

Q&A from Feb 29, 2024 Quarterly Stakeholder Meeting

These questions and answers are organized by section.

The following links may be used to navigate this document:

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- Quality HVAC
- Quick Start Grant
- Workforce Education & Training

Some questions and answers may appear in multiple sections.

Equity

1. Is there a low-income or equity heat pump HVAC program for residential or is it just heat pump water heaters?

Currently the heat pump HVAC program is a flat statewide incentive rate.

2. The speaker just stated that equity incentives are available everywhere, but the latest incentives report from TECH Clean California shows that the multifamily equity incentives are fully subscribed. So, was he referring to only the single family equity incentives as being available?

Yes, multifamily equity incentives are currently fully subscribed. Equity heat pump water heater single family incentives are available in all eligible service areas. You can see which incentive categories and service areas have available incentives at techcleanca.com/incentives.

3. SOMAH recently changed their household-level income qualifications with area median income. Will this affect the eligibility of projects for TECH Clean California through this pathway?

If a property is enrolled in SOMAH, it will meet the multifamily TECH Clean California heat pump water heater equity definition. We will require documentation to show that the project has been approved and enrolled in SOMAH if using this pathway for multifamily equity eligibility.

4. Do equity rebates get submitted through tech-incomeportal.com or catechincentives.com/dashboard?

Contractors submit rebates through catechincentives.com. The customer's equity and income verification is verified through tech-incomeportal.com.

5. For equity incentives, if we know the customer qualifies based on a category, do we still need to use tech-incomeportal.com?

Yes, we do need them to use the portal to upload their categorical documentation and have that reviewed and approved.

Equity, cont.

6. Is early retirement focusing on reducing greenhouse gas (GHG) emissions or reducing energy usage? Will you be including low-income homes with no air conditioning?

While those are both goals, the ultimate objective is to provide the data to influence and change other income-qualified programs in California who have certain metrics they have to meet. Since the goal of TECH Clean California is to transform the market for heat pumps, we do not have specific GHG or energy use reduction goals.

We will include low-income homes with no air conditioning, though we may not be able to provide bill protection in those cases.

7. Will the results of the Strategic Early Retirement pilot be made available? What is the timeline for that? It would be great to get some data on bill impacts for electrification projects in low-income homes.

Yes, we will be happy to share results. Our hope is to launch the Strategic Early Retirement pilot soon and then have 12 months of bill data to compare, so we likely will be able to share results mid-2025.

8. For the Strategic Early Retirement program, heat pump dryers are expensive relative to their emissions savings, and are likely to raise, not lower, utility bills (Peninsula Clean Energy, Silicon Valley Clean Energy, and Home Energy Analytics data, plus personal communications). Why are they being included in this pilot when it is already so small?

There is a goal for full electrification so we can get residents off gas and be able to accrue savings from not having to pay gas transmission and distribution fees. We are also able to leverage other funding to essentially fully pay for the heat pump dryers as well.

9. Will there be bill guarantees in the Strategic Early Retirement program? Is that what the two-year support is?

Yes, we are going to offer bill guarantees as part of the pilot, although we are still figuring out the mechanics (evaluating bill impacts, payment, terms, etc.).

10. Has the proposed early retirement program already been approved by the CPUC?

Yes, the program has been approved by the CPUC as an activity through TECH Clean California.

11. We fill out the tech-incomeportal.com application for the customer. Once approved, you'll notify us, and then we fill out the rebate request at cashincentives.com. Once we are on cashincentives.com, do we need to fill out the wages questions on the application?

No, you would just need to upload the PDF showing that the customer qualifies for equity incentives.

12. What is the current low-income/equity uptake in the existing incentive program?

You can find that breakdown here on our public reporting site at techcleanca.com/public-data/equity-budget-and-spending.

13. Can you review in more detail exactly what the homeowner needs to provide to qualify for and receive the equity incentives/rebates?

Yes, here is an overview of the requirements and steps needed to qualify for the higher heat pump water heater equity incentives at switchison.org/techcleanca/hpwh-equity.

Equity, cont.

- 14. What happens if the bills for an equity incentive-qualified customer (or any market sector customer) don't go down after the heat pump and/or heat pump water heater installs due to PG&E rate increases, or TOU or tiered pricing volumes? Do you show them the bill analysis using comparative avoided costs with real volumes/quantities and pre- and post-pricing increases/fees? Who does this post-install bill analysis overtime? What risk protection for any increases is offered to equity incentive-qualified customers?**

For the Strategic Early Retirement pilot, we will do a weather adjusted comparison of energy usage pre- and post-install and provide a check for the difference on a six-month timeline to account for the fact that heat pumps should save more at some times of the year than others. We will use Home Energy Analytics tool to show the customer pre- and post-install usage, and the resident will have access to this tool at any time. This bill protection element is only available for participants of the Strategic Early Retirement pilot.

- 15. For equity incentives, what proof, if any, is needed to show the customer switched to a TOU rate, or do they just need to agree to do so?**

For heat pump water heater incentives, equity and market rate customers have the same TOU requirement. For multifamily central heat pump water heater incentives, the customer does not need to be on a TOU rate. For multifamily unitary heat pump water heater incentives, the TOU requirement is on the common area meter, not the tenant, and we facilitate their enrollment based on the information provided in the application. For single family heat pump water heater incentives, all SMUD and electric IOU customers need to enroll in a TOU rate. We also facilitate the TOU enrollment for those customers with their utility, though a copy of the customer's energy bill showing they are already on a TOU rate can speed that process up.

- 16. How about where can we find the equity budgets and uptake by utility service area?**

We publish information on our equity budgets and spending. We are actively working on improving our equity reporting, but you can view our current information at techcleanca.com/public-data/equity-budget-and-spending/.

- 17. When using categorical as a means to qualify for equity incentives, the application at tech-incomeportal.com requires the total household size and the number of working adults. Are those required when qualifying categorically?**

That is correct.

- 18. To work with Energy Savings Assistance (ESA) participants, use the ESA participation as sufficient proof of equity qualification without the need for additional confidential, invasive income data being gathered and protected.**

If the customer is actively enrolled in Energy Savings Assistance (ESA), proof of program enrollment/participation can be uploaded to the income verification portal as proof income has already been verified. The complete list of acceptable income documentation is listed at switchison.org/techcleanca/hpwh-equity.

- 19. Is there a plan to restructure the heat pump water heater equity incentives as well?**

We are not planning on changing the equity heat pump water heater incentive levels because our goal is to cover the entire cost (or as much of the cost as possible) for customers verified for equity incentives. However, if we see that costs begin to inflate compared to customers not verified for equity incentives, then we may need to curb incentive levels.

Evaluation

1. Where can we see the full findings from this report? Do you have this cut by geography as well?

You can find the report published at techcleanca.com/public-data/evaluation-studies.

2. In situations where an air conditioner and furnace were replaced for a heat pump system, was that a 208/230v or a 115v indoor? 115v don't require panel upgrades. 208/230v do.

The scenarios did not specify home voltage, but specified that a panel upgrade was not necessary and should not be included in the quotes.

3. Is there a time difference in labor for replacing a furnace to a heat pump that accounts for the delay in labor cost? Why do contractors charge so much more for labor with heat pump projects?

There may be a time difference, particularly when the extra wiring work needs to be performed. We specified no equipment relocation, which could have otherwise added to the timeline. We hope to learn more in other phases, but some amount of risk pricing may be affecting those costs.

4. Use of "average" means little for low-income customers. The "average or median" cost implies that half of the customers have costs above that level. Since poor families do not have the funds for any contribution, you would be shutting half of all low-income families out if we use average costs to set incentives. This assumes that low income homes will not need more work than the average. I suggest you include the cost level for 80 percent or more of the costs.

In Phases Two and Three, we intend to include some homes in disadvantaged communities to capture quotes in low-income areas, and the intent of this research is not to set incentive levels, but more to understand how heat pump costs compare to Customer Acquisition Costs and furnace costs.

5. Is the program addressing nuances around cold climate heat pumps?

At the moment, we do not have plans for any cold climate heat pump-specific program design.

6. Did the scenarios for replacement in your cost studies include any weatherization or other energy efficiency work before the replacement installs? If so, where can we see the report?

We told contractors to consider a "typical" home in their area and specified the ductwork did not need replacement. We did not specify weather or envelope conditions. The full report is on the techcleanca.com/public-data/evaluation-studies.

7. Do Climate Zone 16 customers benefit from the program?

Climate Zone 16 customers can participate assuming their project criteria meet TECH Clean California's requirements. We just didn't have a contractor respond to our survey who lived in Climate Zone 16.

8. Will we have access to the system matchups used in the pilot or the system matchups used to provide the baseline to heat pump costs?

Contractors were told to answer with their preferred line of equipment, but AHRI match up numbers were not asked. In the future we may be able to get this information. The Incremental Cost Study is available on the data evaluation section of the public reporting site at techcleanca.com/public-data/evaluation-studies.

9. Are these mystery bids done with only contractors enrolled in TECH Clean California or all contractors, even those not enrolled?

The mystery bids will not be limited to contractors enrolled in TECH Clean California. Choice of contractors will mostly be driven by who is close to the house and has availability.

Implementation

1. Do you expect that the updates to TECH Clean California will include a “floor” with some key or minimum labor standards to ensure that public funds are supporting communities with family-sustaining jobs?

We have minimum requirements now which include having a CSLB license, meeting insurance requirements, and minimum program training. As a market transformation program, we want to reduce the barriers to participate, although we are exploring updates to other minimum labor standards. Please reach out to us at tech.info@energy-solution.com if you have specific feedback that you would like us to consider.

2. Are incentives available in the SCE service area? Is fuel switching eligible?

Yes, heat pump water heater and HVAC single family incentives are available in SCE service area. You can visit our site to see which service areas still have available incentives at techcleanca.com/incentives.

3. Is there a way to see a list of the high-volume contractors across the state?

Yes, we have a list of contractors and their participation volumes available at techcleanca.com/public-data/contractor-data.

4. Do equity rebated get submitted through tech-incomeportal.com or catechincentives.com/dashboard?

Contractors submit rebates through catechincentives.com. The customer’s equity and income verification is verified through tech-incomeportal.com.

5. Will incentives to transition from gas to a heat pump HVAC system cover the added cost of upgrading electrical panels? That can carry a substantial cost to the homeowner.

Currently, we offer additional incentives to cover electrical panel upgrades for heat pump water heater installations only. A summary of these incentives can be found at switchison.org/wp-content/uploads/2023/12/Single-Family-Incentives-for-HPWHs_WEB_v231205.pdf.

6. If the heat pump water heater incentives are restructured or reduced, will that encompass all of PG&E service area, even in the counties with low or no uptake at the current incentive level?

We are exploring a few different regional structures to account for the differences in PG&E service area, while maintaining simplicity and future flexibility.

7. Regarding slide 34, what is a portfolio roadmap? Remarkable how few there are in SoCal, where most people in California live.

A portfolio roadmap pilot is a process where we work with owners to develop a roadmap that evaluates and prioritizes properties to achieve emission reductions. The result is a document of prioritization today and a workbook that can be updated on an appropriate cadence to address changes in portfolios. As for distribution, this was based on owner interest and capacity to engage in this specific pilot. The properties are located in Central and Northern California, with some in SoCal. We have a number of SoCal property owners participating in other pilots as well. If there is interest in learning more about opportunities, please email techmf@aea.us.org.

Implementation, cont.

8. Are you able to share the total amount of program funding that will be available for the next round of restructured heat pump water heater incentives?

We have published the amount of “unreleased” incentives which will fund the next round of restructured heat pump water heater incentives. The specific amounts have not been determined yet.

Please visit techcleanca.com/incentives.

9. What is the best-guess time frame for release of additional market rate heat pump water heater rebates from the reserve fund? Are there any key decision points coming up?

We are hoping to have incentives available again in the fully allocated regions before the summer. Two of the main drivers of that timeline are an advice letter with the CPUC to adjust heat pump water heater incentive levels, as well as potential development on our Iris platform depending on the decided incentive structure.

10. With the pause of the program in SMUD’s area, are there any plans to pause incentives in any other areas?

It really depends on uptake in the other territories in the next few months before we can get a new incentive structure approved and launched. As you can see at techcleanca.com/incentives, the single family market rate budget for non-SMUD publicly owned utilities are currently at 33 percent of budget remaining. We update this report at least twice a week and provide regular updates to contractors so that everybody can stay on top of available budget.

11. Does the California Energy Smart Homes incentive layer with the TECH Clean California incentives?

Yes, California Energy Smart Homes incentives can layer with TECH Clean California, as long as it is an existing building.

12. Where can we find the equity uptake by geographic area/utility specific?

While we do not have this specifically mapped out at the moment, please view our data visualizations available at techcleanca.com/public-data/data-visualizations to see installations in disadvantaged communities. If there’s something you need that you don’t see there, please reach out to tech.data@energy-solution and we can see if that is something we can provide.

13. Are there any plans to provide financing for customers with the rates being bought down and/or the credit score by applying some of the money toward that?

We’re doing it! TECH Clean California has partnered with the state to support financing for heat pump projects. The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) offers residential and business loans. TECH Clean California provides gap-funding for credit enhancements so these loans are available statewide. These loans can be stacked with incentives from TECH Clean California and other sources. Find more information at gogreenfinancing.com/energy-efficiency-home-loans-california.

Multifamily & Single Family

1. Could you provide your definition of single family and multifamily?

Anything five or more units is always Multifamily, unless it is an individual homeowner in a condo unit, where they are the customer hiring the contractor. Two to four unit is nuanced -- it is considered multifamily but the rebate application process and rules can be unique. If you have a specific project where you need guidance, please reach out to tech.info@energy-solution.com so that we can provide you with the correct guidance. The TECH Clean California team is planning to provide improved resources and guidance for two to four unit properties.

2. When referencing heat pump domestic hot water plants for multifamily buildings, what does a “smaller portfolio” mean?

This will be discussed in the multifamily section for future initiatives. This is not specific to heat pump water heaters. This is approximately property owners with less than 10 to 15 buildings in their portfolio.

3. Will this affect the eligibility of projects for TECH Clean California through this pathway?

If a property is enrolled in SOMAH, it will meet the multifamily TECH Clean California heat pump water heater equity definition. We will require documentation to show that the project has been approved and enrolled in SOMAH if using this pathway for multifamily equity eligibility.

4. Do master-metered mobile home parks qualify for project funds, equity or otherwise? Would they be considered single family or multifamily?

It depends on the particular project. If you have something specific in mind, please reach out to us at tech.info@energy-solution.com with some details, and we can look into what pathway it could go down.

5. What does “there are not participation caps for contractors” mean? Does it mean there is no limit of funding?

Earlier rounds of TECH Clean California Multifamily (January 2022 through October 2023) had cumulative contractor incentive caps for those rounds of funding. For the current round of multifamily heat pump water heater incentives, there are not cumulative incentive caps for contractors. If there are any cumulative incentive caps for contractors in future rounds of funding, that will be shared when those future rounds are released.

6. Can a multifamily owner ask for technical assistance to map out electrification for their properties under TECH Clean California or other funding?

Yes, one of the pilots described is doing a high level analysis and setting up a plan for multifamily portfolio owners to help them think about how to electrify their portfolio over time. If an owner is interested in this pilot, please have them email techmf@aea.us.org.

7. Can you please elaborate on the contractors’ cap for the heat pump water heater multifamily program of this year?

Earlier rounds of TECH Clean California Multifamily (January 2022 through October 2023) had cumulative contractor incentive caps for those rounds of funding. For the current round of multifamily heat pump water heater funding, there are not cumulative incentive caps for contractors. If there are any cumulative incentive caps for contractors in future rounds of funding, that will be shared when those future rounds are released.

Quality HVAC

1. All HVAC contractors, would you like to sign up for Quality HVAC Bid II?

Thank you for sharing! Here is a video detailing the program at youtube.com/watch?v=N8dHdRraiVQ.

Quick Start Grant

1. Will Tarrif-on-Bill finance be available to retrofits and new construction?

We are focused on retrofits (SVCE pilot focuses on existing buildings) currently and don't foresee working with IOUs.

Workforce Education & Training

1. When is the CEC pre-solicitation workshop on the Equitable Building Decarbonization solicitation for regional administrators?

The CEC pre-solicitation workshop on the Equitable Building Decarbonization solicitation for regional administrators is March 14.

2. We are trying to encourage residents to use TECH Clean California participating contractors to make sure they can access TECH Clean California incentives, should we refer residents to switchison.cleanenergyconnection.org? Can they use any contractor on that list, or only the ones who are certified by TECH Clean California to be eligible for TECH Clean California incentives?

Yes, switchison.cleanenergyconnection.org is the right link. They can use any contractor in that directory, and TECH Clean California contractors that can provide rebates are certified to do so.

3. Do you have to filter for the TECH Clean California certifications on Switch is On to see enrolled contractors?

No. Contractors enrolled in TECH Clean California will still be visible if that filter is not specifically checked.