

**Comments of the Natural Resources Defense Council (NRDC) on:  
*IOU Proposed Terms and Conditions***

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**I. Introduction and Summary**

The Natural Resources Defense Council (NRDC) offers the following initial comments on the disadvantaged worker definition and workforce standards included in the IOU contract terms proposal:

- Include a referral opportunity to capture potentially eligible workers not currently covered in the proposal.
- Modify the criteria for low-income workers to be more inclusive.
- Ensure a minimum amount of expertise for particular end-uses or skills, with an added requirement that third-party bidders provide additional skill requirements above the minimum.

**II. Discussion**

**A. The contract terms should include an additional category to allow referrals from eligible organizations to address workers with barriers not currently covered.**

The IOUs proposal, as presented at the California Energy Efficiency Coordinating Committee meeting on February 15, 2018, is a fairly comprehensive approach using existing data sources consistent with other state efforts to address disadvantaged Californians. While we understand and agree with the use of the California EnviroScreen to be as consistent across the state as possible, the dataset does not include all types of disadvantaged workers. For example, there are numerous Californians that face additional barriers to workforce entry such as being a minority, homeless, formerly incarcerated, veteran, or have a disability. These workers are not captured in the current EnviroScreen categories.

We therefore recommend that the IOUs include another category akin to their original definition as presented in the January 2017 Business Plans: “has a referral from a collaborating community-based organization (CBO), state agency, or workforce investment board.”<sup>1</sup> While there will need to be specific qualifications to determine if an organization is eligible to provide referrals, the IOUs could, at a minimum, include in their filing that there should be such a category and propose a deadline for working out the details of qualifying criteria prior to launching RFAs.

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<sup>1</sup> PG&E Business Plan, WE&T Chapter p.09-2

**B. The proposal should expand the low-income qualification for workers.**

The IOU proposal includes two categories that capture workers who are low-income. The first focuses on housing burden and the second is the same qualification for the low-income energy assistance programs through the CPUC. NRDC proposes that the IOUs expand the low-income qualification as there are a number of struggling Californians outside of this scope.

Similar to the original IOU proposal provided in the business plans, as noted above, we propose the following definition to qualify potential low-income workers: “lives in a low-income zip code where the average household income is 50% below Area Median Income (AMI).” NRDC further suggests the original IOU proposal be modified from 50% below AMI to 60% below AMI to better align with other California classifications. The IOUs could include a placeholder for this category with the percentage to be determined at a later date.

**C. Ensure a minimum amount of expertise for particular end-uses or skills, with an added requirement that third-party bidders provide additional skill requirements above the minimum.**

NRDC agrees with the Coalition of Energy Efficiency (CEE) that there should be a standard statement requiring the description of anticipated standards, which is in line with the utilities’ proposal that third parties propose applicable standards for their program proposal. In addition, for particular end-uses, we agree with CEE that the IOUs should determine a floor for standards while also continuing to require of the third parties to propose additional requirements that they will rely on to ensure quality work.

Since each program will be different and will be proposed by the third parties, it is difficult to anticipate all potential variations. Therefore, setting minimum education or years of experience for particular items known to be more challenging in California (e.g., HVAC) is a reasonable approach for the IOUs. However, this may not be sufficient for a particular program. Therefore, NRDC proposes that the third-party also be required to layer on additional proposed standards to ensure the highest quality work. NRDC is also intrigued by CEE’s proposal to have an incentive threshold for additional standards but does not have a particular recommendation at this time.

**III. Conclusion**

Thank you for the opportunity to comment ahead of the formal filing. NRDC looks forward to working with the utilities and stakeholders to resolve as many differences as possible prior to the final determination of the contract terms.