multifamily projects process look this year?

ASKED BY: Anonymous

live answered