Initial Memo: Recommendations by the CAEECC Equity Advisory Committee

Prepared for CAEECC | December 19, 2025 | Facilitated by Common Spark Consulting, CAEECC Facilitation Team

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Background

About the Equity Advisory Committee (EAC)

Many CAEECC members and stakeholders have long expressed an interest in CAEECC addressing equity issues at a programmatic level.

CAEECC authorized the Equity Advisory Committee (EAC) for a 9-18 month pilot to focus on advising Portfolio Administrators and Energy Division on Equity Best Practices. The EAC's first task will be sorting the list of CEDARs equity programs to understand the scope and scale (e.g., sort by program type, sector, implementer, and additional criteria TBD).

EAC members will be expected to attend the portions of CAEECC meetings and Portfolio Performance Report Reviews that focus on Equity segment programs and provide informal recommendations and advice to PAs. Optionally, the EAC may also provide informal recommendations to the CPUC ED. EAC members may reasonably request additional information and documentation to develop those recommendations and advice.

Recommendations may be conveyed during CAEECC quarterly meetings and Portfolio Performance Report Reviews, or in a timely* written memo to the PAs via CAEECC. *Timely, to take into consideration PA or CPUC timelines for drafting their regulatory documents. Deadlines will be identified in the meeting. (Reference: EAC Scope of Work)

About the EAC Members

The EAC is made up of the following individuals. Each bring a specific and relevant perspective and expertise to how to improve equity across the energy efficiency portfolio:

- **Amaury Bertaud**, Board member of LGSEC (CAEECC) and Director of Sustainability Programs at the Association of Monterey Bay Area Governments AMBAG (EAC), brings 10 years of experience implementing and overseeing energy efficiency programs in the Monterey Bay region. AMBAG is a key partner in the Central California Rural Regional Energy Network (CCR REN), where Amaury oversees the Public equity and the Commercial Energy Improvement Programs.
- **Julia Hatton**, President & CEO of Rising Sun Center for Opportunity, brings 15 years of experience designing, implementing, and overseeing energy efficiency programs for low-income and hard-to-reach residents in CT and CA. She brings experience working with IOUs, RENs, and CCAs, and with energy efficiency regulatory policy. Rising Sun operates across the CA Bay Area and rural Central Valley, and currently implements Equity segment programs with BayREN and CCR REN.
- **Chris Pilek**, Manager at Resource Innovations, brings 18 years of energy efficiency design and implementation specific to Hard-to-Reach customer types within CA. Most recently, he helped design and is now managing CA's first non-residential utility program offered under Equity policy in support of ESJ Action Plan. His work supported the roll out of similar programs currently offered by 3 CA IOUs and a CCA; all focused on small business equity engagement.
- **Brooke Wright**, Vice President of Energy Services at Environmental Innovations, brings eight years of small business sustainability program design and implementation

experience, with a specific focus on ensuring resources meet the needs of historically underserved small business owners. She led equity incentive design at the California Green Business Network and currently leads outreach staff supporting SMB equity EE and electrification programs across the State.

Meetings were also attended by: Alice Havenar-Daughton with MCE, and Jane Elias from BayREN, two PAs from CAEECC

The EAC looks forward to inviting IOU PA representatives to its 2026 meetings to ensure its recommendations are viable from a broader PA perspective.

Meetings and Process

The EAC first met July 28, 2025 and reviewed the Facilitation's Team preliminary analysis of CEDARS Data on equity programs to understand the scope and scale (e.g., sort by program type, sector, implementer, and additional criteria TBD). EAC members discussed a number of energy efficiency equity-related challenges and opportunities.

August 13, 2025, the EAC members attended a portion of the 2025 Q3 CAEECC meeting during the Equity Highlights topics where each PA presented very briefly on equity highlights of their portfolio. There was a focus on 2025, but some PAs spoke more broadly about their equity work and progress in recent years. EAC members offered questions and observations in the meeting.

The EAC met September 17, 2025, during which they reviewed and discussed updated CEDARS analysis and a similar analysis done by the NEB study consultant. The EAC reviewed an initial draft of recommendations compiled by the Facilitation Team. Discussion added to, focused, and refined the recommendations.

In between meetings, EAC members further developed recommendations in a collaborative document.

November 12, 2025, the EAC met and were joined by BayREN and MCE PA representatives. The EAC prioritized a set of near-term recommendations for Energy Division and, especially, PA consideration in Business Plan development. These recommendations were further refined, and presenters were identified to present the recommendations at the Q4 CAEECC meeting.

December 9, 2025, the EAC presented an initial set of recommendations at the CAEECC Q4 meeting. This memo incorporates input from that meeting and is presented for consideration by PAs and Energy Division ahead of the Business Plans filings anticipated in early 2026.

Findings and Recommendations

The EAC, at the time of this memo, has developed a comprehensive list of recommendations, based on learnings from the CEDARS analysis, hearing from PAs about their equity programs, and their own perspectives as program designers and implementers of equity programs.

This Initial Memo contains a subset of the EAC's recommendations that were selected as the most relevant for potential consideration and inclusion in the 2026 Business Plan applications.

Recommendation 1: Streamline Eligibility to Reduce Participant Burdens and Advance Equitable Outcomes

Many equity-focused energy programs inadvertently impose substantial administrative burdens[1] on the very communities they aim to serve. Lengthy application processes, extensive documentation requirements, and heightened levels of verification and inspection can undermine participation, particularly among low-income, immigrant, communities of color, and individuals with limited digital access. These barriers are not merely procedural—they reinforce inequities by disproportionately barring those that would benefit the most from the benefits of programs, adding to existing vulnerabilities. To truly enable equitable participation, program eligibility frameworks must streamline eligibility requirements and redesign program processes with participant dignity, accessibility, privacy, and autonomy at the center.

Shift From Individual Qualification to Geographic and Publicly Available Criteria

One strategy toward reducing participant burden is to prioritize eligibility pathways that rely on publicly available or categorical indicators—such as geographic criteria, census tract-based designations, or environmental justice indices—rather than requiring individuals submit personal qualifying documents or even self-attest to sensitive eligibility criteria. Whole-neighborhood or geographic eligibility models, which allow programs to broadly serve communities designated as disadvantaged or underserved, eliminate the need for intrusive data collection and reduce drop-off rates associated with verification fatigue. Such an approach also does not preclude implementers from targeting specific subsets within the geographies.

This shift also enables programs to address structural inequities at the community level, rather than treating inequity as an individual characteristic. Regulators should encourage pilots that define equity program segments beyond lists of customer eligibility criteria but instead by equity-driven program design decisions, tailored outreach, and targeting strategies. These might include programs that leverage partnerships with community-based organizations, multilingual outreach campaigns, text-based communication channels for non-native speakers, and in-person enrollment support. Such approaches acknowledge that populations face diverse and overlapping systemic barriers—and that equitable program design must respond to those contextual differences without requiring participants to prove "hard-to-reach" status through narrow, predefined criteria. This reduces administrative friction, increases participant trust, and expands participation among community members who may not self-identify with regulatory or programmatic terminology but clearly experience barriers to access.

Adopt Eligibility Criteria That Preserve Participant Privacy and Dignity

When necessary, eligibility criteria should be objective, transparent, and minimally intrusive. When programs rely on categorical eligibility, participants should not be required to disclose which specific criteria they meet—only that they do meet at least one qualifying condition. This protects participant privacy and avoids the stigma or discomfort associated with divulging personal hardship or demographic information.

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[1] Senate Bill 350 Barriers Study, Page 48: [SB 350 Low-Income Barriers Study, Part A California State Portal | CA.govhttps://efiling.energy.ca.gov › getdocument]

Allow Limited Implementer Discretion to Serve Participants Who Meet the Spirit—If Not the Letter—of Equity Intent

Recognizing that no eligibility framework can perfectly capture every systemic barrier, programs should incorporate limited implementer discretion. For example, allowing implementers to serve up to 5% of participants who do not meet strict eligibility thresholds—but whose circumstances clearly align with the intent of the equity program—can ensure that vulnerable community members are not excluded due to technicalities. Implementer affidavits documenting the rationale can preserve accountability while providing necessary flexibility to reach community members who may not be captured through formal criteria.

Strengthen Data Privacy Protections for Participant-Specific Eligibility Information

In cases where participant-specific eligibility data (such as income documentation or language proficiency) must be collected—particularly for Hard-to-Reach (HTR) program segments—programs should clearly and unequivocally affirm that this information will not be shared beyond required program reporting. Regulators/PAs should require implementers to adopt and proactively communicate robust data privacy and security policies, ensuring that participants understand how their information will or will not be used, stored, and protected. This is especially critical for immigrant community members, communities with historical mistrust of institutions, and non-native English speakers.

By minimizing data collection, establishing strict privacy safeguards, and providing clear communication regarding data use, programs can foster trust and encourage participation from community members who might otherwise avoid engagement due to fear of surveillance, misuse, or stigmatization.

Recommendation 2: Position Equity Programs as Innovators for the Broader Portfolio

Equity programs play a critical role in closing participation gaps and ensuring that underserved community members benefit from CA's robust energy efficiency programs. However, their value extends beyond customer eligibility and service delivery. Equity programs are uniquely situated to observe barriers, design new approaches, and test implementation models that can significantly improve the performance, reach, and equity outcomes of the entire energy efficiency portfolio. To fully realize this potential, equity segment programs should explicitly be recognized for their innovation contributions and value—as much as customer targeting—as a core purpose of equity programs.

By establishing this expectation, program implementers, administrators, and stakeholders can approach equity programs as structured learning laboratories for the portfolio. This positions equity programs, and their new outreach techniques, culturally responsive engagement, linguistically tailored communication, high-road workforce standards, and emerging technologies as a way to refine and expand those learnings and benefits more broadly across the portfolio. What is beneficial for harder-to-reach community members can also benefit others in the broader community.

While further integration of learnings across RA, MS, and Equity segments is envisioned, the intention is that the additional costs to integrate equity learnings into RA have been borne by the Equity Segment programs. Adapting equity learnings should not impact RA program cost-effectiveness–but instead could improve it–if innovations learned from equity programs enhance RA program performance.

Capturing and Integrating Lessons Learned Across the Portfolio

To ensure that the insights generated by equity programs inform, equity programs should be expected to document and share their lessons learned. These learnings could be conveyed through end-of-program reports, publicly accessible webinars, presentations, or similar mechanisms. The emphasis should be on clear, actionable findings regarding program design, implementation strategies, community partnerships, workforce requirements, technology performance, and customer experience.

Critically, these insights should be able to be applied in real time. Instead of waiting for multi-year evaluation cycles, program administrators and implementers should be authorized to update program elements based on emerging lessons. Lessons learned should also inform the development of future Business Plans and Resource Acquisition (RA) programs, ensuring that effective approaches to outreach, targeting, technology deployment, or training are mainstreamed into the core portfolio.

These learnings should come not only from formal evaluations but could also come from structured forums that include PAs, implementers, CBOs, workforce partners, and other stakeholders with direct knowledge of program realities. Equity programs often operate closest to communities with the highest barriers to access; their insights must be elevated and operationalized.

Creating Psychologically Safe, Facilitated Spaces for Program Design and Implementation Collaboration

For innovation to flourish, program partners must feel safe to identify challenges, explore alternatives, and test new solutions. Yet current collaborating and coordinating environments often host fear of having work audited or critiqued. There is a perceived risk associated with deviating from established program rules. This can suppress learning and discourage experimentation.

There should be established facilitated spaces designed to promote trust and psychological safety among PAs, implementers, evaluators, and CBOs (and perhaps regulatory staff, when that would be supportive). These spaces would support honest discussion of barriers and operational constraints, cross-entity problem-solving, and the co-creation of new strategies.

Scaling What Works: Technologies, Outreach Approaches, and Workforce Standards

When non-energy efficiency programs (e.g., decarbonization, the CEC’s Equitable Building Decarbonization program) surface approaches that effectively reach underserved communities, improve customer experience, reduce energy burden, uplift workers, or accelerate decarbonization, these solutions should be scaled into the broader portfolio. This includes:

- Proven outreach and engagement approaches such as multilingual strategies, trusted-messenger models, community-based implementation partnerships, and neighborhood-based targeting.
- Technologies and measures that demonstrate strong performance in equity pilots, especially those supporting electrification and home resilience.
- Workforce requirements and standards—such as electrification-specific training and high-road labor practices such as prevailing wage requirements—that enhance job quality, support local workforce pipelines, and increase the likelihood of high-quality installations.

Scaling these elements ensures that the entire portfolio benefits from equity-driven innovation, supports the state's climate and affordability objectives, and advances workforce equity statewide.

Recommendation 3: Reframe equity efforts as programs to address "missed opportunities" or "gaps-in-success", complementary to Resource Acquisition and Market Support programs.

Equity efforts should be understood not as separate or siloed programs designed and operated alongside Resource Acquisition and Market Support programs, but also as a responsive effort to reach customers who have been systematically missed by the broader portfolio. When framed this way, equity programs become mechanisms for identifying and responding to the participation gaps that RA and MS programs inevitably leave unaddressed due to their design constraints, cost-effectiveness requirements, and market-oriented focus. This is already envisioned as a key role of RENs and their portfolio which is significantly focused on equity programs and outcomes.

Redesign Timing and Coordination to Leverage Equity Gap-Filling Capability

A critical barrier to realizing this integrated approach lies in the synchronous timing of Business Plan and program design across different PAs and the development of RA, MS, and equity programs. When all programs are designed simultaneously with limited collaboration across PAs, the equity portfolio is deprived of the ability to observe where mainstream programs fall short or to adapt responsively as gaps emerge. This rigid sequencing results in missed opportunities for collaboration and prevents equity programs from functioning as true gap-fillers.

To redesign equity efforts as responsive solutions, their planning and implementation must be timed and structured differently—either by establishing ongoing design windows that allow equity initiatives to shift course mid-cycle based on real-time data and community insights or allowing equity programs to be designed after RA and MS programs have been drafted, or by. By giving equity programs the space to analyze who is not being reached, understand why those customers are missing from program participation, and develop tailored strategies to close those gaps, regulators can create a more dynamic and equitable program ecosystem. Sequencing design should allow for a more collaborative process, while also allowing for timely (if not parallel) authorization of funding for equity-focused programs. Such sequencing should not result in time or delivery gaps in service for equity customers.

Establish what Success Means When Serving "Missed" Customers

To make these efforts meaningful, the Commission must also clarify what success looks like when serving "missed" customers or gaps (aka. Hard-to-Reach) in customer communities. Traditional RA metrics such as energy savings, and now TSB, and throughput do not capture whether programs are effectively reaching and serving communities and their members that face systemic barriers to participation. Equity programs therefore require a different set of indicators that reflect the real-world obstacles experienced by underserved populations, such as linguistic isolation, lack of access to broadband or transportation, distrust of institutions, or disproportionate energy burdens. Success for equity programs should hinge on the ability to identify communities not being served by RA and MS programs and to understand and address breadth of participation potential and depth of unmet needs. Success should focus on how well equity programs are closing that participation gap and delivering meaningful improvements in comfort, safety, affordability, and energy outcomes to those who otherwise would not receive them.

This approach benefits from establishing a benchmark of likely eligible customers within the communities an equity program intends to serve. By grounding program goals in estimates of need—such as the number of income-eligible households or eligible small businesses in a priority census tract or the percentage of population with limited English proficiency—equity programs gain a clear baseline against which participation can be compared. Such benchmarks help quantify the participation gap, guide program design and resource allocation, and provide regulators with a transparent means of assessing progress. They also offer a mechanism for RA and MS programs to recalibrate their own strategies when persistent disparities emerge, strengthening portfolio coherence and responsiveness.

Recommendation 4: Expand Equity Value through Workforce, Education, and Training Integrations

Workforce, Education, and Training (WET) efforts must be more fully integrated into the broader energy efficiency (EE) portfolio to demonstrate and maximize the value they provide across the system. In addition to focused and distinct equity workforce and workforce development programs, WET initiatives should be connected to the goals, implementers, and outcomes within and through RA, MS, and equity programs so that workforce development is understood as an integrated strategic driver that enhances any and all program performance, not an ancillary benefit. When WET programs successfully train workers but do not connect them to high-quality employment opportunities—or when implementers struggle to find a diverse and skilled workforce—the full value of the state's investments in energy efficiency cannot be realized. A more integrated approach ensures that workforce readiness is tied directly to program delivery, community benefits, and long-term portfolio resiliency.

Integrate WET Program Outcomes with the EE Portfolio and its Programs More Broadly

To achieve this integration, WET programs must emphasize outcomes beyond training alone. Training is a means, not an end. The most meaningful metrics for WET success include job placement (employment), retention, and the quality of those jobs—particularly wages, benefits, and other labor standards that define high-road employment. Workers should not be placed into low-wage positions that undermine the economic stability of communities or perpetuate inequities. Importantly, paying workers a living wage with benefits should not be treated as a cost that detracts from cost-effectiveness. Rather, labor standards are essential components of high-quality installations, customer satisfaction, safety, and long-term energy savings—the very outcomes the EE portfolio seeks to achieve.

A critical step in connecting workforce development to EE program delivery is building intentional pathways for youth and young adults to be exposed and explore green careers, all the way to supporting the progression of graduates of equity-focused training programs into the contractor networks of Program Administrators and investor-owned utilities.[2] Too often, trainees emerge from successful programs but face barriers entering the field due to procurement practices, lack of contractor awareness, or limited transitional support. Establishing formal pathways—such as first-source hiring channels, partnerships with implementers, or requirements for contractor networks to engage WET graduates—ensures that training investments translate into real employment opportunities and that program investments across the portfolio leverage the investment from their own portfolio. These pathways also diversify contractor networks, expand the pool of skilled workers, and strengthen the implementation capacity of the entire portfolio. Within an equity context, WET efforts should prioritize disadvantaged workers and jobseekers, ensuring that underrepresented communities gain access to sustainable, well-paying careers in the clean energy economy.

Reflect the Value of Workers from WET Programs in Program Metrics

PAs and Energy Division should also consider how the value of workers hired from WET programs could be reflected in cost-effectiveness calculations. While traditional frameworks like Total Resource Cost (TRC) tend to obscure or outright discourage the benefits of equitable hiring (e.g., paying good wages actually hurts cost-effectiveness), the reality is that integrated workforce models enhance portfolio value. Implementers and subcontractors who hire WET graduates benefit from reduced recruitment challenges, more resilient staffing, and improved cultural and linguistic alignment with the communities they serve. These effects, though not easily quantified in traditional cost-effectiveness tests, contribute directly to program quality, customer experience, equitable access, and long-term energy savings. Recognizing these value streams—either within cost-effectiveness metrics or through complementary portfolio goals—would better align regulatory incentives with the state's workforce, equity, and climate objectives.

Leverage Project Aggregation Models as a Mechanism for Uplifting Job Quality

Project aggregation models offer an additional lever for uplifting job quality and attracting high-road contractors. By considering EE programs as "bundle-able projects", they can create larger, more predictable scopes of work and reduce the uncertainty and administrative burden that often discourage high-road contractors from participating in EE programs. Aggregated projects can better support other high road attributes, such as prevailing wage requirements, facilitate apprenticeship utilization, and enable contractors to offer stable employment with

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[2] AECF blog post that cites several important studies and resources: https://www.aecf.org/blog/the-benefits-of-workforce-exposure-and-career-programming-for-youth-and-you and Aspen Institute report on young adult workforce development: https://www.aspeninstitute.org/wp-content/uploads/2018/06/Now-Jobs-In-Young-Adult-Workforce-Programming.pdf

career ladders. When paired with WET integration recommended above, these models create a virtuous cycle: well-trained workers gain access to high-quality jobs, and high-road contractors gain access to a skilled workforce that improves installation quality, customer satisfaction, and portfolio performance.[3]

Conclusion and Next Steps

The EAC presents these recommendations at this point in time, as steps that could be either taken in the near-term and integrated into the 2026 Business Plan application process, or aspects of it incorporated into the Policy Recommendations section of the application. The EAC recognizes some procedural, policy, regulatory, and cultural changes may be necessary to support some of the recommendations, but offer these four recommendations as initial ways to strengthen California's energy efficiency portfolio by making equity a functional, operational, and strategic driver rather than an isolated program category.

EAC envisions a portfolio that is more accessible, more adaptive, and more capable of meeting the needs of California's diverse communities. These recommendations offer near-term steps toward a system that not only expands participation and improves customer experience, but also builds a resilient, high-road workforce and ensures that program investments deliver maximum value statewide. In doing so, they highlight how an equity-centered approach can strengthen program performance portfolio-wide, enhance cost-effectiveness over time, and advance the state's broader climate, affordability, and workforce goals.

The Equity Advisory Committee would like to thank CAEECC members for the opportunity to devote their time and attention to these important issues.

This Initial Memo is intended for Energy Division and Program Administrator consideration in the development of their 2026 Business Plan applications. The EAC will continue to meet for two more times in 2026 to develop the remainder of their recommendations, which will be conveyed, per the Scope, during a CAEECC Quarterly Meeting, Portfolio Performance Report Reviews, or in a timely written memo to the PAs via CAEECC.

[3] This recommendation should also include examination of project aggregation practices that can pose barriers to equitable access by different contractors. Of note, insurance requirements and requirements that installation contractors are considered "subcontractors" can create cascading barriers throughout the implementator structure. Program aggregation should ideally create certainty and support necessary for uplifting job quality without adding barriers.