



March 3, 2023

Re: DE-FOA-0002981

Dear Department of Energy:

The following feedback was gathered through extensive collaboration of the undersigned organizations representing 60 equity, environmental justice, community-based, and grassroots organizations and coalitions and allies located across the United States. These comments are directly informed by these organizations' direct work representing disadvantaged and low-income communities.

The Department's implementation of these Home Energy Rebates will directly impact whether the most disadvantaged communities benefit from these rebates or whether they are left further behind. Given the Administration's commitment to equity and environmental justice, including the Justice40 initiative, the Department must take affirmative steps to ensure that the needs of environmental justice and low-income communities are prioritized. Specifically, as described further below, to ensure that the rebates are administered as justly and equitably as possible, the Department of Energy must do all the following:

- **100% of rebates for low-income households and disadvantaged communities** - Low-income and disadvantaged communities (LI/DACs) should receive all of these rebates. Within that prioritization, DOE should require states to set aside *at least* 40% of the funds for LI/DACs and *at least* 20% of the funds for multifamily affordable housing. The remainder of the funding should be used for low-income and disadvantaged communities. DOE should also consider establishing an income cap for the Home Efficiency rebates.
- **Maximize pollution reduction and cost savings** - DOE should require plans to maximize the cost savings for LI/DACs by targeting households with high energy burdens. DOE should not allow rebates to be used for anything using fossil fuels.
- **Streamline income verification** - DOE should require states to streamline income verification by allowing self-certification and eligibility based on participation in other income-based federal, state, or local benefit programs.
- **Clearly identify disadvantaged communities** - DOE should use either its energy justice mapping tool or the Climate and Environmental Justice Screening Tool as well as categorically including Tribal lands and U.S. territories to define disadvantaged communities. DOE should also allow states to use their own tools to define disadvantaged communities, if the state tools are on par with or more robust than the federal tools.
- **Coordination with other programs** - DOE should assist states with developing mechanisms that coordinate with complementary efficiency, weatherization, and similar programs to improve program efficiency and provide more targeted and holistic retrofits;
- **Best practices for multifamily affordable housing** - DOE should require that rebates are provided before project completion, assist states with providing rebates in the form of loans, and clarify the application of the program to multifamily affordable housing;
- **Robust tenant and consumer protections** - DOE should require states to develop tenant protections for owners retrofitting low-income households, including rent protections, relocation assistance and right of return, eviction and sales protection, enforcement of tenant protections, and provisions to ensure that income-eligible households benefit from the retrofits;
- **Program evaluation and equity measurement** - DOE should require reporting and program evaluation to ensure its program's design best meets the needs of LI/DACs;
- **Transparent and accessible information** - Require states to ensure that online information that is understandable, transparent, and accessible to meet the needs of all community members;
- **Require community engagement** - DOE should require states to include community engagement plans, community benefits plans, and community workforce agreements to

ensure that LI/DACs realize the benefits of the program. This should include targeted outreach to Minority, Women, and Disadvantaged Business Enterprises and partnerships with community-based organizations to design programs to most successfully reach LI/DACs;

- **Advance a diverse workforce** - DOE should encourage states to provide opportunities for workforce development and conduct robust outreach to encourage the participation of small and minority-owned enterprises in the program, especially from LI/DACs. DOE should also prioritize contractors that are Minority, Women, and Disadvantaged Business Enterprises and use high road practices.

We further urge DOE to continue to proactively and meaningfully engage with environmental justice communities; prioritize clean, community-centered development; and to ensure that its actions do not perpetuate, exacerbate, or create pollution burdens in communities that have disproportionately suffered the negative effects of fossil fuel development and use.

#### **A. Respondent Contact Information**

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#### **B. Accessible and Equitable Program Design**

2. In order to ensure low-income and disadvantaged communities are aware of, have access to, and participate in the Home Energy Rebate programs, program administrators must partner with community-based organizations (CBOs) that have developed relationships and successfully implemented projects in disadvantaged communities (DACs). CBOs will need resources to support their capacity and opportunities to influence decisions about program design and implementation.

Working with and resourcing trusted CBOs will help program administrators develop thoughtful and intentional targeted community engagement and outreach plans that center the needs of low-income and DAC members. Often, community engagement looks like a few Zoom webinars hosted during traditional work hours. Engaging with trusted CBOs will ensure targeted community engagement and outreach takes place at times and spaces that are most convenient and accessible for community members and effectively resonate with community priorities.

In addition to working with and resourcing trusted CBOs, best practices to ensure accessibility to immigrants, refugees, and other individuals with Limited English Proficiency include providing robust provisions for language access, including interactive interpretation. We

provide additional recommendations about meaningfully engaging these and other marginalized groups in our response to question #4 below.

DOE should also encourage program administrators to work with and resource CBOs to engage with contractors, especially Minority and/or Woman and Disadvantaged Business Enterprises (MWDBE) contractors and those located and working in DACs. Contractor engagement may shed light on other barriers to participation and workforce needs to improve quality of service, capacity, or impact in historically under-resourced neighborhoods.

### **Online accessibility**

Should program administrators and relevant stakeholders choose to utilize online platforms to disseminate information regarding the Home Energy Rebate Programs, such platforms must include multiple translations to meet the needs of all community members, as well as alternative text options for people who are blind or visually impaired. Any online platform should use simple language and avoid acronyms. Further, digital platforms should be beta tested to ensure ease of user experience and address potential barriers to engagement, as defined by communities. This may be achieved by compensating an advisory committee of low-income and DAC groups to perform beta testing. Program administrators should also consider providing microgrants to community-based hubs or public libraries so that residents impacted by the digital divide may also have a safe space to access program information.

For additional recommendations, [Pueblo Planning](#), a social justice participatory planning and design firm, created a toolkit for considerations when using an online platform to be accessible and inclusive. These are some questions to consider:

- Is the platform compatible with assistive technologies used by disabled persons?
- Does the platform allow for computer or phone viewing?
- How are you informing people, especially most impacted, that the tool exists and how it can be used? This could look like webinars, newsletters, social media, etc.
- Are there ways for users to provide feedback on engagement with the online platform after it has been created?

### **Coordination and reducing administrative burden**

Coordination with other successful service providers that engage with DACs regularly will both improve program efficiency and provide more targeted and holistic results. Therefore, DOE should require states to increase the targeting of and coordination with current outreach efforts under existing assistance programs. This may include LIHEAP, WAP, or other complementary and locally relevant public assistance programs that have proven more effective because they are tailored to hyperlocal needs.

LIHEAP requires that states agree to use the funds to: “conduct outreach activities and provide assistance to low-income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy.” LIHEAP further requires states to conduct outreach with other programs to ensure that communities are aware of LIHEAP and other low-income assistance programs.<sup>1</sup>

LIHEAP participation rates are [generally low](#) with an average of only 16-17% of income-eligible households being served by the program from 2016 to 2020. Research has shown that BIPOC and low-income communities experience less access to residential energy-saving appliances and other energy efficiency upgrades. Increased coordination across assistance programs can help ensure that low-income households and DACs are aware of and can access these rebates along with other assistance programs.

Another way to improve accessibility for LI/DACs is to reduce administrative burden by providing a central resource and training expert advisors to help households and property owners navigate these rebate programs, along with state-, local-, or utility-provided energy assistance programs, rebates, and other incentives to comprehensively retrofit homes. We recommend that DOE deploy technical assistance funds to create a program design template and other support for State Energy Offices (SEOs) to establish a one-stop shop and “Energy Navigator” program.<sup>2</sup> We recommend a universal application, simplified intake, and streamlined processes for applying for and receiving rebates, as well as for income verification (see question #37 for more details).

### **Multifamily affordable housing**

Effectively deploying these rebates in the multifamily affordable housing setting calls for certain best practices specific to the sector. We recommend that DOE encourage SEOs to work closely with U.S. Department of Housing and Urban Development (HUD), Low-Income Housing Tax Credit (LIHTC) administrators, Housing Finance Agencies (HFAs), and Public Housing Agencies (PHAs) to enhance program participation in this sector.

We also urge **DOE to provide guidance for both rebate programs clarifying certain ambiguities in the law in order to maximize accessibility in the multifamily affordable housing context.** The legislative text does not specify: the maximum incentive level for a multifamily building; whether \$14,000 is a lifetime or annual limit; or whether the contractor incentive applies on a per household or per project basis. Guidance from DOE clarifying that the maximum incentives for multifamily projects are available per unit will provide certainty to facilitate outreach and education, and spur far more upgrades in multifamily projects.

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<sup>1</sup> LIHEAP § 2605(b), 42 U.S.C. § 8624(b).

<sup>2</sup> Examples of energy navigator/advisor programs include <https://www.elevatenp.org/building-efficiency-hubs/> and <https://www.rebuildingphilly.org/resources/utilities-assistance>

Due to the complexity inherent to retrofitting multifamily affordable housing, property owners are likely to face practical challenges in using these rebates. Therefore, we recommend that DOE provide guidance and technical assistance on ways SEOs can implement the rebate programs to maximize use by owners of multifamily affordable housing, including:

- **Provide Home Efficiency rebates upfront or in phases rather than just at the time of completion.** For upgrades based on modeled savings, rebates should be processed at time of installment. For measured savings, clear guidance should be provided on best practices for how aggregators can incorporate future rebates into upfront cost savings for homeowners or building owners. These approaches must be paired with strong consumer protections so that low-income households aren't stuck holding the bag if they are promised upfront discounts but the aggregator doesn't follow through with it.
- **Assist SEOs in developing mechanisms to provide rebates in the form of loans.** Multifamily affordable housing, especially buildings financed through LIHTC, will be better positioned to use these rebates if they can be provided in the form of forgivable no-interest loans. Under LIHTC, rebates are treated as grants and taxable income for investors, which effectively reduces the resources invested in these projects. To avoid these potential negative impacts on affordable housing investments, DOE should encourage SEOs to provide flexibility to multifamily affordable housing developers that use LIHTC to finance their properties. DOE should provide technical assistance and model programs to SEOs to create mechanisms that facilitate this flexibility so that developers can opt for rebates or loans, on a project-by-project basis, based on other factors that impact the overall financing structure of the development. For example, [Maryland's MEEHA program](#) lets participants choose between receiving the rebates as grants or as loans.

**3.** To ensure that program administrators design their rebate programs to align with the Justice40 Initiative, **we urge DOE to issue guidance that prioritizes maximum pollution reductions and cost savings through these programs.** With respect to the Home Efficiency rebates, this can include a prohibition on fossil fuel appliances, a requirement to maximize greenhouse gas pollution reductions, or the prioritization of households using fuel oil or electric resistance heating, where the household stands to benefit significantly from electrification. **This program should not lock residents of DACs into decades of further fossil fuel pollution.**

DOE should also require that applications include a plan for delivering at least 40% of benefits of the program to DACs. This plan should be developed through the meaningful engagement of low-income individuals and DACs, publicly accessible, and include transparent methodology on how benefits are calculated. The application should also include the state's plans to maximize pollution reduction and cost savings through implementation of these programs, as well as continue offering state and local incentives for electrification and home

efficiency. While these Home Energy Rebate programs will benefit thousands of households, state and local incentives will continue to be needed to serve low-income households that won't have their full needs met by these rebate programs.

DOE should also incorporate elements of DOE's [General Guidance for Justice40 Implementation](#) as requirements for applications submitted by states. In particular, we urge DOE to require state applications to include contractually enforceable Community Engagement Plans that result in [Community Benefits Plans](#) and, where necessary, Community Workforce Agreements. Too often, Community Benefit Plans and resulting agreements are developed in silos without direct community representation or input. In order to truly benefit communities, these plans and agreements must not only consult with community members throughout the rebate program development and implementation process, but ensure community members play a collaborative role in program design, *i.e.* community naming program benefits and success metrics, and defer to community members on key decisions that will impact their communities. Further, any Community Benefits Plan or Community Workforce Agreement must include processes of accountability that create clear pathways for community members to enforce all aspects of the plans and agreements. To facilitate accessibility to residents with Limited English Proficiency, these plans and agreements must provide for language access in [prevalent languages](#) in the state.

To ensure easy program uptake in DACs, DOE should also provide guidance to SEOs on best practices for accessibility (see our response to question #2, above) and program design to prioritize LI/DACs (see question #22, below).

Justice40's success depends on consistent and rigorous data collection related to the benefits from covered investments delivered to residents of DACs. We urge DOE to offer technical assistance to states on how to best track and report benefits to DACs from the rebate programs, and provide a streamlined template reporting form for specific benefits and metrics consistent with DOE's policy priorities. Because the rebate programs differ in their purpose and expected results, we suggest certain benefits and metrics identified in the [General Guidance for Justice40 Implementation](#) for each program, while other benefits and metrics may apply to both:

### **Home Efficiency Rebates**

- Decrease in energy burden in dollars saved in energy expenditures or energy saved (MMBTU or MWh)

### **Home Electrification Rebates**

- Decrease in energy burden in reduction in fuel delivered (GGe)
- Decrease in environmental exposure and burdens in avoided air pollutants, including from gas stoves and other appliances (CO<sub>2</sub>e, NO<sub>x</sub>, SO<sub>2</sub>, PM<sub>2.5</sub>)



- Increase in parity in clean energy technology access and adoption (MWh)

### **Both**

- Increase in clean energy jobs, job pipeline, and job training for individuals from DACs
- Increase clean energy enterprise creation and contracting for MWDBEs in DACs
- Dollars spent (\$) in DACs

DOE should also include additional metrics for non-energy benefits aligned with those used in WAP, including improved comfort and increased property values. CBO program implementers should be engaged to identify the metrics prioritized by communities, informed by the work of the [Energy Equity Project](#). In order to evaluate the effectiveness of these rebate programs, this data should be consistent and comparable to baseline data which should be collected and reported at the outset of the programs. (See question #19, below.)

Finally, we support the RFI's proposal that program administrators identify "disadvantaged communities" using either DOE's energy justice mapping tool or the Council on Environmental Quality's Climate and Economic Justice Screening Tool, as well as the categorical inclusion of Tribal lands and U.S. territories per OMB's interim guidance. In addition, we urge the DOE to create a mechanism allowing states with their own environmental justice screening tools (such as California's CalEnviroScreen) to apply for DOE's approval to use their own state definitions or tools.

**4. We urge DOE to require that SEO applications include a strategy for engaging CBOs in the development of the implementation plan, as well as in the administration of the program, and compensating them for their time.** DOE should direct SEOs to follow the steps outlined in the Greenlining Institute's [Equitable Electrification Framework](#):

- *Step 1: Assess the Communities' Needs.* This should include understanding barriers preventing community members from electrifying their homes, residents' knowledge levels regarding building electrification, and their specific needs, wishes, and concerns.
- *Step 2: Establish Community-Led Decision-Making.* Rich community input and engagement strengthen the overall program design quality with stronger cultural competence, ensure local buy-in and investment, and deliver tangible local health, economic, and environmental benefits rooted in the lived experiences of everyday people. Partner with and fairly compensate CBOs to develop a decision-making process that ensures that decisions are based on community needs and priorities.
- *Step 3: Develop Metrics and a Plan for Tracking.* Metrics should include both clean energy benefits like greenhouse gas reductions and community benefits such as number of local hires and residents' ability to pay their energy bills without sacrificing other essential expenses.



- *Step 4: Ensure Funding and Program Leveraging.* Current low-income energy programs often fail to deliver maximum benefits to all qualifying households due to short and unpredictable funding cycles, poor program design that inadequately reaches qualifying customers, or lack of coordination and integration with complementary programs. We recommend that the program is complementary to existing state low-income energy programs such as California’s [Low Income Weatherization Program](#) and emerging programs such as California’s [Equitable Building Decarbonization Program](#).
- *Step 5: Improve Outcomes.* Using the tracking and metrics plan described above, ensure that there is a continuous feedback loop to improve current and future programs’ reach and impact in environmental and social justice communities. Administrators should consider adjustments to ensure the program reaches the people it seeks to reach and delivers the intended benefits. We recommend assembling a paid advisory group that includes environmental justice organizations and CBOs to help evaluate and improve the program.

We recommend that SEOs allocate portions of the electrification rebates to be administered through a CBO partner or sub-awardee. If community groups are included as part of the program administration team, they are more likely to shape the program in a way that meets the needs of their communities. CBOs must be compensated for their time and expertise as program implementers.

For example, the Solar on Multifamily Affordable Housing program in California includes [CBOs as program administrators](#). These organizations are trusted in their communities and have helped identify opportunities for workforce development and provide outreach, technical assistance, and implementation support to ensure that low-income communities of color, tenants, and other historically excluded groups can access the program. The San Joaquin Valley Disadvantaged Communities Pilots program included the expertise of organizations such as Self-Help Enterprises that could identify communities in California’s Central Valley that could most directly benefit from electrification through a [community-led process](#).

In addition to community based groups, the DOE should consider resourcing Community Development Finance Institutions (CDFIs) with technical assistance and administrative funding to assist with program administration. Many CDFIs have a unique understanding of the communities they work with, such as organizations serving Indigenous communities.

As discussed above in question #3, we recommend that DOE require applications from SEOs to include a robust Community Engagement Plan. DOE should also require that SEOs hold at least one public engagement session to solicit feedback on the development of their rebates implementation plans. State plans should be required to include a strategy for engaging the public and CBOs in the implementation and administration of the programs. For the Home Electrification rebates, DOE should allow states to funnel a portion of their rebate allocation through CBOs for the CBOs to effectively outreach and administer the point of sale income

verification and rebates disbursement. For the Home Efficiency rebates, DOE should issue guidance expressly clarifying how CBOs can qualify as aggregators that can receive rebates for improving the efficiency of multiple eligible properties at a time. To help CBOs, CDFIs, and other nonprofits understand how to access and leverage the rebates, DOE should both offer direct technical assistance and encourage states to offer technical assistance to these groups.

Examples of successful capacity building programs that the DOE should reference include:

1. [Transformative Climate Communities](#): Provides technical assistance for communities most impacted by pollution to choose their own goals, strategies, and projects to reduce greenhouse gas emissions and local air pollution.
2. [Regional Climate Collaboratives](#): Enables cross-sectoral partners to deepen their relationships and develop processes, plans, and projects that will drive and sustain climate action.
3. [Electrify New York City](#): Provides free assistance to guide individuals to make home upgrades. However, this program is only available to homeowners, and for the HOMES program, this assistance should also be available to tenants.
4. [EmPower Massachusetts](#): EmPower Massachusetts offers multiple stages of investment in communities and community-based organizations so that they can explore, develop, and implement program models or projects that provide access to the benefits of clean energy for previously underserved populations.

Finally, in addition to the groups listed in the question, DOE should also make sure that the program meaningfully engages the following groups: veterans, people impacted by the criminal legal system, undocumented immigrants and mixed-status households, people with Limited English Proficiency, refugees, and individuals with disabilities. The various CBOs that work with these communities will be able to meaningfully engage and address the specific access needs of their members. For example, CBOs that are trusted in immigrant and refugee communities can address common concerns such as whether using these rebates would trigger the “public charge” rule or otherwise have adverse immigration-related consequences.

**6.** DOE and SEOs can prevent contractors from using rebates to install upgrades that result in higher annual energy bills, particularly for low-income households, by (1) promoting holistic upgrades that include electrification, building-level efficiency, and connections to renewable energy, (2) targeting households with high energy burdens, especially with the home efficiency rebates, (3) adopting energy affordability policies and programs that can be administered alongside the home energy rebates, and (4) using approved contractors lists.

1. **Promoting holistic upgrades that include electrification, building-level efficiency, smart load management systems, and onsite renewable energy:** Particularly for low-income households, improving building level efficiency, installing efficient electric

appliances, and connecting those appliances to renewable energy sources can help to maximize energy burden reductions. For the Home Electrification rebates, DOE and SEOs should consider administering a portion of the rebates through existing building efficiency programs such as WAP and utility energy efficiency programs, such that recipients can also receive the installation of efficient electric appliances. For the Home Efficiency rebates, this includes electrifying any appliances supported by the program. For both programs, DOE and SEOs should encourage connecting recipients with renewable energy sources to further maximize energy burden reduction.

Often, low-income households occupy older, substandard housing with the presence of health and safety hazards and other deferred maintenance that can prevent the installation of building efficiency and electrification measures. DOE and SEOs should explore pathways to braid and stack funding for health and safety upgrades including roof repair, toxic chemical removal, and ventilation improvements, especially for low-income households. To encourage program coordination, DOE should require SEOs to list the various programs in their states that can be braided and coordinated with the rebates. These programs include WAP, utility energy efficiency programs, health and safety programs, and home repair programs. DOE should also encourage SEOs to connect with rooftop and community solar developers that can take advantage of other incentives, like the Section 48(e) low-income adder tax credit. DOE can also help states align, braid, and coordinate funding by providing resources on one-stop-shops and energy navigators, which are both helpful ways to coordinate programs. To the extent possible, DOE and SEOs should encourage building-level efficiency and weatherization prior to electrification to maximize energy burden reduction.

- 2. Targeting households with high energy burdens, especially for the Home Efficiency Rebates:** DOE and SEOs can ensure that upgrades installed through the rebate programs reduce energy burdens by targeting households with high energy burdens to be prioritized in the deployment of rebates. Given the energy savings measurements and projections required for the Home Efficiency Rebates, DOE should provide guidance to encourage SEOs to require contractors to also perform an energy burden analysis for the household receiving the upgrades. For both rebate programs, DOE and SEOs can also target households using delivered fuels or households using electric resistance heating, which are both known to be inefficient heating sources causing households to have among the highest energy burdens of any fuel type. DOE should issue guidance for SEOs on prioritizing the installation of efficient electric appliances to replace delivered fuels and electric resistance heating, including low voltage heat pumps and appliances, where possible, to reduce operational costs and potentially mitigate the need for costly electrical panel upgrades.

- 3. Adopting energy affordability policies and programs that can be administered alongside the home energy rebates:** DOE and SEOs can also ensure that energy bills are reduced by adopting energy affordability policies or connecting rebate recipients to energy assistance programs.

DOE should issue guidance encouraging states to (1) adopt an energy affordability policy that limits energy burden, such as [Virginia's Percentage of Income Payment Program](#) or New York's [Energy Affordability Guarantee](#); or (2) implement electrification-friendly or low-income specific utility rates that can also help to limit bill increases. For example, in December 2022, the Maine Public Utilities Commission approved updated [lower rates](#) for customers using heat pumps and EV chargers.

SEOs should be encouraged to prioritize households that already receive LIHEAP or other forms of energy assistance, and ensure that these households are able to maintain such assistance after the upgrades, if needed. SEOs can also prioritize distributing rebates to participants in state or utility energy assistance programs.

**We further urge the DOE to require tenant protections in addition to energy bills in considering economic impact to disadvantaged communities.** Please see our response to question #7, below, for more details.

- 4. Using approved contractors lists which can help state energy offices better guard against price gouging.** While this mechanism can't prevent contractors installing upgrades that could increase energy bills, approved contractor lists can help SEOs more easily track and enforce their program policies. SEOs should require that approved contractors receive training on: cultural competence, using energy modeling software to inform upgrade design to avoid energy bill increases, and teaching households on the efficient operation of new equipment. This training should include how to right-size systems to avoid costly panel upgrades or unnecessary operating costs.

To further protect against price gouging for qualifying upgrades, DOE and/or SEOs should publish a database of equipment and installation costs and make that information publicly available to increase market transparency of costs.<sup>3</sup>

**7.** Renters rights and protections should be an essential component of the Home Energy Rebates programs, since both programs provide a significant benefit to owners of low-income housing rentals by allowing them to receive higher rebate amounts. DOE has historically included requirements for state programs to develop tenant protections in WAP.<sup>4</sup> [Lessons](#)

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<sup>3</sup> See <https://www.nclc.org/wp-content/uploads/2023/01/letter-home-energy-rebates-2023.pdf> for further consumer protection recommendations.

<sup>4</sup> See 42 U.S.C. § 6863, 10 C.F.R. 440.22 (describing WAP's tenant protection requirements).

[learned](#) from WAP demonstrate that DOE should enhance those tenant protections and include at least the following key components:

1. **Rent Protection:** DOE should enhance WAP's requirements and require limits to rent increases to all properties similar to HUD's requirements for the [Low-Income Housing Tax Credit](#) program. DOE could also require that states ensure the affordability of the retrofitted housing like [California's Low Income Weatherization Program](#) and [Maryland's Energy Efficiency and Housing Affordability Program](#).
2. **Relocation Assistance/Right of Return:** Tenants should be provided relocation assistance if necessary to relocate during the retrofit work, and they should be guaranteed a right of return after the work is completed.
3. **Eviction and Sales Protection:** Tenants should be protected from all wrongful evictions for at least five years to ensure that landlords do not wrongfully evict the current tenants during or after a weatherization project in order to rent to new tenants at a higher rate. In addition, landlords should not be allowed to sell the property for at least five years after the work has been conducted.<sup>5</sup>
4. **Enforcement of Tenant Protections:** DOE should also ensure strong enforcement mechanisms are in place for tenant protections by requiring states to take proactive steps to enforce protections through transparent and accessible means such as SEO hotlines where tenants can report or ask questions on rent control as it relates to energy efficiency upgrades. Existing tenant protection [reporting mechanisms](#) used by HUD for federal housing assistance programs could also be leveraged to support and protect tenants. DOE should also audit state programs to ensure that tenants are being protected and not [harassed by landlords](#). We recommend that the DOE partner with the Department of Justice to provide legal counsel for tenants that have a displacement claim associated with energy upgrades.
5. **Ensure Income-Eligible Households Benefit:** In addition to maintaining affordable rents, DOE should ensure that the primary beneficiaries of these retrofits are low-income residents or residents of DACs. One pathway to achieve this would be to mirror language that HUD uses in their [retrofit programs](#).

In addition to these core components, DOE should look to state and local examples of robust [anti-displacement](#) and [anti-gentrification](#) measures. [Appendix C-2](#) to California's Transformative Communities Draft Program Guidelines provides language on anti-displacement measures. The City of Berkeley's [Existing Buildings Electrification Strategy](#) includes a list of tenant protections and anti-displacement resources. Strategic Actions for a Just Economy has compelling [recommendations for tenant protections](#) in the decarbonization context.

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<sup>5</sup> For example, California's Solar on Multifamily Homes program requires that for deed-restricted properties that 10 years remain on the deed. <https://calsomah.org/resources/program-handbook>

To incentivize participation in these programs, DOE should encourage states to adopt policies that have helped to incentivize retrofits and improvements to rental housing. The City of Boulder has [SmartRegs](#) requirements, which require all rental housing to meet a specific energy efficiency standard. New York (and other states like California) are developing [prefabrication programs](#), which allow retrofits to occur more quickly and without displacement of tenants. While the New York programs are still in the research and development phase, a similar concept has been demonstrated in the [Castle Square project](#) in Boston, which reduced energy costs and drastically increased energy efficiency without displacing tenants.

#### **D. Designing Programs for Maximum Impact**

**18.** Program success metrics should include improved indoor air quality, reduced energy burden (as a percentage of energy costs compared to gross income), and increased job opportunities for LI/DACs. When developing program success metrics, program administrators should engage residents from these communities to participate in the process.

Program success should be centered around meeting community needs. In order to better understand individual community needs, this will require program administrators to conduct intentional and meaningful community engagement with low-income residents and DACs, especially when facilitated through CBOs, as discussed in #4, above. Once program administrators understand community needs, they should then design their program success metrics around how much community-named benefits it delivers to low-income residents and members of DACs.

**19.** For both rebate programs, baseline and ongoing data should be collected and publicly reported on the number and types of retrofit, energy efficiency, or electrification projects installed; air pollution and indoor air quality; participation rates in energy assistance or incentive programs; and energy burden. Similar data should be collected related to jobs created or supported and contractors, such as number of contractors per housing unit.

In addition, as discussed above, in response to questions #4 and #18, it is essential that LI/DAC residents, including the CBOs that work with them, are engaged and resourced to participate throughout the planning process, from assessing communities' needs through evaluation to improve outcomes. The collected data should allow for evaluating differences between DACs and non-DACs; among income groups; by ethnicity and race; and among single-family renters, multifamily renters, and homeowners.

**22.** We urge DOE to provide guidance to SEOs and program administrators on the equitable distribution of rebates to address existing disparities, including energy burden and availability of other resources and policy support.

For these programs to have the most impact in addressing environmental, economic, and racial justice, low-income households and DACs should receive 100% of the rebates. This allocation would be consistent with [Congressional intent](#) that these programs benefit DACs. Congress also recognized that larger rebate amounts are necessary in low-income communities in order to achieve the emissions reductions that are the program's primary purpose.

We recommend that both programs be implemented using a phased prioritization approach where rebates are distributed in successive tranches to best ensure that the entire program prioritizes low-income households and DACs. The first tranche of rebates, accounting for *at least* 40% of a state's allocated rebate funds, should be exclusively available to low-income and DAC residents. The second tranche, consisting of at least 20% of allocated rebate funds, should be provided to multifamily affordable housing, not included in the previous tranche. Any remaining rebate funds should be unrestricted (beyond statutory requirements) as long as it prioritizes the needs of low-income households and DACs. Within each tranche, rebates should be provided on a rolling basis and in a timely manner.

In contrast to a first-come, first-served approach, this prioritization scheme provides more certainty for both DACs and multifamily affordable housing owners. For a variety of reasons, including the inherent complexity of multifamily affordable housing retrofits and time-intensive nature of conducting education and outreach in DACs, both constituencies often require longer timelines than, for example, single family homes outside of DACs. Because residents of multifamily affordable housing, as renters, are ineligible for many other available incentives, DOE should encourage states to make these rebates maximally accessible to them through this type of set-aside.

DOE should engage with CBOs and other stakeholders to develop program design templates, technical assistance, and other resources to assist SEOs and program administrators in implementing equitable rebate programs.

In addition, program administrators should be encouraged to set goals for serving a certain number of households at different income levels, e.g., incomes at or below 30% AMI, to ensure an equitable distribution of resources.

Further, DOE should consider establishing an income cap for the Home Efficiency rebates. This would help ensure those incentives are directed to households that can most benefit from them. The cap could be set to 150% AMI, similar to the Home Electrification rebates.

## **G. Income Verification**

**37.** Income verification requirements can pose a significant barrier to participation for many populations, including low- and moderate-income (LMI) households. Income-based eligibility requirements should be streamlined to ensure that these households are able to easily participate. Some best practices include:



- Allowing eligibility verification based on eligibility or participation in other income-based federal or state benefit programs;
- Categorical eligibility for residents in (1) rent-restricted affordable housing or (2) census tracts where more than 80% of residents earn 80% below AMI;<sup>6</sup>
- Documentation requirements based on accessible documents like prior year tax returns or paystubs; and
- Self-attestation with random audits.

California has been successfully using a self-attestation and post-enrollment verification process of random audits for its [Californians for Alternative Rates for Energy](#) program, an approach that “balances the desire for the maximum number of eligible customers to participate with the need to verify participant eligibility.”

Allowing eligibility verification based on eligibility in a variety of other income-based federal, state, or local programs is another widely used, successful approach to reducing administrative burden. For example, California households can be deemed eligible for an energy assistance program if they are enrolled in numerous other programs, including Women, Infants and Children Program, National School Free Lunch Program, and LIHEAP. In the Home Energy Rebates program context, an applicant can indicate what other programs they are eligible or enrolled in, and eligibility can be verified through the use of databases.<sup>7</sup>

## L. Job Creation & Quality

**56.** Both Home Energy Rebate Programs offer payment incentives to contractors for completing home energy efficiency retrofits and qualified electrification project installations, \$200 and \$500, respectively. In light of these incentives, DOE and program administrators should target outreach to contractors, prioritizing MWDBEs that utilize high road business practices and support local hiring. As discussed above, in response to question #2, outreach conducted in partnership with CBOs trusted in low-income and DACs will be most effective in reaching contractors that work in those communities.

Targeting contractors that implement high road business practices – family-sustaining, living wages, and comprehensive benefits, as well as opportunities for career advancement – will ensure public investments are uplifting quality employment opportunities. By prioritizing contractors that support local hiring, community members in low-income and/or DACs where these upgrades are incentivized will have better access to wealth-building job opportunities in addition to healthier homes and lower energy burdens.

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<sup>6</sup> See, e.g., [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/iqap/2019\\_statewide\\_esa\\_pp\\_manual\\_ver-1.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/iqap/2019_statewide_esa_pp_manual_ver-1.pdf) (allowing self-attestation for areas where 80% of households below 200% AMI).

<sup>7</sup> See, e.g., <https://www.gao.gov/products/gao-21-183>

## **Conclusion**

For all the reasons described above, the undersigned organizations urge the Department to prioritize the most disadvantaged communities in all aspects of the implementation of the Home Energy Rebate program. This prioritization is critical to ensure that these communities are not left further behind and can participate in beneficial, clean, and community-centered energy efficiency and electrification.

Thank you for considering these comments. If you have any questions, please contact Sylvia Chi at [sylvia@justsolutionscollective.org](mailto:sylvia@justsolutionscollective.org).

Respectfully submitted,

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The CLEO Institute

Dayton Energy Collaborative

Drawdown Bay Area

Dream.org

Elevate

Eli Technologies

Emerald Cities Collaborative

Evergreen Action

Florida Immigrant Coalition

Florida Rising

Green & Healthy Homes Initiative, Inc.

The Greenlining Institute

Honor the Earth

Human Impact Partners  
ISAIAH  
Just Solutions Collective  
Kinetic Communities Consulting  
Miami Climate Alliance  
Midwest Building Decarbonization Coalition  
MN350  
National Housing Trust  
National Partnerships for New Americans  
NC League of Conservation Voters  
New Buildings Institute  
North Carolina Asian Americans Together  
NRDC  
Ogema Organics  
One Pennsylvania  
Physicians for Social Responsibility Los Angeles  
Public Health Law Center  
POWER Interfaith  
Promise Neighborhoods of the Lehigh Valley  
RE Sources  
Reclaim Our Power Utility Justice Campaign  
Rewiring America  
Rising Sun Center for Opportunity  
RMI  
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