

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

05/19/25

04:59 PM

R2504010

Order Instituting Rulemaking for Oversight
of Energy Efficiency Portfolios, Policies,
Programs, and Evaluation.

Rulemaking 25-04-010

**COMMENTS OF THE JOINT COMMITTEE ON ENERGY AND
ENVIRONMENTAL POLICY, WESTERN STATES COUNCIL OF SHEET METAL,
AIR, RAIL AND TRANSPORTATION WORKERS, THE CALIFORNIA STATE
ASSOCIATION OF ELECTRICAL WORKERS, AND THE CALIFORNIA STATE
PIPE TRADES COUNCIL ON THE ORDER INSTITUTING RULEMAKING RE
ENERGY EFFICIENCY PROGRAM OVERSIGHT**

May 19, 2025

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California State Pipe Trades Council

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INSTITUTING RULEMAKING RE ENERGY EFFICIENCY PROGRAM
OVERSIGHT**

Pursuant to Rule 6.2 of the Commission’s Rules of Practice and Procedure and the Order Instituting Rulemaking for Oversight of Energy Efficiency Portfolios, Policies, Programs, and Evaluation (Energy Efficiency Oversight Proceeding), the Joint Committee on Energy and Environmental Policy (JCEEP), the Western States Council of Sheet Metal, Air, Rail and Transportation Workers (WSC SMART), the California State Association of Electrical Workers (CSAEW), and the California State Pipe Trades Council (CSPTC) (collectively, the Labor Coalition) respectfully submit these opening comments on the Energy Efficiency Oversight Proceeding.

I. INTRODUCTION

This Energy Efficiency Oversight Proceeding establishes a forum for regulatory issues related to the ongoing oversight and administration of energy efficiency programs by the Commission. This is a successor rulemaking to R.13-11-005, which was closed in January 2025, serves as the primary venue for all issues

relating to the energy efficiency portfolios, policies, programs, and evaluation efforts for oversight of energy efficiency programs under its jurisdiction.

The Commission has identified the following preliminary issues to be resolved in the proceeding:

- Natural Gas Measure Policy and Definition of Viable Electric Alternatives
- Community Choice Aggregator Oversight
- Policy Guidance for 2026 Portfolio Applications
- Portfolio Oversight and Cost-Effectiveness
- Treatment of Multifamily Buildings and Programs
- Other Policy Issues
- Implementation Issues

Surprisingly, missing from these issues is workforce standards. The Commission has long recognized workforce standards as critical to maximizing energy efficiency outcomes and supporting the creation of high road jobs, yet it has failed to meaningfully address this issue for over twenty years. Even if workforce standards fell within the other policy issues or implementation issues categories, the Commission does not intend to directly address workforce standards at this time. Instead, the rulemaking notes that other policy and implementation issues could be addressed during oversight of the proceeding.

Given the historic intransigence and failure of the investor-owned utilities (IOUs) to address workforce standard concerns without clear and early guidance from the Commission, it is critical that this issue be addressed as part of this proceeding. The scope of the proceeding should explicitly encompass consideration

of workforce standards – including both the implementation and enforcement of existing standards and the adoption of additional measures – to ensure that the benefits of the energy efficiency programs are fully realized and equitably distributed. A comprehensive and proactive workforce framework is essential not only to achieving the greenhouse gas (GHG) reduction targets, but also to fulfilling the broader statutory mandates related to job quality, economic equity, and other public benefits.

Workforce considerations are best addressed at the program design stage, not deferred to post-approval implementation. The longstanding approach of developing energy efficiency programs without integrating workforce standards at the outset, and attempting to layer them on later, has proven ineffective. This practice has repeatedly failed to ensure high-quality job outcomes, consistent program performance, or equitable access to employment opportunities. As currently framed, the scope of this proceeding is perpetuating that unsuccessful and counterproductive model. To break this cycle, the Commission must embed workforce standards into the core design, evaluation, and approval process for all energy efficiency initiatives considered in this proceeding.

Therefore, the Commission should include workforce standards within the scope of the proceeding and adopt a standalone track to consider workforce-related issues for energy efficiency programs. Alternatively, and at a minimum, workforce standards should be addressed within the portfolio guidance track. This is the only way to ensure that California’s energy efficiency programs advance both climate goals and economic justice in tandem.

II. STATEMENT OF INTEREST

JCEEP is an advocacy organization that represents the California sheet metal workers' local unions¹ and over 25,000 technicians working for over 600 contractors throughout California. JCEEP's mission is to promote responsible environmental and indoor air quality and energy policy in California as it pertains to and impacts the HVAC industry.

WSC SMART represents sheet metal workers local unions located in California, Arizona, Nevada, and Hawaii. WSC SMART's sheet metal worker members install HVAC systems and are committed to ensuring not just indoor heating and cooling comfort but also protecting the quality of the air that occupants breathe and ensuring that HVAC systems are energy efficient. WSC SMART's California members have over 15 training facilities throughout the state where thousands of workers are trained daily in HVAC specialties, including heat pump installation.

CSAEW represents approximately 83,000 active members in California who work in a wide variety of fields, including utilities, construction, railroads, telecommunications, broadcasting, manufacturing, and government.

CSPTC represents more than 30,000 union plumbing, pipefitting, sprinkler fitting and HVAC installers throughout California. The CSPTC and its local union members have long advocated for building standards and regulations to improve the health, safety and efficiency of buildings in California, and for workforce standards

¹ The sheet metal workers unions are locals of the International Association of Sheet Metal, Air, Rail & Transportation Workers (SMART).

and policies to level the playing field for high road contractors that invest in workers, invest in training, and pay fair wages.

These organizations and its members have long advocated for quality installation practices, code and permit compliance, and the development and implementation of education and training programs that advance safety, performance and efficiency in California’s building sector.

III. EXPRESSLY INCLUDING WORKFORCE STANDARDS IN THE PROCEEDING SCOPE IS CONSISTENT WITH COMMISSION AND CALIFORNIA POLICIES AND DIRECTIVES CALLING FOR INCORPORATION OF WORKFORCE STANDARDS INTO ENERGY EFFICIENCY INCENTIVE AND GREENHOUSE GAS REDUCTION PROGRAMS

Starting with the 2008 Long-Term Energy Efficiency Strategic Plan, there has been almost 15 years of Commission and legislative guidance calling for IOUs to ensure that energy efficiency measures are installed by an adequately trained workforce. The 2008 Strategic Plan required that, by 2020, “California’s workforce is *trained and fully engaged* to provide the human capital necessary to achieve California’s economic energy efficiency and demand-side management potential.”²

Commission directives after the 2008 Strategic Plan continued to call for the IOUs to address the quality and skills of the workforce installing energy efficiency measures. In 2012, the Commission ordered the IOUs to develop a comprehensive approach to increasing the demand for skilled workers through skills standards and certification requirements for utility incentive programs.³ The result of this

² California Energy Efficiency Strategic Plan (2011 Update) at p. 70. (Emphasis provided.)

³ Decision 12-11-015, pp. 3, 89-91, 127-128.

directive was the ratepayer-funded 2014 workforce guidance plan for utility energy efficiency programs that was prepared by the University of California Berkeley, Donald Vial Center for Employment in the Green Economy (“EE Program Workforce Guidance Plan”), which set forth specific recommendations for the utilities to adopt, including prevailing wage and apprenticeship training requirements.⁴

The EE Program Workforce Guidance Plan found that the historic practice of IOUs rejecting workforce standards in order to maximize contractor participation was creating a disincentive for contractors to invest in worker training and retention by directly subsidizing low road contractors that could undercut bids by high road contractors.⁵ The Guidance Plan found that the use of contractors that invest in the training and retention of a skilled workforce results in high quality services, safe work practices and customer satisfaction.⁶ The Guidance Plan recommended that IOU energy efficiency incentive programs require the use of high-road contractors who employ skilled and trained workers in order to “ensure that ratepayer-subsidized [energy efficient] measures are properly installed, operated, and maintained, and that the energy savings potential from ratepayer subsidies is fully realized.”⁷

⁴ Donald Vial Center for Employment in the Green Economy, *Workforce Issues and Energy Efficiency Programs: A Plan for California’s Utilities* (2014) (hereinafter “EE Program Workforce Guidance Plan”), <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan14.pdf>.

⁵ Zabin et al., *Workforce Issues and Energy Efficiency Programs: A Plan for California’s Utilities* (2014) p. 51, <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan14.pdf>.

⁶ *Ibid.*

⁷ *Id* at 2.

In D.14-10-046, the Commission directed the IOUs to describe how they would incorporate the EE Program Workforce Guidance Plan recommendations for addressing these issues and to describe which recommendations the IOUs would initiate in 2015.⁸ The IOUs responded by filing a Tier 2 Advice Letter that committed to taking preliminary steps toward implementing the following Guidance Plan recommendations, including “[e]stablishment of prevailing wage and targeted hire goals for contractors that are preselected by the IOUs or have a direct contracting relationship with the IOUs.” The IOUs, however, never implemented that commitment.

Around the same time, the California Energy Commission adopted a goal in its 2016 Existing Building Energy Efficiency Action Plan Update to “ensure that a certified, high performing workforce will be engaged to deliver energy efficiency retrofits, thereby transforming efficiency incentive work from a low-cost bidder framework to a lowest-cost qualified bidder framework.”⁹ To achieve this goal, the Action Plan expressly recommended that IOUs incorporate workforce standards into their energy efficiency program requirements.¹⁰

In 2018, the Commission directed the IOUs to evaluate all new energy efficiency incentive programs for opportunities to establish workforce standards to improve efficiency outcomes, to increase contractor investment in worker training,

⁸ Decision 14-10-046 at p. 102.

⁹ California Energy Commission, 2016 Existing Buildings Energy Efficiency Action Plan Update (Dec. 2016) p. 53, <https://efiling.energy.ca.gov/getdocument.aspx?tn=214801>.

¹⁰ *Id.*, p. 50.

and to provide greater career opportunities for disadvantaged workers.¹¹ D.18-10-008 also set forth specific, minimum workforce standards for new incentive programs providing more than \$3000 in ratepayer subsidies for nonresidential HVAC installations. The Commission held that those new HVAC programs must require participating contractors to document that all workers performing HVAC work on the project have:¹²

- a. Completed a California or federal accredited HVAC apprenticeship;
- b. Enrolled in a California or federal accredited HVAC apprenticeship; or
- c. Completed at least five years of work experience at the journey level as defined by the California Department of Industrial Relations and passed a practical and written HVAC system installation competency test and received credentialed training specific to the installation of the technology being installed.

While D.18-10-008 limited this mandatory requirement to nonresidential installations, it nevertheless ordered IOUs to identify relevant and applicable workforce standards for *all incentive programs*.¹³ Therefore, these mandatory standards should also be applied to residential HVAC incentive programs on a case-by-case basis.

In February 2019, the Commission adopted its initial Environmental and Social Justice (ESJ) Action Plan to serve as a roadmap to expand public inclusion in Commission decision-making and improve services to targeted communities in California. One of the core tenets of the ESJ Action Plan, Goal 7, tasked the

¹¹ D.18-10-008, pp. 76-77.

¹² *Id.*

¹³ *Id.* p. 78-79 (requiring inclusion of the modifiable contract terms set forth in Attachment B), Attachment B at pp. B-2, B-3 (containing the general requirement for identifying and including applicable workforce standards).

Commission with “promot[ing] economic and workforce development opportunities in ESJ communities” by developing workforce development guidelines in programs overseen by the Commission or Commission-regulated utilities.¹⁴

In March 2020, the California Workforce Development Board (CWDB) released California’s 2020-2023 Unified Strategic Workforce Development Plan featuring the agency’s vision of a high road economy, which is defined by a set of goals to be achieved simultaneously: greater equity and mobility for workers, higher skills and competitiveness for employers, and long-term environmental sustainability and climate resilience for the State.¹⁵ Strategies to advance the high road vision through policy and programs include administering the High Road Construction Careers and High Road Training Partnerships workforce initiatives, as well as establishing partnerships between the CWDB and other state agencies – including the Commission – to align California’s transition to carbon neutrality with the State’s high road vision.¹⁶

In September 2020, the Commission entered into a Memorandum of Understanding with the CWDB in which the Commission committed to taking steps to ensure that Commission-regulated programs build clean energy career pipelines

¹⁴ California Public Utilities Commission, *Environmental And Social Justice Action Plan* (Version 1.0) (Feb. 21, 2019) p. 7, 18-19, <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/environmental-and-social-justice.pdf>.

¹⁵ California Workforce Development Board, *Unified Strategic Workforce Development Plan: Strategic Planning Elements 2020-2023* (2020) pp. 17-21, https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/09/Strategic-Planning-Elements.Final_ACCESSIBLE.pdf.

¹⁶ *Id.*

and to establish near and long-term frameworks for high road economic and workforce policy in areas such as energy efficiency and building electrification.

In April 2022, the Commission updated its Environmental & Social Justice Action Plan.¹⁷ It amended Goal 7 to specifically task the agency with “promot[ing] high road career paths and economic opportunity for residents of ESJ communities.¹⁸ It also explicitly recognized “the need to leverage its authority and jurisdiction to focus on the jobs created or supported by CPUC policies, as well as the training and services needed to develop a skilled and diverse workforce, addressing issues of quality and access on both fronts.”¹⁹

Finally, in June 2020, the CWDB, released the Jobs and Climate Action Plan for 2030 which identified three key factors that State policymakers should consider when implementing climate policies and programs:²⁰

- First, labor should be considered an investment rather than a cost – and investments in growing, diversifying, and upskilling California’s workforce can positively affect returns on climate mitigation efforts. In other words, well trained workers are key to delivering emissions reductions and moving California closer to its climate targets.

¹⁷ California Public Utilities Commission, Environmental & Social Justice Action Plan (Version 2.0) (Apr. 7, 2022), <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

¹⁸ *Id.*, p. 5.

¹⁹ *Id.*, p. 21.

²⁰ California Workforce Development Board, *A Jobs and Climate Action Plan for 2030* (June 2020) pp. ii-iii, <https://cwdb.ca.gov/wp-content/uploads/sites/43/2020/09/AB-398-Report-Putting-California-on-the-High-Road-ADA-Final.pdf>.

- Second, California can achieve greater social equity in labor market outcomes for disadvantaged workers and communities when policymakers pay attention to job quality. Identifying high-quality careers (i.e., ones that offer family-supporting wages, employer-provided benefits, worker voice and opportunities for advancement) first, and then building pathways up and into such careers, is critical to ensuring that investments in workforce education and training meaningfully improve workers' economic mobility.
- Lastly, deliberate policy interventions are necessary to advance job quality and social equity as California transitions to a carbon neutral economy, just as such efforts are required to reduce pollution, protect human and environmental health, and to safeguard communities from an already-changing climate.

Despite almost twenty years of policies, guidance and agreements to address workforce standards and high road jobs in its energy efficiency programs, the Commission continues to treat these goals as an afterthought. Again and again, this approach has resulted in program designs that are inconsistent with meeting these goals. It is time for the Commission to recognize that workforce standards and high road jobs be considered at the beginning of any program development, not pushed away to the end as is proposed for this proceeding.

IV. WORKFORCE STANDARDS ARE NECESSARY TO ENSURE RATEPAYER INVESTMENTS RESULT IN EXPECTED ENERGY EFFICIENCY OUTCOMES

The use of untrained workers presents a significant barrier to achieving the State's greenhouse gas reduction goals by undermining performance of energy efficiency initiatives. The Donald Vial Center study found that the absence of standardized workforce training requirements results in significantly greater energy demand since poor quality construction results in substandard energy efficiency performance.²¹ Analyses of IOU energy efficiency incentive programs have consistently found that actual energy savings are substantially below projected savings, resulting in a persistent and significant gap between reported and evaluated savings across the energy efficiency incentive portfolios.²² Post-installation evaluations have found that actual energy efficiency savings from incentive programs are as little as 51% of expected savings, representing a substantial loss in potential energy savings and progress toward emissions targets.²³

This gap is most prevalent in replacement HVAC systems, where the efficiency of equipment is highly dependent on the quality of its installation.²⁴ IOU-funded studies, however, show that the majority of residential HVAC installers

²¹ EE Workforce Guidance Plan at pp. 32-34 and Appendix 2B.

²² *Ibid.*

²³ *Ibid.*; see also California Energy Commission, Strategic Plan to Reduce the Energy Impact of Air Conditioners (June 2008), CEC-400-2008-010 at p. 5 (poor quality installation of cooling systems result in a 20-30 percent increase in energy use).

²⁴ EE Workforce Guidance Plan at pp. 32-34 and Appendix 2B.

have no training in any of the industry standards for HVAC installation.²⁵ One study prepared for the California Energy Commission found that up to 85% of replacement HVAC systems were incorrectly installed or designed, resulting in substantial unrealized energy savings.²⁶

Adopting workforce standards not only improve energy efficiency outcomes in projects directly subject to those standards, but also improve energy efficiency outcomes for the broader market by encouraging more contractors to invest time and money into worker training. This impact transcends individual ratepayer subsidized projects because the same contractors and workers will also work on non-program projects. Once a workforce standard is met by an individual, the individual retains this training for all other projects he or she works on with little to no additional cost to his employer.

V. WORKFORCE STANDARDS PROTECT HEALTH AND SAFETY

The adoption of workforce standards is also a safety issue. Poorly installed electrical components, lighting systems or HVAC systems can result in fire hazards or hazards related to poor indoor air quality, gas leaks or carbon monoxide poisoning. Poorly installed plumbing, insulation, solar panels, roofs or windows can result in leaks, mold and sanitation issues.

²⁵ See SCE Energy Efficiency Business Plan 2018-2025 at p. 63 (stating that there are a limited number of contractors who are even able to implement industry standards for HVAC quality installation); see also SDG&E at p. 216 (“trade professionals don’t have the technical knowledge, skills, or abilities to meet SDG&E’s savings goals”); PG&E Business Plan, Residential Appendix at p. 30 (finding “high failure rates for job performance on routine tasks” and finding that “less than half of HVAC technicians operating in California are aware of the Air Conditioning Contractors of America (ACCA) standards for work quality”).

²⁶ EE Workforce Guidance Plan at pp. 32-34 and Appendix 2B.

This concern is particularly heightened for electrification programs since replacing gas-fired heating appliances with electric heat pumps and adding photovoltaic charging will greatly increase the electrical load requirements for a building. Existing buildings may require upgraded panels, breakers and wiring to safely handle this increased electrical load. Poor installation under these types of programs would not only strand energy savings, but it also increases the likelihood that these ratepayer-funded measures will put customers at risk.

VI. PROGRAM-WIDE GUIDANCE IS NEEDED TO MEET THE COMMISSION'S COMMITMENT TO SUPPORTING HIGH ROAD JOBS IN THE NEW GREEN ECONOMY

The proposed proceeding needs to be expanded to include establishing program-wide guidance on workforce standards to improve energy efficiency outcomes and to support the creation of high road jobs. The scope should also be expanded to address how to ensure energy efficiency programs include contractor and workforce standards consistent with the high road jobs model cited in the Commission's ESJ Action Plan and the numerous other prior Commission and State policies and directives discussed above. With the proper model, ratepayer-funded building energy efficiency programs will create equity and economic opportunities for disadvantaged communities. The work performed for these programs will maximize energy efficiency and greenhouse gas reduction gains. And the work will be safe, reliable and cost-effective.

The high road jobs model rewards contractors that invest in worker training, worker retention and in providing opportunities to disadvantaged workers in the local community. The model helps drive development of the skilled, green

workforce needed to help California meet its greenhouse gas reduction goals while allowing for continued sustainable development. As discussed above, prior Commission funded studies have found that incorporating minimum contractor training and workforce standards into energy efficiency programs promote work quality, generate greater energy savings, improve customer satisfaction (which leads to increased customer participation), reduce call-backs and equipment failures from ineffective installation or maintenance, improve safety (particularly important for programs that add higher electrical loads to existing building electrical systems), accelerate market adoptions and improve compliance with building codes and standards.²⁷

In addition, adoption of workforce standards has the added benefit of exerting greater influence on the labor market at large by establishing a quality assurance benchmark for ratepayer funded work that rewards contractors for investing in worker training and the retention of skilled workers rather than relying on the traditional low road model that disincentivizes such investments.²⁸ When adequate standards are established for ratepayer-funded programs, the demand for skilled workers increases.²⁹ This, in turn, causes California's expansive education and training infrastructure to respond with appropriate offerings to meet the changing work requirements of a clean energy economy.³⁰ None of this happens, however,

²⁷ EE Workforce Guidance Plan at p. 51.

²⁸ *Id.*, p. 27.

²⁹ *Id.*

³⁰ *Id.*

without the Commission changing its model of treating workforce standards as an afterthought, as is once again proposed in this proceeding.

Unfortunately, the history of the IOU energy efficiency programs has been to create programs that subsidize low road contractors and effectively encourage high road contractors to adopt a low road, low pay, low-training model to be able to compete for energy efficiency program jobs. “Low road” contractors compete solely on price, rather than quality. They undercut the bids of quality contractors by paying low wages, providing substandard or no benefits, hiring inexperienced undertrained workers, minimizing investments in training, and cutting corners on projects. IOU energy efficiency programs need intentional design to encourage more high road contractors and comprehensive, quality training for workers.

These concerns about the displacement of high-road jobs by low-road employment in the energy efficiency sector are well-founded and substantiated by recent research. A report from U.C. Berkeley Labor Center found that substantial decarbonization investments, such as single-family solar installations, energy and water retrofits, weatherization, and other building upgrades, are not covered by public works labor provisions.³¹ As the report states:

These omissions have contributed to the proliferation of low-wage, low-road contractors in the weatherization, energy efficiency, home solar, building retrofit, and building decarbonization sectors.³²

³¹ Appel & Hammerling, UC Berkeley Labor Center, *California’s Climate Investments and High Road Workforce Standards: Gaps and Opportunities for Advancing Workforce Equity* (Sep. 2023) p. 7, <https://laborcenter.berkeley.edu/wp-content/uploads/2023/09/Californias-Climate-Investments-and-High-Road-Workforce-Standards.pdf>.

³² *Id.*

Similarly, in the SGIP proceeding, the Commission itself has acknowledged troubling job quality issues in IOU-administered energy efficiency programs. As the Commission noted:

[S]tudies of investor-owned utility (IOU) administered energy efficiency programs identified job quality concerns, including qualitative evidence of low wages paid by some contractors, little participation of union contractors, pockets of wage and hour violations, limited attention to job quality and work quality, and that, with limited exceptions, contractors qualify for participation in IOU incentive programs if they self-report that they have acquired the basic licensing required by law.³³

These findings underscore the urgent need for the Commission to expressly address these issues in the proposed proceeding.

Workforce standards must be expanded across a broader range of energy efficiency programs and must be designed to support a high-road approach – one that promotes fair wages, training opportunities, labor protections, and equitable economic advancement. Without addressing these goals up front, the IOU energy efficiency programs will instead continue to discourage the participation of high road contractors and will make clear that the promise of a just transition to those workers losing high road jobs to decarbonization efforts is, in fact, an empty promise. It is time for the Commission to change its model of treating workforce standards as an afterthought.

³³ R.20-05-012, *Assigned Commissioner’s Ruling Requesting Comment on Heat Pump Water Heater Contractor Training and Workforce Issues and Methods to Increase Self-Generation Incentive Program Technologies’ Contributions to Summer Reliability* (Aug. 3, 2021) p. 3, <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M397/K312/397312127.PDF>.

VII. WORKFORCE STANDARDS SHOULD BE INCLUDED WITHIN THE PROCEEDING SCHEDULE TO ENSURE EFFECTIVE AND TIMELY INTEGRATION

To ensure that workforce standards are adequately considered and effectively implemented, the Commission must accommodate workforce-related issues within the structure and timeline of this proceeding. This can and should be achieved by either establishing a dedicated track focused wholistically on workforce issues at the outset of the proceeding, or, at a minimum, by ensuring that workforce considerations are explicitly incorporated into the portfolio guidance track. Without such scheduling accommodations, there is a significant risk that workforce issues will again be relegated to the periphery – addressed belatedly, inconsistently, or ineffectively.

A standalone workforce track at the beginning of this proceeding would provide a forum to evaluate the implementation of existing workforce standards, identify necessary improvements, and consider additional policies to support high-road job creation. The Commission should structure this track to include the issuance of a straw proposal or, alternatively, solicitation of party proposals. This process should be followed by a public workshop, an opportunity for comments, and ultimately an Administrative Law Judge (ALJ) ruling that provides the foundation for Commission consideration. A straw proposal would facilitate early stakeholder input and allow parties to explore potential workforce standards prior to finalization. Alternatively, proposals submitted by parties could form the foundation for further development. In either case, the ALJ ruling detailing the final proposal should be subject to opening and reply comments to ensure

meaningful stakeholder engagement and a transparent, inclusive decision-making process.

WORKFORCE STANDARDS	
EVENT	DATE
Straw proposal or solicitation for party proposals on energy efficiency workforce standards	2 nd Quarter 2025
Workshop on workforce standards proposal(s)	2 nd Quarter 2025
Comments on workforce standards proposal(s)	3 rd Quarter 2025
ALJ Ruling issued with staff proposal for party comments	3 rd Quarter 2025
Opening comments filed and served	3 rd Quarter 2025
Reply comments filed and served	3 rd Quarter 2025
Proposed Decision	3 rd Quarter 2025
Commission Decision	3 rd Quarter 2025

Such a track would allow stakeholders – including program administrators, labor representatives, community-based organizations, workforce training providers, and contractors – to provide meaningful input early in the process, when programmatic frameworks are still being shaped. Early engagement is critical to ensuring that labor standards are not merely compliance obligations added downstream, but foundational elements of program design that influence contractor participation, project quality, and equity outcomes.

Alternatively, if a standalone track is not adopted, the Commission should, at a minimum, ensure that workforce standards are fully addressed within the portfolio guidance track, which will inform the design of the next round of energy

efficiency programs. Embedding workforce issues into the portfolio guidance process is essential to align programmatic objectives with statutory and policy mandates, including those in Public Utilities Code § 400(e) and Public Resources Code § 25943(b)(1), all of which emphasize the creation and retention of high-road, high-quality jobs as integral to the state's clean energy goals.

Historically, workforce issues have too often been treated as an afterthought, considered only after core programmatic decisions have already been made. This approach has resulted in fragmented implementation, inconsistent enforcement, and missed opportunities to advance job quality and equity. To avoid repeated failures, the Commission must structure the proceeding in a way that gives workforce standards the early and sustained attention they require. Aligning the proceeding schedule with this priority is both a practical and policy imperative.

VIII. CONCLUSION

The Labor Coalition urges the Commission to fully embrace its leadership role in advancing a high-road transition to a low-carbon economy. To fulfill this responsibility, the Commission must ensure that the energy efficiency programs under its oversight leverage state and ratepayer resources not only to maximize energy efficiency outcomes, but also to promote social and economic equity. This objective cannot be realized unless the Commission explicitly includes workforce issues within the scope of this proceeding and establishes clear procedural pathways to develop, implement, and enforce high-road workforce standards across all relevant programs.

Thank you for your consideration of these comments.

Dated: May 19, 2025

Respectfully submitted,

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