

**California Statewide Energy Savings Assistance**  
**Multifamily Whole Building Program**  
**Policy and Procedures Manual**

**Version 4.1**

Applicable to:

Pacific Gas and Electric Company  
San Diego Gas & Electric Company  
Southern California Edison Company  
Southern California Gas Company

# Multifamily Whole Building Program Policy and Procedures (P&P) Manual

## MFWB P&P Manual Version Control

Version	Date	Change Description
1.0	September 1, 2023	Original document for the 2023-2026 Program Cycle. This P&P Manual is supported by the ESA MFWB Program Measure Specifications Manual (“MFWB Measure Specifications Manual”) and the ESA California Installation Standards Manual (“IS Manual”).
2.0	July 1, 2024	Revisions to multiple sections re “treatment of vacant units”; Section 5.3.1 Deed Restricted Properties; Section 5.3.2 Non-Deed Restricted Properties; and Section 5.5.3 Tenant Enrollment in Buildings Not Qualifying for 100% Enrollment.
3.0	April 18, 2025	Addition of Attachment D: Electrification Policy for MFWB Program; updates to Attachment A: Eligible Program Measures.
4.0	October 31, 2025	Revisions to Section 13.4.3 clarifying that the IOUs have flexibility when selecting a sampling methodology for post-installation inspection purposes.
4.1	June 30, 2026	Updates to Table A-1

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## Section A: Common Terms and Definitions

- **AHJ** – Authority Having Jurisdiction.
- **Ancillary Services** – In D.17-12-009, the Commission stated, “In funding the work for common area measures for multifamily buildings, we include the ancillary services required for the installation of the measures, including commissioning.” (D.21-06-015, p.372, fn.968: D.17-12-009, 196.) D.210-06-015, OP.154 specified that ancillary services, for the purposes of the Energy Savings Assistance Program, must include activities to protect tenant needs during construction as well as commissioning. These expenses for the MFWB Programs should be captured and reported in monthly and annual reports as their own line item. (D.21-06-015, p.372.)
- **Basic Measures** – The first of two tiers of in-unit measures offered by the utilities. Customers may qualify for basic measures through self-certification.
- **Categorical Eligibility** – Customers can enroll in the ESA and MFWB Programs based on current participation in another approved local, state, or federal means-tested program. (D.06-12-038, OP.21.) Multifamily tenants utilizing the categorical eligibility option to enroll must present documentation reflecting their current participation in a Commission-approved program to satisfy the “income documentation” component.<sup>1</sup> Categorical eligibility does not apply to property-level enrollment.
- **CAM** – Common Area Measures. These are the measures/services provided in MF building common areas that directly benefit both the MF tenants and the property owners. (D.21-06-015, Section 7.1, p.319.) Together with “In-Unit” and “Whole Building,” “CAM” is one of the three components of the MFWB Program.
- **CARE** – California Alternate Rates for Energy. A low income energy rate assistance program established in 1989 to provide a discount on energy rates to low income households with incomes at or below 200% of the Federal Poverty Guideline (FPG). CARE is authorized by Public Utilities Code Section 739.1, which requires electrical companies with 100,000 or more customer accounts in California offer a 30% - 35% discount. (Electrical companies with fewer than 100,000 customer accounts in California offer a 20% discount.) CARE provides a 20% discount on natural gas bills. (CA Pub. Util. Code § 739.1 and D.21-06-015 pp.5-7.)
- **CSLB** – California State Licensing Board. Provides Home Improvement Sales Certificate (HISC) required for Contractors in order to conduct in-person outreach to residents prior to commencing work.

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<sup>1</sup> CPUC-approved categorical programs for MFWB are listed in Table B-1 and can be located at: <https://mcp.customerapplication.com/> under categorical eligibility guidelines.

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- **COL** – Conclusion of Law.
- **Commissioning** – Commissioning is a systematic process of ensuring, verifying, and documenting that technician performs in accordance with the design intent, manufacturers specifications, contract documents, and building codes. Commissioning is a quality assurance process that is performed by installation contractors to verify the operations and performance of mechanical, electrical, and plumbing systems or equipment.
- **Contractor** – Although a contractor generally refers to any entity actively licensed with the California Contractors State Licensing Board (CSLB), references to Contractor in this manual refer to third-party (non-IOU) entities with appropriate licensing, insurance, safety qualifications and Program credentials to provide ESA services. See "Trade Ally" for another class of contractors. "Contractor" is also referred to as "ESA Contractor" and see: "ESA subcontractor."
- **Co-Payments** – IOUs must require a 50% property owner co-pay for ESA Program multifamily whole building measures and common area measures in non-deed restricted buildings. Eligible multifamily ESA Program in-unit measures will continue to be fully subsidized for both deed restricted and non-deed restricted properties. (D.21-06-015, OP.138.)
- **CPUC or Commission** – California Public Utilities Commission.
- **CSD** – California Department of Community Services and Development.
- **Customer** – Tenant, participant household, or property owner/authorized representative for multifamily complexes eligible to receive Program services.
- **D.** – Commission Decision.
- **De-certification** – The process of no longer allowing the implementer or subcontractor employee to work in a customer-facing role within the ESA Program.
- **Deed restriction** – Deed restriction, for the purposes of the Energy Savings Assistance (ESA) Program, will be defined consistent with Decision 17-12-009, which provides: "Eligible properties must meet the partial definition of deed-restricted in California Public Utilities Code Section 2852(a)(A) further modified here. For this ESA Program multifamily effort, a property must be a multifamily residential complex financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants." (D.21-06-015, OP.155. D.21-06-015 p.372, fn.969: *D.16-11-022, modified by D.17-12-009, p.212.*)
- **ES** – Energy Specialist. This is an ESA Contractor Role that provides in-unit energy services (such as energy assessment, energy education, and basic measure installation) to ESA customers, including MF in-unit customers.

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- **ESA** – Energy Savings Assistance Program (a ratepayer-funded energy efficiency program regulated by the CPUC and administered by the IOUs). ESA is a no-cost energy efficiency program that provides home weatherization services and energy efficiency measures to help low income households conserve energy, reduce their energy costs/utility bills, and improve the health, comfort, and safety (HCS) of the home. ESA is available for income-qualified IOU customers whose total household income is less than 250% of the Federal Poverty Guidelines (FPG). (See CA Pub. Util. Code § 2790(a) and D.21-06-015, pp.8-9.)
- **ESA-Main/Main ESA P&P Manual** – *California Statewide Energy Savings Assistance Program 2021-2026 Cycle Policy and Procedures Manual*, October 2022. This is the Policies and Procedures Manual for the Main ESA Program, updated pursuant to D.21-06-015. An electronic copy of the most current Main ESA P&P Manual may be obtained at the CPUC website at [https://www.sdge.com/sites/default/files/documents/Statewide%20ESA%20Program%20PP%20Manual\\_Nov%202022%20Final.pdf](https://www.sdge.com/sites/default/files/documents/Statewide%20ESA%20Program%20PP%20Manual_Nov%202022%20Final.pdf).
- **FERA** – Family Electric Rate Assistance. An electric rate for moderately low income IOU electric customer households with three or more people and incomes between 200% and 250% of FPG.<sup>2</sup> FERA was designed to assist larger households that are ineligible for the CARE Program because their income level falls slightly above the CARE income eligibility limits. (See CA Pub. Util. Code §739.12 and D.21-06-015, pp.7-8.)
- **FPG** – Federal Poverty Guidelines. FPG is updated annually. To qualify for ESA (including ESA MFWB), household income must be under 250% FPG.
- **HBM** – Healthy Building Materials. D.21-06-015 OP.66 directed IOUs to use the ESA Working Group to address the issue of healthy building materials and consider the benefits of incorporating healthy building materials into the *ESA California Installation Standards Manual* against any additional costs to the Program and potential adverse impacts to cost-effectiveness.
- **HISC** – Home Improvement Sales Certificate. Certification issued by the California State Licensing Board that ESA subcontractors must obtain to conduct in-person outreach to residents prior to commencing work.
- **In-Unit** – In-unit services provide energy efficiency measures to income qualified households living in individual MF units (in-unit measures). (D.21-06-015, Section 7.1, p.319.) Together with “CAM” and “Whole Building,” “In-Unit” is one of the three components of the MFWB Program. Prior to D.21-06-015, MF in-unit services were provided through the Main ESA Program prior to the MFWB Program.

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<sup>2</sup> FERA income limits: <https://www.cpuc.ca.gov/lowincomerates/>.

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- **In-Unit Assessment** – In-unit energy assessment to identify what in-unit measures will be installed through program services are conducted by certified ESA contractor staff.
- **Income Eligibility** – ESA and ESA MFWB households must be income qualified at 250% of the Federal Poverty Guidelines. Deed-restricted properties certified at 65% income eligibility qualify for treatment of all in-unit households (including vacant units) without the need for individual household income verification. Non-deed restricted properties require 80% unit qualification to treat all units (including vacant units) without the need to verify household income individually. (D.21-06-015, Sections 7.9.5, p.362 and 7.9.6, p.363.)
- **Individual Tenant-Driven MF In-Unit Participation** – These are individual in-unit MF customer households requesting ESA measures and services that are not part of a Whole Building (or “property-level”) project. Some income-eligible MF households may request ESA treatment individually. If the building/property-owner is not interested in or qualified to receive Common Area Measures (CAM) or Whole Building upgrades, these qualified MF households will still be treated with feasible ESA measures. The ESA MFWB Program is responsible for serving all interested and eligible MF households/tenants, whether they are part of a Whole Building project or not (D.21-06-015, OP.119, and see also: Sec.7.9.1, p.354), so long as Program implementation funds are available and authorized by the Lead IOUs.
- **IOU** – Investor-Owned Utility (interchangeable with “Utilities” and/or “Program Administrator”). These are: Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), Southern California Gas Company (“SoCalGas”) and San Diego Gas & Electric Company (“SDG&E”).
- **IS Manual** – Energy Savings Assistance Program California Installation Standards Manual.
- **Lead Utility(ies) or Lead IOUs**– PG&E and SDG&E, the utilities designated to solicit and administer the two MFWB Programs. The Northern ESA MFWB Program is administered by PG&E and the Southern ESA MFWB Program is administered by SDG&E for SCE, SoCalGas, and SDG&E per D.21-06-015, OP.120. Lead IOUs have responsibility for: Program vision development, design/delivery, and intervention strategies; Procurement, contract administration, and co-funding management; Sole implementer oversight responsibilities including management, rewards, implementer performance review, and Program performance review, and any necessary corrective actions; Meeting savings goals, treatment goals, and customer satisfaction levels; Metric development; and Reporting. (D.21-006-015, Attachment 4, Section 1.C, no pagination.)
- **LIHEAP** – Low Income Home Energy Assistance Program.

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- **LIWP** – CSD’s Low Income Weatherization Program. The MFWB Program will offer all participating property owners the opportunity to leverage with LIWP to provide ESA funding for in-unit treatment measures that are common to both Programs. (D.21-06-015, OP.124.)
- **Low Income** – Total household income, or properties with aggregated household incomes, at or below the income eligibility threshold of 250% of FPG.<sup>3</sup>
- **MF** – Multifamily.
- **MFES** – Multifamily Energy Savings Program. MFES is the branded, customer-facing program name of the MFWB Program.
- **MFWB** – Multifamily Whole Building Program. MFWB is a low income ratepayer-funded energy efficiency program including all multifamily sector services (in-unit, common area measures and whole building measures). It is available to both deed-restricted and non-deed restricted multifamily properties. In addition to energy efficiency, MFWB works to maximize a building’s demand response technologies, greenhouse gas reduction, water energy nexus, and the health, comfort, and safety of tenants, through external program leveraging. It is implemented by a non-utility, third-party and is regulated by the CPUC as a sub-program of ESA. (Ordered pursuant to D.21-06-015, OPs.118, 119, 120, 122, 123, 124.)
- **MFWB Compliance AL(s)** – PG&E Advice Letter AL 4707-G/6842-E, Attachment B and SDG&E AL 4115-E/3144-G, Attachment B (MFWB Program Implementation Plan). These two Advice Letters were submitted by the MFWB Lead Utilities in compliance with D.21-06-015, OP.122. See also D.21-06-015, Attachment B, Section C.4 re Implementation Plan contents.
- **MFWB Eligibility** – MFWB is open to both deed-restricted and non-deed restricted multifamily properties. Deed-restricted properties may qualify for property-level MFWB services if at least 65% of the units are certified to be income eligible, without the need for individual household certification. (D.21-06-015, Section 7.9.5, p.362.) Non-deed restricted properties may qualify to receive property-level MFWB services if at least 80% of the units are certified to be income eligible, without the need to verify household income individually. (D.21-06-015, Section 7.9.6, p.363.)
- **MFWB Measure Specifications Manual** – ESA Multifamily Whole Building Program Measure Specifications Manual.
- **MFWB P&P Manual** – ESA Multifamily Whole Building Policy and Procedures Manual.

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<sup>3</sup> See “Income Eligibility” for deed and non-deed restricted property-level income thresholds.

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- **MFWB Pathways** – The third-party ESA MFWB Program implementers designed multiple ESA MFWB Program Pathways offering comprehensive services to all MFWB market sectors. MFWB Pathways (also known as “Program Pathways”) provide bundled services to multifamily buildings, common areas and in-unit households through a streamlined, enhanced ESA MFWB experience offering a single in-take application and support needed to overcome barriers to Program participation for both property owners and customer households.
- **Multifamily Property**– A site that has five or more units, with each unit combined (sharing a wall or floor/ceiling) with at least one other unit, since often in California there are low-rise apartments which may have not all five units connected. (D.21-06-015, OP.156, and p. 372.) For this ESA Program multifamily effort, a property must be a multifamily residential complex financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants.” (D.21-06-015, OP.155.)
- **Multifamily Building** – A building that has five or more units, with each unit combined (sharing a wall or floor/ceiling) with at least one other unit. (D.21-06-015, p. 372.)
- **Multifamily Central Portal** – An online statewide multifamily application portal created per D.21-06-015 to allow tenants and property owners to submit inquiries and applications for the Northern and Southern Multifamily Whole Building Programs.<sup>4</sup> (D.21-06-015, OP.127-127, and Section.7.9.2, pp.360-361. Also called “*MFWB portal*” in D.21-06-015, OP.124.)
- **NGAE** – Natural Gas Appliance Evaluation.
- **Non-Deed Restricted Properties** – Also known as “Naturally Occurring Affordable Housing.” These are multifamily residential complexes that are *not* financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants. These multifamily properties can receive 100% of in-unit project costs and up to 50% for common area and whole building measures. (D.21-06-015, OP.138, and Section 7.9.4, p.362.)
- **OP.** – Ordering Paragraph.
- **POA** – Property Owner Authorization (also known as “Property Owner Approval or Affidavit”), allows the property owner to self-certify that their tenants meet the ESA income eligibility thresholds and is required prior to beginning in-unit/tenant treatment by ESA Contractors or common area/central system treatments by trade allies (the form must clearly reference the unit(s) approved to receive service).

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<sup>4</sup> The Multifamily Central Portal website can be located at: <https://mcp.customerapplication.com/>.

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- **Program Implementer** – A non-utility, third-party entity selected through a competitive solicitation process to implement the Northern or Southern MFWB Program on behalf of the Northern/Southern IOUs. Selected in 2022, the Implementers (Richard Heath & Associates and TRC) work with the Northern/Southern IOUs to design and implement the MFWB Program according to the directives of D.21-06-015. (D.21-06-015, OP.116 and 119, and Sections 7.9.1—7.9.2 pp.354-361.)
- **Program Representative** – Includes third-party (non-IOU) service provider employees, such as outreach team members, assessors, energy advisors, and inspectors.
- **Property Assessment** – Property on-site assessments are coordinated between the Implementer and property owner to result in a comprehensive measure package that includes common area and whole building measures.
- **Property Owner** – Property Owner is the legal owner of the property who also may designate authority to subscribe to the MFWB Program through their delineated property manager or other designee.
- **Property Owner Enrollment and Certification** – ESA MFWB Program is allowed to enroll tenants into ESA for in-unit measures and install measures without the tenant having to separately enroll, so long as the property owner provides appropriate income eligibility documentation. This is an important step in supporting and easing the property owners’ ability to obtain Program access on behalf of qualified tenants. Multifamily deed-restricted property owners self-certifying that 65% of their properties’ tenants meet ESA income eligibility thresholds can authorize treatment for all households (including vacant units) without the IOUs requiring individual verification. Non-deed restricted property owners must self-certify that 80% of their properties’ tenants meet ESA income eligibility thresholds to authorize treatment for all households (including vacant units) without the IOUs requiring individual verification. (D.21-06-015, Section 7.9.7, pp.363-364.)
- **PU Code** – California Public Utilities Code pursuant to existing California Law.
- **Tenant Protection Agreement** – Tenant rent restriction agreements between the IOUs and non-deed restricted ESA MFWB Program property owners were required in D.21-06-015 (Sec.7.9.11, pp.364-365) to protect tenants and avoid negative impacts to housing affordability. All non-deed restricted owners are required to sign a MFWB Tenant Protection Agreement.
- **Self-Certification** – Customers may be eligible to self-certify their income eligibility based on residence in utility-identified geographic areas of their service territory in which 80% of the customers are at or below 250% of the federal poverty line. (D.12-11-044, p.310 and D.08-11-0331, p.28.) Self-certifying customers are eligible to receive ESA

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Basic Measures, however this eligibility does not include measures requiring modifications—such as grounding—to dwellings. (D.21-06-015, OP.49.)

- ❑ **Self-installation** – Installation of measures by the customer.
- ❑ **Service Provider** – CSD Program contractor.
- ❑ **Service Territory** – Utility service area.
- ❑ **SPOC** – Single Point of Contact. The SPOC will 1) offer benchmarking services, 2) offer financial services, 3) be a “true one stop model” helping to facilitate and coordinate program access, and 4) continue to offer on-bill financing to qualified deed-restricted multifamily properties. (D.21-06-015, OP.130 and Section 7.9.3, pp.361-362.)
- ❑ **Statewide ESA MFWB P&P Manual** – California Statewide ESA Multifamily Whole Building Program Policy and Procedure Manual.
- ❑ **Subcontractor** – Third-party (non-IOU) entity providing ESA services on behalf of the prime contractor (implementer/contractor). Also called “ESA subcontractor” and see: “ESA contractor.”
- ❑ **Trade Ally** – A trade ally is a licensed, independent contractor, skilled tradesmen or electrical-mechanical service provider or any other non-IOU person/entity that contracts directly with and receives payment from the property owner to deliver energy efficient products and expertise. See “Contractor” for alternate MFWB Program contractor classification.
- ❑ **Tenant** – The resident(s) living in a MF household or “unit” benefitting from MF energy efficiency measures and services.
- ❑ **Water Energy Nexus** – Water Energy Nexus (WEN) represents the nearly inextricable linkage between water and energy and captures how much electric energy it takes to move and treat water. WEN tools support calculating the associated indirect electrical energy savings benefits associated with water savings and enables evaluation of energy savings associated with cold water-savings measures as well as the off-site energy savings of hot water savings measures. (See D.15-09-023 and <https://cwee.ucdavis.edu/about/water-energy-nexus/> for more information.)
- ❑ **Whole Building (WB)** – Together with “In-Unit” and “CAM,” “Whole Building” is one of the three components of the ESA MFWB Program established in D.21-06-015, OP.119. WB measures are measures that deliver energy savings and benefits to both tenant and property owners through whole building systems such as central hot water systems and whole building envelope upgrades.
- ❑ **Whole Building Treatment (WBT)** – WBT refers to the comprehensive MFWB service approach that provides the whole MFWB package of in-unit, CAM and WB measures.

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- **WS** – Weatherization Specialist. This is an ESA Contractor Role that provides weatherization services to ESA customers, including MF in-unit customers.

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## 1 Introduction

### 1.1 Overview

This *Statewide Energy Savings Assistance Multifamily Whole Building Program Policy and Procedures Manual (MFWB P&P Manual)* describes the policies and procedures followed in the Energy Savings Assistance (“ESA”) Multifamily Whole Building (“MFWB”) Program ordered by the California Public Utilities Commission (“Commission” or “CPUC”) in Decision (“D.”) 21-06-015. Statewide ESA Program policy and procedures—including for the ESA MFWB Program—are approved and adopted by the Commission, and the Program Policies and Procedures Manuals are approved by the Commission’s ESA Working Group. This *MFWB P&P Manual* will be supported by the *ESA MFWB Program Measure Specifications Manual (“MFWB Measure Specifications Manual”)* and the *ESA California Installation Standards Manual (“IS Manual”)*, and will be supplemented by both an MFWB Program Handbook for customers and the general and specific terms and conditions incorporated into contracts between the Lead Utilities<sup>5</sup> and their implementers as part of the ESA MFWB Program approaches. Detailed ESA MFWB Program implementation guidelines are included in the *ESA Northern and Southern ESA MFWB Program Implementation Handbook (“MFWB Implementation Handbook”)*. The MFWB Implementation Handbook is available for download on the Program webpage: [www.esamultifamily.com](http://www.esamultifamily.com) (see resources page).

Common terms and definitions pertaining to the ESA MFWB Program used in this *MFWB P&P Manual* are included in Section A: Common Terms and Definitions for easy reference.

An electronic copy of this *MFWB P&P Manual* may be obtained at the CPUC website when available. If questions arise regarding interpretation of a certain policy or procedure, the Utilities shall use Commission D.21-06-015 or subsequent superseding decision as the overriding authority.

Updates in MFWB policies and procedures may be issued by the Utilities during this 2021-2026 ESA Program Cycle subject to approval by the ESA Working Group authorized by the CPUC in D.21-06-015.<sup>6</sup> Lead Utilities have the flexibility to deviate from established procedures to respond to cases of customer hardship and unusual circumstances. The Implementers shall request deviations from Lead IOU and document any exceptions in the customer and project file.

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<sup>5</sup> The “Lead Utilities” are PG&E and SDG&E, the utilities designated to solicit and manage the two MFWB programs. The Northern ESA MFWB Program is managed by PG&E and the Southern ESA MFWB Program is managed by SDG&E for SCE, SoCalGas, and SDG&E per D.21-06-015, OP.120.

<sup>6</sup> D.21-06-015, Section 10.2.2.1, pp.413-415; and Section 10.3.6.1, pp.418-420.

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Changes in the means of implementing policies, procedures, and standards will be discussed with implementers prior to being made.

## 1.2 MFWB Background

The ESA MFWB Program is designed to better serve the unique situations of low income multifamily building tenants in deed-restricted and non-deed restricted buildings by providing comprehensive energy efficiency measures and services to maximize efficiency of multifamily buildings through in-unit, common area, and whole building services. The MFWB Program is also known publicly as the Multifamily Energy Savings Program (MFES).<sup>7</sup>

The ESA MFWB Program works to maximize a building’s demand response technologies, greenhouse gas reduction, water energy nexus, and the health, comfort, and safety of tenants. It is implemented by a third-party and regulated by the Commission as a sub-program of ESA.<sup>8</sup>

ESA and the MFWB Program are both ratepayer-funded energy efficiency programs regulated by the Commission. The ESA Programs are available for income-qualified IOU customers whose total household income is less than 250% of the Federal Poverty Guidelines (FPG). MFWB building eligibility is based on the percent of tenant households qualifying at 250% FPG: 65% of deed-restricted buildings tenants must be eligible, or 80% of non-deed restricted tenants.<sup>9</sup> Tenant households in buildings that are not eligible for whole building services can qualify individually for in-unit services.

D.21-06-015 ordered Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), Southern California Gas Company (“SoCalGas”) and San Diego Gas & Electric Company (“SDG&E”)—collectively referred to as the Investor-Owned Utilities (“Utilities” or “IOUs”)—to design and implement the Northern and Southern ESA MFWB Programs.

D.21-06-015 also required the Utilities to issue solicitations for and administer the two ESA MFWB Programs—a Northern MFWB Program managed by PG&E and a Southern MFWB Program for SCE, SoCalGas, and SDG&E, with SDG&E designated as solicitation and program management lead.<sup>10</sup> The Utilities were required to outsource certain aspects of the ESA MFWB

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<sup>7</sup> MFES is the branded name of the MFWB Program. “Multifamily Whole Building (MFWB) Program” is the program name provided in D.21.06-015 and is the name that is used throughout this manual.

<sup>8</sup> D.21-06-015, OP.118.

<sup>9</sup> D.21-06-015, D.21-06-015, Sections 7.9.5, p.362 and 7.9.6, p.363.

<sup>10</sup> D.21-06-015, OP.120.

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design and delivery to a third-party including the design, delivery, measure mix, targets, and single point of contact (for some utilities).<sup>11</sup>

D.21-06-015 specified the following minimum design requirements for the Northern and Southern ESA MFWB Programs:<sup>12</sup>

- A single in-take application (which can include reliance on the MFWB portal);
- Comprehensive technical assistance;
- Consideration of healthy building materials;
- Energy assessments and expanded measure lists, with consideration for highly efficient electrification measures;
- Segmentation treatment plan;
- Program leveraging, including program-to-program customer referrals;
- A comprehensive treatment approach including in-unit and common area measures;
- Leveraging with California Department of Community Services and Development’s Low Income Weatherization Program to provide Energy Savings Assistance funding for in-unit treatment measures that are common to both Programs;
- In-language applications and marketing materials, at a minimum in Spanish;
- Workforce outreach plans for leveraging existing available workforce, education and training programs, a preference for hiring from disadvantaged and local communities; and
- Single Point of Contact services (where proposed to be outsourced), to be a “true one stop model” whereby a property owner, manager or tenant will rely on them to facilitate and coordinate program access.

As required by D.21-06-015, PG&E and SDG&E (“the Lead Utilities”) each submitted a Tier 2 Advice Letter (“MFWB Compliance AL”) following the execution of contracts resulting from the Northern and Southern solicitations detailing ESA MFWB Program design, including a budget by category, measure offerings, energy savings goals, treatment targets, cost effectiveness values, contract terms, and Independent Evaluator solicitation report.<sup>13</sup>

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<sup>11</sup> D.21-06-015, Conclusion of Law (COL.) 36.

<sup>12</sup> D.21-06-015, OP.124.

<sup>13</sup> D.21-06-015, OP.122. (PG&E requested and received an extension of time to conclude its contracting process and submit the AL by January 30, 2023.) See: PG&E Advice Letter (AL) 4707-G/6842-E (submitted January 24, 2023). Energy Division Disposition Letter of February 23, 2023 accepted AL 4704-G/6842-E with no changes. SDG&E AL 4115-E/3144-G (submitted November 30, 2022). Energy Division Disposition Letter of December 30, 2022 accepted AL 4115-E/3144-G with no changes.

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These policies and design requirements from D.21-06-015 and the Program Implementation Plans submitted by the Lead Utilities in their MFWB Compliance ALs<sup>14</sup> are addressed in this *MFWB P&P Manual*.

## 1.3 Structure of this Manual

Section A: Common Terms and Definitions includes the common terms and definitions pertaining to the ESA MFWB Program that are used in this *MFWB P&P Manual*. The remainder of this *MFWB P&P Manual* is organized as follows:

- **Section 2** describes the ESA MFWB Program design.
- **Section 3** discusses policies relating to Program delivery and customer segments, including Program Pathways.
- **Section 4** describes marketing and outreach guidelines.
- **Section 5** describes multifamily eligibility and enrollment policies for buildings and tenants.
- **Section 6** discusses energy assessment and benchmarking policies and procedures.
- **Section 7** describes customer relations and customer service expectations for both tenants and building owners.
- **Section 8** discusses the energy efficiency and electrification measures that are available to participants in the Program.
- **Section 9** discusses policies relating to in-unit minor repairs.
- **Section 10** describes common area and whole building minor repairs.
- **Section 11** describes policies and procedures relating to the installation of measures.
- **Section 12** summarizes common area measure and whole building post-installation verification and inspection policies and procedures.
- **Section 13** describes in-unit inspection policies and procedures.
- **Section 14** describes policies and procedures relating to contractor eligibility and workforce standards.
- **Section 15** discusses workforce education and training policies.
- **Section 16** describes policies and procedures relating to natural gas appliance testing for in-unit appliances.
- **Section 17** describes policies and procedures relating to combustion appliance testing for appliances serving common areas.
- **Section 18** describes natural gas appliance evaluation policies and procedures for in-unit appliances.

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<sup>14</sup> PG&E Advice Letter AL 4707-G/6842-E, Attachment B and SDG&E AL 4115-E/3144-G, Attachment B.

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- **Section 19** describes commissioning policies and procedures for whole building mechanical systems.

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## 2 Program Design

### 2.1 Overview

This section describes the ESA MFWB Program design. In addition to the minimum design elements specified in Section 1.2 above (including a single MFWB in-take application for the property-level whole building pathway, comprehensive technical assistance, healthy building materials, energy assessments and expanded measure lists that include electrification, segmentation treatment plans, leveraging with CSD and other programs, a comprehensive treatment approach including in-unit and common areas, in-language applications and marketing material, workforce outreach plans and a single point of contact), the Commission also listed key design elements to developing a successful ESA MFWB Program in D.21-06-015, including:

- Market Barriers
- Mitigation Strategies
- Best Practices and Solutions
- Innovation
- Tools
- Single Point of Contact (SPOC)

These elements will be addressed and incorporated into the Lead Utilities' Northern and Southern ESA MFWB design approaches.

### 2.2 ESA MFWB Program Design

Prior to D.21-06-015, multifamily services were offered to income-qualified MF tenants as part of the Main ESA Program, but D.21-06-015 required design and implementation of two separate ESA MFWB Programs inclusive of all multifamily sector services—in-unit, common area and whole building measures<sup>15</sup>—to both deed restricted and non-deed restricted MF customers.<sup>16</sup>

For purposes of the Northern and Southern ESA MFWB Program approaches, “multifamily properties” are defined as having five or more units. Each unit must be combined (sharing a wall or floor/ceiling) with at least one other unit, since often in California there are low-rise apartments which may not have all five units connected.<sup>17</sup>

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<sup>15</sup> D.21-06-015, OPs.116 and 119.

<sup>16</sup> D.21-06-015, OP.155, and Section 7.9.4, p.362.

<sup>17</sup> D.21-06-015, OP.156, and Section 7.19.18, pp.372-273.

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D.21-06-015 maintained the definition of Deed-Restricted properties for this ESA MFWB Program consistent with Decision 17-12-009, which provides:

Eligible properties must meet the partial definition of deed-restricted in California Public Utilities Code Section 2852(a)(A) further modified here. For this ESA Program multifamily effort, a property must be a multifamily residential complex financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants.<sup>18</sup>

D.21-06-015 extended MF services provided in this ESA MFWB Program to non-deed restricted buildings.<sup>19</sup>

Income eligibility thresholds for deed restricted and non-deed restricted properties are discussed in Section 5.3.

The two ESA MFWB Program designs are the result of a competitive solicitation as specified by D.21-06-015. The Program designs adhere to cost-effectiveness guidelines and ESA Program portfolio goals to achieve deep savings and also consider opportunities to maximize a building's demand response technologies, greenhouse gas reduction, water energy nexus, and health, comfort, and safety of tenants.<sup>20</sup>

In addition, Natural Gas Appliance Testing (NGAT) and other safety services will be provided as needed (see Section 16). The ESA MFWB Program features two Program Pathways (a WBT approach allowing the property owner to elect services through a comprehensive, whole building option that includes feasible treatments for common areas and whole building systems in addition to in-unit services; and a resident-initiated in-unit path to treat qualified residents of MF buildings that are not qualified for or choose not to participate in WBT).<sup>21</sup> Property owners will benefit from a streamlined, enhanced ESA MFWB experience offering: including a single in-take application for WBT and support needed to overcome barriers to Program participation for both property owners and resident households.

The ESA MFWB Program delivery model features a SPOC referral service connecting multifamily property owners with incentive-layering opportunities to help lower costs, simplify

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<sup>18</sup> D.21-06-015, OP.155. and see fn.969 on p.372 citing: D.16-11-022 (modified by D.17-12-009), p.212.

<sup>19</sup> D.21-06-015, Section 7.9.4, p.362.

<sup>20</sup> D.21-06-015, OP 118.

<sup>21</sup> Although all MFWB customer segments will be served in the ESA MFWB Program, the specific Program Pathway offerings may be configured differently for the Northern and Southern ESA MFWB programs.

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processes, and provide additional services that could benefit them consistent with the directives of D.21-06-015 (see Section 6.2.2.1 and 6.3).<sup>22</sup>

The ESA MFWB Program is anticipated to result in upgraded properties that realize deeper energy savings, greater health, safety, and comfort for tenants and a reduction in overall energy burden. Specific measure offerings available through the MFWB Program Pathways are outlined in Section 8.

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<sup>22</sup> D.21-06-015, OP.130 and Section 7.9.3, pp.361-362.

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## 3 Program Delivery and Customer Segments

### 3.1 Overview

This section introduces ESA MFWB Program delivery and general services provided to the Multifamily target market: multifamily customers that can be served comprehensively through whole building approaches that include building, common area and in-unit services; and resident-driven individual multifamily in-unit households requesting ESA service (i.e., services not initiated as part of a whole building/property project). The ESA MFWB Program Pathways used by the Northern and Southern ESA MFWB Programs to provide ESA MFWB Program services are also described.

### 3.2 MFWB Target Market

The ESA MFWB Program’s target market is income-qualified multifamily customers as the Program seeks to treat all interested customers on a first come, first served basis. Deed-restricted and non-deed-restricted multifamily affordable housing owners and their residents are the primary target market of the ESA MFWB Program. Secondary target audiences include contractors, property management/maintenance staff, and other community multifamily partners.

For purposes of this ESA MFWB Program, “multifamily properties” are defined as having five or more units,<sup>23</sup> as discussed in Section 2.2.

#### 3.2.1 MFWB Treatment Services

The Northern and Southern ESA MFWB Programs each work towards maximizing a building’s demand response technologies, greenhouse gas reduction, water energy nexus, and the health, comfort, and safety of tenants,<sup>24</sup> and include all multifamily sector services (in-unit, common area measures and whole building measures) to be implemented comprehensively by a non-utility, third-party.<sup>25</sup>

These three multifamily property sectors are described below.

##### 3.2.1.1 In-Unit

Residential dwellings in multifamily buildings are called “units” and the MFWB work performed (including measures installed in these residential areas)—and other areas directly controlled by

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<sup>23</sup> D.21-06-015, OP.156, and Section 7.19.18, pp.372-273.

<sup>24</sup> D.21-06-015, OP.118.

<sup>25</sup> D.21-06-015, OPs.119 and 124.

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tenants—is “in-unit.” As described in Section 3.2.1.2, tenant-controlled hallway exterior lighting is considered in-unit work rather than common area work.

ESA Program services have been provided to qualified MF in-unit customers since the ESA Program (formerly known as the Low Income Energy Efficiency Program) began. D.16-11-002—as modified by D.17-12-009—ended the need for each MF household to be individually qualified, establishing a property owner affidavit process,<sup>26</sup> and MF income eligibility and income qualification for in-unit and whole buildings was discussed in D.21-06-015.<sup>27</sup> Owners of qualified multifamily properties and their authorized representatives may enroll all their qualified tenants to receive in-unit measures as part of a comprehensive whole building approach.

### **3.2.1.2 Common Areas**

MF common areas include building areas used by building tenants that are not residences (or otherwise directly controlled by tenants)—for example, hallways,<sup>28</sup> lobby areas, recreation areas, common rooms (e.g., laundry), parking lots and garages. Energy services for these common areas are typically on meters that are billed to the property owner or manager. D.16-11-002, modified by D.17-12-009, directed the ESA Program to offer multifamily common area measures (CAM) to qualified buildings<sup>29</sup> and ESA CAM services began in 2018. The Commission found that treating common areas in multifamily properties was nearly as important as providing in-unit measures to the tenants, as without this dual effort, effectiveness of in-unit treatment in multifamily buildings would be limited.<sup>30</sup> D.21-06-015 directed CAM services to continue and be included as part of the ESA MFWB Program.<sup>31</sup> MFWB implementers were directed to provide CAM services as part of a comprehensive whole building approach.

### **3.2.1.3 Whole Building**

The term “Whole Building” (WB) is used to describe both an MFWB property sector and a treatment approach in the MFWB Program.

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<sup>26</sup> D.17-12-009, Findings of Fact 71 and 72 and OP.41. Affidavit is allowed when “a PRIZM Code, census tract, or federally recognized tribal reservation or zone where 80% of households are at or below 200% of federal poverty guidelines; a Promise Zone as designated by the federal government, or; the building is registered as low-income affordable housing with ESA Program under the 80% ESA- eligible tenant multifamily household eligibility rule, with qualified income documentation less than 12 months old on file. These buildings will be eligible for whole building enrollment without the need for door-to-door tenant income documentation.” (p.193).

<sup>27</sup> D.21-06-015, Section 7.1, p.319.

<sup>28</sup> Excluding hallway exterior lighting that is controlled by the tenant; this would be considered “in-unit” work because it is directly controlled by the tenant.

<sup>29</sup> D.21-06-015, Section 7.1, p.319.

<sup>30</sup> D.17-12-009, Section 3.9, p.191.

<sup>31</sup> D.21-06-015, OPs.119 and 124.

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The Whole Building Treatment (WBT) approach seeks to maximize energy savings and incentives for MFWB owners and tenants through a comprehensive treatment approach that translates building/property energy assessment results into a package of measures that includes in-unit, common area, and whole building upgrades. Property level enrollment with WBT includes feasible in-unit, CAM, and whole building measures.

Whole building measures are measures that deliver energy savings and benefits to both tenants and property owners through whole building systems such as central hot water systems and whole building envelope upgrades. Whole building measures may also include measures residing in areas that are not in units or common areas, such as boiler rooms, maintenance rooms, and any other applicable areas that encompass and provide benefits to the “Whole Building.”

### ***3.2.2 Resident-Driven Individual MF In-Unit Household Treatment Services***

Income-qualified multifamily tenants that are not part of a property owner-sponsored whole building project may also request in-unit treatment individually. These individual MF in-unit customers may have heard about ESA services through other sources, such as general ESA marketing and outreach, utility customer service staff, or previous ESA participants. The MFWB Implementer will assess the potential for a whole-building approach and, if deemed feasible, attempt to engage the property owner to encourage more comprehensive building updates through a WBT approach. Contractor may proceed to treat the individual tenant in-unit requesting treatment, following receipt of any required property-owner authorization. This work may occur in parallel with outreach to the property owner regarding their interest in WBT. If the property owner or authorized representative is not interested in or qualified to participate in the ESA MFWB Program, the qualified individual MF customer unit is treated with feasible ESA measures. All services are offered at no cost to the tenant.

## **3.3 MFWB Program Pathway Description**

The third-party MFWB implementers designed multiple ESA MFWB Program Pathways to provide bundled services to multifamily buildings, common areas and in-unit households through a streamlined ESA MFWB Program experience. The specific Program Pathways provided by the Northern and Southern ESA MFWB Programs offer comprehensive services to all MFWB market sectors but may not be structured the same in each MFWB Program.

### ***3.3.1 MFWB Pathway Options***

The MFWB Program uses a prioritized lead list of multifamily properties to focus initial outreach efforts on property owners with multiple buildings. Implementers will work to obtain data from the IOUs at a future date to conduct targeted outreach to high energy users and those with customers in one or more CPUC-defined segments. Multifamily tenants are also able to

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learn about and apply for the ESA MFWB Program individually. A MFWB Program-assigned representative screens for Program eligibility, explains the tenant protection agreement as applicable and identifies the appropriate pathway from the following options:<sup>32</sup>

- **Pathway # 1: Individual Household.** All services are offered at no cost to the tenant. Property owners are allowed to certify tenants to receive in-unit measures without tenants having to separately provide income documentation, as long as the property owner provides appropriate income eligibility documentation. For measures that require owner approval such as refrigerators, induction stovetops, and electric resistance ovens, ESA contractors contact the property owner/representative to approve the upgrade, agree to any applicable co-pays, and sign a Property Owner Affidavit (POA).
  - For in-unit projects initiated by individual multifamily tenants, the Program Representatives (including Program staff and/or ESA contractors) identify the potential for a whole-building approach (including common area and whole building measures) and, if deemed feasible, attempts to engage the property owner, and encourage more comprehensive multifamily building updates.
  - If the owner opts out of WBT but certifies and provides appropriate documentation that either 65% (deed-restricted) or 80% (non-deed restricted) tenants are income qualified then all of the tenant units (including vacant units) are authorized for treatment without being requiring individual income verification.<sup>33</sup> If the building owner cannot provide appropriate income verification, the ESA contractor may conduct door-to-door outreach and attempt to serve as many eligible residents as possible.
- **Pathway # 2: Whole Building.** This path maximizes energy savings and incentives for participating properties by combining in-unit, common area and whole building measures and services:
  - This approach translates energy assessment results into a package of measures that includes in-unit, common area, and whole building measures –with an emphasis on property-wide lighting, large central systems, and envelope improvements.

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<sup>32</sup> SDGE AL 4115-E/3144-G (November 30, 2022); Atch.B: ESA Southern MFWB Program Implementation Plan, p.B-6. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>33</sup> D.21-06-015, OPs.136 and 137. See also D.17-12-009, Findings of Fact 71 and 72 and OP.41. Affidavit is allowed when “a PRIZM Code, census tract, or federally recognized tribal reservation or zone where 80% of households are at or below 200% of federal poverty guidelines; a Promise Zone as designated by the federal government, or; the building is registered as low-income affordable housing with ESA Program under the 80% ESA- eligible tenant multifamily household eligibility rule, with qualified income documentation less than 12 months old on file. These buildings will be eligible for whole building enrollment without the need for door-to-door tenant income documentation.”

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- Owners interested in increasing energy savings but not able to commit to an extensive whole-building approach are offered bundled in-unit measures in combination with select common area measures. Program incentives fund up to 100% of in-unit (including vacant units) and common area project costs for deed-restricted properties. Non-deed restricted properties receive no-cost in-unit measures (including vacant units) and incentives for 50% of common area project costs.

## 3.4 Customer Needs Segments

The ESA MFWB Program tailors treatment plans to the unique needs of customer segments, while ensuring eligible customers receive all feasible measures. The Program will also work with the IOUs to obtain data to deploy focused outreach efforts tailored to customers with unique demographic, financial, location-based, and health condition considerations. Examples may include high energy use, residence in DAC/rural/tribal/wildfire threat locations, and medical baseline status. The ESA MFWB Program anticipates that customers in the designated needs states will receive select ESA measures based on specific burdens or hard-to-reach status. Customer needs segments and measures offered in the Northern and Southern MFWB Programs may not be the same. Measures installed for customer need segments are shown in **Table A-1** (see Attachment A).

Measures will be evaluated and updated on a regular basis.

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## 4 Marketing and Outreach

### 4.1 Overview

This section establishes policies and procedures for Program marketing and outreach to potentially eligible property owners and residents. The policies in this section are supplemented by additional provisions in both specific and general terms and conditions included in contractual agreements between the Utilities and Program Implementers.

### 4.2 Targeted Marketing and Outreach

Utility and contractor outreach efforts may target those customers with the highest energy usage, considering energy burden and/or energy insecurity.<sup>34</sup> In support of the Utilities meeting their portfolio energy savings goals, the Program may target and prioritize customers based on identified customer segments and need states within the Utilities' territory.<sup>35</sup>

### 4.3 Promotional Guidelines

*Only* promotional materials approved by the Lead IOUs may be used to promote participation in the ESA MFWB Program.

#### 4.3.1 *Program Branding Guidelines*

All Program branded materials must comply with established statewide ESA Program branding guidelines, contract requirements established between the Utilities and Program Implementers and approved Program branding for the EAS MFWB Program.

#### 4.3.2 *In-Language Materials*

All Program materials should be developed in English and Spanish, at a minimum. In addition to English and Spanish, Program Implementers should take care to provide in-language applications and marketing materials when possible.<sup>36</sup>

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<sup>34</sup> Public Utilities Code Section 327(a)(6)  
Public Utilities Code Section 2790(d).

<sup>35</sup> D.21-060-015, Section 6.6.7.1, p.205.

<sup>36</sup> D.21-060-015, Section 7.9.2, p.360.

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## ***4.3.3 Incorporation of Americans with Disabilities Act (ADA) Practices in Website Design and Online Materials***

Digital Program marketing materials, including website design and online forms, should comply with ADA accessibility standards.

## **4.4 Tenant Outreach**

### ***4.4.1 Representations by the Contractor and their Employees***

Neither the contractor nor their employees may imply that they are employees of the utility or affiliated with the utility in any way other than through the ESA Program.

### ***4.4.2 Outreach Interactions***

Contractor personnel must effectively contact and interact with a diverse set of customers. These personnel shall have available any necessary multilingual staff and/or translators and shall make every effort to resolve barriers to communication attributable to persons with disabilities.

### ***4.4.3 Outreach for Customers with Disabilities***

Contractors shall serve and conduct outreach to customers with disabilities. Customers with disabilities may be identified based on their enrollment in the Medical Baseline Program, enrollment in the Deaf and Disabled Telecommunications Program (DDPT), enrollment in the ESA Program through a disability-focused community-based organization (CBO), requests for accessible formats of written materials or use of a Tele-Typewriter/Telecommunications Device for the Deaf (TTY/TDD), visibility of an observed disability, and/or self-identification as having a disability. Contractors shall not ask the customer or any household members if they have a disability.<sup>37</sup>

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<sup>37</sup> D.08-11-031, OPs.30 and 31. See also p.69.

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## 5 MFWB Eligibility and Enrollment

### 5.1 Overview

The ESA MFWB Program serves qualifying multifamily deed restricted and non-deed restricted property owners and tenants. A multifamily property is defined as having five or more units,<sup>38</sup> as described in Section 2.2. Buildings meeting these criteria may participate if they satisfy the additional requirements below.

Tenants may receive in-unit services either by qualifying independently, through one of the criteria discussed below, or as a resident of a qualifying building.

Subsection 5.2 discusses general eligibility criteria, including property ownership, having an active IOU account, and property owner approvals. Subsection 5.3 discusses whole building eligibility criteria for deed-restricted and non-deed restricted properties, including policies regarding: income thresholds, vacant units, and tenant protection agreement, and Subsection 5.4 discusses individual tenant eligibility criteria, including income guidelines and qualification, categorical enrollment, targeted self-certification. Section 5.5 describes Program enrollment, including intake applications and eligibility verification.

### 5.2 General Eligibility

Before participating in the Program, deed-restricted and non-deed restricted property owners, or in the case of resident-driven enrollments, the residents, must demonstrate they meet the following general eligibility criteria:

#### 5.2.1 *Power of Attorney and Property Management Companies*

In cases where the property owner is not available to sign the property owner authorization, any individual having a Power of Attorney for that owner may sign the form. Authorized representatives of property management companies may sign for property owners for multifamily agreements under one of the following conditions:

- The property management company has a standard Power of Attorney agreement with the property owner.
- The property management company has a signed Management Agreement with the owner authorizing the property management company to act as the agent for the specific property.

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<sup>38</sup> D.21-06-015, OP.156, and Section 7.19.18, pp.372-373.

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- Any other documentation that the utility may require to establish that an agreement exists between the property owner and the management company.

A copy of any supporting documentation must be kept in the customer's file.

## ***5.2.2 Active Utility Account***

To be eligible for the ESA MFWB Program, a customer must be served by an active investor-owned utility (IOU) account/meter with PG&E, SDG&E, SCE or SoCalGas. In an area served by different investor-owned gas and electric Utilities (e.g., the SoCalGas-SCE overlap area) the fuel source for the dwelling's space heat shall determine which utility will be the provider of air sealing/envelope and attic insulation measures to the dwelling if that fuel source is either natural gas or electricity. If a non-IOU heating fuel is used, and the home has air conditioning, the electric IOU will be the provider of weatherization measures other than infiltration-reduction measures. For air sealing/envelope measures that save both gas and electricity, the proportion of normalized site energy savings between gas will determine which utility will be the provider of that measure. Participants that receive electric service through a Community Choice Aggregator (CCA), are entitled to receive Program electric measures as though they receive services directly from the electric IOU contracted with the CCA.

## ***5.2.3 Property Owner Approval***

In general, neither a property nor the rental units may receive Program Services and Measures until a property owner authorization (POA) form has been received. The one exception to this requirement is that utilities must waive the Property Owner Approval/Authorization requirements for resident-driven projects where no property-level modifications are required and no major appliances triggering owner authorization (e.g., refrigerators) are installed. All measures requiring modifications to dwellings (which includes grounding, such as refrigerators, portable air conditioners, and smart thermostats) require Property Owner Approval/Authorization.<sup>39</sup>

When property owner approval is required, approval must cover the participation of the unit in the Program as well as the installation of specific measures. Such approval is valid for a period of 24 months from the date it is signed by the property owner or authorized agent.<sup>40</sup> If approval of the property owner is not received before the installation of such services, the Contractor will be required to reimburse the utility for all payments received from the utility for the measures in question; with prior written authorization from the Program Implementer, contractors may

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<sup>39</sup> D.21-06-015, OP.54.

<sup>40</sup> D.21-06-015, OP.55.

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proceed with the installation of services and measures that do not directly affect the condition and/or structure without the signed property owner authorization.

## ***5.2.4 Service for Previous Participation***

Program services may be provided to customers who have been previously served when: 1) measures have exceeded their effective useful life, or 2) the customer is eligible for measures that were not previously installed or offered.<sup>41</sup>

## **5.3 Whole Building Eligibility**

Deed-restricted and non-deed restricted properties satisfying the Program's general criteria may receive Program services for the entire property, including in-unit services, provided they meet the following additional terms.

### ***5.3.1 Deed Restricted Properties***

Deed restricted properties are defined as a multifamily residential complex financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants.<sup>42</sup>

Deed restrictions may be identified through a title search and are documented in a Regulatory Agreement. Proof of deed restriction must accompany the building enrollment forms.

Deed restricted properties, regardless of how many units are identified as deed restricted, qualify for treatment through the ESA MFWB Program provided the property owner certifies that a minimum of 65% of the property's tenants meet the ESA income eligibility threshold and provides appropriate income eligibility documentation to validate.<sup>43</sup> In this instance, both the property and all households (both occupied and vacant) qualify for Program services without the requirement for individual tenant verification based on the property owner's signed affidavit attesting that 1) the building meets the 65% minimum ESA income eligibility threshold required for deed restricted properties and 2) appropriate income documentation validating this assertion is maintained and available if required in the future. This property owner affidavit obviates the need for the Program Implementers to validate the accuracy of and maintain this documentation at the time of enrollment. The property owner (or authorized owner representative) remains responsible for ensuring the accuracy of the information provided in the affidavit. False or misleading information may result in program ineligibility.

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<sup>41</sup> D.17-12-009, Atch.1 (modifying D.16-11-022), OP.9; and upheld in.D.21-06-015, pp.167-168.

<sup>42</sup> D.21-06-015, OP.156, p.511.

<sup>43</sup> D.21-06-015, OPs.133 and 135, pp.504-5.

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Documentation that may be used by property owners to validate tenant income is described in Sec. 5.4.3.1 herein.

If the deed restriction expires within 10 years after receiving whole building or common area measure treatments, as part of the enrollment process, the property owners also must sign the Program rent restriction agreement, committing to not significantly increase rents from the time of expiration through the end of the 10-year period.

Participating deed restricted properties are eligible to receive incentives for all whole building and common area measures matching eligible cost caps. In-unit measures are provided at no cost. In order to be eligible for up to 100% common area project-cost coverage, deed restricted property owners must provide documentation (i.e., a regulatory agreement or similar) that confirms the property is protected for long-term affordability in compliance with California Public Utilities Code § 2852(a). Valid regulatory agreements from a local, state, or federal government agency (such as the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, or the California Tax Credit Allocation Committee) are acceptable and cannot expire before the completion of an ESA MFWB scope of work. Program staff will provide assistance and confirm regulatory agreement eligibility.<sup>44</sup>

### ***5.3.2 Non-Deed Restricted Properties***

Because they are not limited by land covenants like deed restricted properties, non-deed restricted properties do not typically have the same tenant protections against rent escalations as deed restricted buildings. Non-deed restricted properties may qualify for Program participation where the property owner certifies that a minimum of 80% of the building's tenants meet the ESA income eligibility threshold and provides appropriate income eligibility documentation to validate.<sup>45</sup> In this instance, both the building and all households (both occupied and vacant) qualify for Program services without the requirement for individual tenant verification provided the property owner signs a tenant protection agreement agreeing to maintain the below resident income requirements for a 10-year period, and maintains at least 50% of the building for tenants that are CARE income qualified for a 10-year period following installation of Program measures.

Participating non-deed restricted buildings are eligible to receive all in-unit measures at no cost but must share the cost to install whole building and common area measures through a 50% co-pay.<sup>46</sup>

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<sup>44</sup> CA PUC §2856(a). <https://codes.findlaw.com/ca/public-utilities-code/puc-sect-2852/>.

<sup>45</sup> D.21-06-015, Section 7.9.6, p.363.

<sup>46</sup> D.21-06-015, OP.138, p.506.

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Documentation that may be used by property owners to validate tenant income is described in Sec. 5.4.3.1 herein.

### **5.3.3 Tenant Protection Agreement**

To protect tenants and avoid negative impacts to affordable housing, non-deed restricted properties must sign a tenant protection agreement prior to receiving Whole Building Program services.<sup>47</sup>

This tenant protection agreement must stipulate that the property owner agrees to maintain at least 50% of the building tenants as CARE income qualified for a period of 10 years following receipt of measures.

In addition, deed restricted properties within a term ending within 10 years of receiving whole building or common area measures shall be subject to the tenant protection agreement through the end of the 10-year period.<sup>48</sup>

This approach to tenant rent protection is consistent with what is required in the Commission's San Joaquin Valley pilots, CSD LIWP, and other similar low income qualified energy efficiency programs (such as Massachusetts LEAN and NYSERDA).

## **5.4 Individual Tenant In-Unit Eligibility**

In addition to qualifying as a resident of a participating building, tenants may independently qualify for Program services for their household by satisfying one of the following criteria, each of which is discussed in greater detail below:

1. Income qualification
2. Categorical eligibility
3. Self-certification

### **5.4.1 Income Guidelines**

The MFWB Program uses ESA Program income guidelines established by the CPUC to qualify participants.

These guidelines are provided to the Utilities by the CPUC on an annual basis. The income eligibility level for the ESA Program is set at or below 250 % of the FPG levels pursuant to

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<sup>47</sup> D.21-06-015, Section 7.9.11, Rent Protections, pp.364-5. Tenant Protection Agreements are available upon request from the MFWB Implementer at: <https://esamultifamily.com/>.

<sup>48</sup> D.21-06-015, Section 7.9.11, Rent Protections, p.365.

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California Public Utilities Code (CA PUC).<sup>49</sup> Current ESA Program income guidelines can be obtained at the CPUC website at <https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/energy-savings-assistance>. Income guidelines are typically updated on June 1 of every year.

## ***5.4.2 Types of Income Included in Household Income***

For the purposes of determining Program eligibility, all income is considered from all household members, from all sources listed in **Table B-1** (found in Attachment B), whether taxable or non-taxable.<sup>50</sup> **Table B-1** indicates the specific types of household income that are included for in-unit enrollment. The documents that may be used for purpose of determining eligibility for the MFWB Program include but are not limited to the verification documents listed.

The following types of receipts are not considered household income for the purposes of determining eligibility:

- Loan proceeds, including student loans and reverse mortgages
- Assets (money in bank accounts, a house, a car, or other property or possessions)
- Housing subsidies<sup>51</sup>
- Funds transferred from one applicant account to another
- Liquidation of assets (other than the portion representing capital or other gains)

## ***5.4.3 Verification of Income***

Income verification documentation and procedures are discussed below.

### ***5.4.3.1 Actual Income Documentation Required***

Income documentation is required when the property does not meet the qualifications allowing 100% unit enrollment or the property owner cannot provide income attestation for units. When required, tenant income or categorical eligibility documentation must be reviewed, copied, recorded, and securely stored by contractors prior to the installation of measures for all prospective participants. To ensure the privacy and safety of customer information, bank accounts and social security numbers, or other sensitive customer information must be redacted. Proof of tenant categorical eligibility may be accepted in lieu of income documents, as described in Section 5.4.4.

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<sup>49</sup> See CA PUC §739.1 and §2790. Also, Commission Resolution E-3254 (1992), OP 3. Per SB 756, on and after July 1, 2022 “low-income customers” are defined as persons and families whose household income is at or below 250% of the FPG.

<sup>50</sup> D.89-07-062, p.35.

<sup>51</sup> D.14-08-030, OP.40, p.120.

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CARE self-certification does not automatically qualify a household for the ESA Program, except in the case of non-profit group homes<sup>52</sup> or targeted self-certification areas, where it is specifically allowed.<sup>53</sup> Targeted self-certification is discussed in Section 5.4.5.

If the utility has verified that the customer is CARE-eligible within the past year, such income verification may be used for ESA Program participation, including the ESA MFWB Program.

The utility will periodically audit enrollment information and /or income documentation retained by the contractors. If information and/or documentation is not complete and correct for a participant, payment to the contractors for the provision of ESA Program services to that unit may be disallowed.

The kinds of income documentation required by the Program include but are not limited to those presented in **Table B-1** (found in Attachment B). In applying these documentation requirements, the following stipulations must be observed:

- Property owner/manager attestations, certifying income eligibility of the unit, as described in Sections 5.3.1 and 5.3.2.
- Current cash award letters must include the value of the award (if applicable), must be dated within one year, and must list the customer's name.
- Affidavits relating to gifts must indicate the amount and frequency of the gift(s). They must also contain the name, phone number, address, and signature of the giver.
- Federal income tax documentation, when available, must include copies of all W-2s, 1099s, and profit/loss schedules or IRS tax transcript.
- Affidavits from an employer who pays the applicant cash wages must include the company name, address, and phone number. It must also include the name of the applicant, total amount paid to the applicant, and the frequency of payments. It must contain a signature from the employer's authorized representative.
- If the applicant receives cash wages from multiple employers for jobs like mowing lawns, babysitting, handyman services, casual day labor, etc., a self-employment affidavit from the applicant is acceptable.
- In cases where a household claims no income for the past 12 months, the applicant must demonstrate his or her means of financial support other than income. If the applicant

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<sup>52</sup> SB 693 expanded CARE to include certain non-profit group living facilities and was added into Publ.Util.Code §. 739.1, and AB 3429 added §.739.2 further expanding CARE to include agricultural farmworker housing. Res E-3586 OP.1.i. authorized self-certification for CARE beginning June 1, 1999. With the exception of homeless shelters, all facilities must certify that 100% of the residents of the facility individually meet the CARE eligibility standards for a single-person household. A caregiver who lives in the facility is not a resident for purposes of determining eligibility.

<sup>53</sup> D.08-11-031, OP.6; and D.12-08-044, pp.309-310.

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cannot provide documentation of income or other means of support, Program services will not be performed until such information is provided.

### ***5.4.3.2 Household Income Calculation Procedures***

Household income guidelines for calculating individual in-unit eligibility are based on all gross annual income. For self-employed individuals, gross income is defined as net profit and loss from self-employment.

If a full 12 months of income information is not available, or if there has been a change in the employment status of the household over the past 12 months, it may be necessary to annualize income from a shorter period of time.

All contractors shall compute annual income as accurately as possible unless the property owner/manager is providing income attestation. The calculations used will depend on the type of records available from each household member. Since all household members may not have the same type of income records, it may be necessary, and appropriate, to use more than one method when documenting income for different members of the same household. The applicable calculation method used may be disclosed to the customer upon request.

### ***5.4.3.3 Determining Household Size***

Household size is the current number of people living in the home as permanent residents. Friends or family on a temporary visit (less than 6 months) are not considered household members, nor are their earnings part of household income.

Children and/or other dependents continually residing in the household only on weekends, holidays, or vacations may be counted as part of the household only if the family claims them as dependents on their federal income tax filing. Children by previous marriages who do not reside in the home or children away at school are not considered household members, even if they are receiving child support, unless they are claimed as dependents on the applicant's federal income tax filing.

### ***5.4.4 Categorical Enrollment***

In lieu of providing income documentation, individual tenant units may qualify for the ESA MFWB Program through categorical eligibility, established by participation in a qualifying means-tested program, or in instances where the building owner attests the property satisfies the eligibility criteria (see Section 5.3 above regarding whole property eligibility).

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## 5.4.4.1 *Categorical Programs Eligibility*

Categorical eligibility enrollment is another procedure designed to ease enrollment processes in the ESA Program. Customers are eligible to participate under categorical eligibility,<sup>54</sup> and can enroll in the ESA Program based on current participation in another approved local, state, or federal means-tested program.<sup>55</sup>

Applicants using the categorical eligibility option to enroll in the ESA Program must present documentation reflecting current participation in a Commission-approved program to satisfy the “income documentation” component. To protect the privacy of Program applicants, such documentation must be reviewed, recorded, copied and securely stored by contractors prior to the installation of measures for all prospective applicants.

## 5.4.5 *Targeted Self-Certification*

Targeted Self-Certification is a third enrollment procedure designed to ease enrollment processes for the ESA Program that may be allowed in the Northern and/or Southern MFWB Programs. Use of self-certification as an enrollment option is determined by the Lead IOUs with the MFWB Program Implementers. When the targeted self-certification option is allowed for MFWB enrollment, eligibility is determined by each utility based on their identification of geographic areas of their service territory where 80% of the customers are at or below 250% of the federal poverty line. Applicants residing within these targeted self-certification areas must sign a “self-certification statement” certifying that they do indeed meet the current income guidelines established for participation in the ESA Program. This self-certification statement is to be retained in lieu of other income documentation or proof of participation in a categorical eligibility program. Customers are allowed to self-certify that they meet the ESA Program income eligibility requirement to receive ESA Basic Measures, which may include energy education, LED light bulbs, smart power strips, and Energy Conservation Savings Kits.<sup>56</sup> However, a customer that self-certifies is not eligible for ESA Basic Measures which require modifications to dwellings that include grounding, such as refrigerators, portable air conditioners, and smart thermostats.<sup>57</sup>

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<sup>54</sup> Categorical eligibility approved in D.06-12-038, OP.21 for SCE, PG&E, SoCalGas, and SDG&E.

<sup>55</sup> CPUC approved categorical programs for MFWB are listed in Table B-1 and can be located at: <https://mcp.customerapplication.com/> under categorical eligibility guidelines.

<sup>56</sup> D.21-06-015, OP.49.

<sup>57</sup> Ibid.

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## 5.5 MFWB Program Enrollment

### 5.5.1 Intake Application

D.21-06-015 directed creation of an online statewide multifamily application portal to allow tenants and property owners to submit inquiries and applications for the Northern and Southern MFWB Programs while also tracking that information for Program administrators.<sup>58</sup>

All MFWB property owners should benefit from the convenience of this streamlined enrollment process,<sup>59</sup> although the intake application will vary depending on the pathway appropriate for that property and the owner's objectives. For property-level enrollment, the intake application will guide the validation of eligibility criteria of the property including certification of tenant household income, in lieu of requiring individual tenant enrollment, Program terms and conditions, and owner authorization to provide identified ESA services.

All enrollment paperwork must be completed, signed by the participating customer, and supporting documentation validated prior to the customer receiving Program services. Contractors and Implementers must retain this enrollment form, along with copies of all validation, for record keeping for a period of 10 years.

### 5.5.2 Eligibility Verification

Prior to receiving Program services, all participants must satisfy the eligibility requirements appropriate for that customer in accordance with Sections 5.2, 5.3 and 5.4. The ESA MFWB Program is allowed to enroll tenants into ESA for in-unit measures and install measures without the tenant having to separately enroll, so long as the property owner provides appropriate income eligibility documentation. This is an important step in supporting and easing the property owners' ability to obtain Program access on behalf of qualified tenants.

Deed restricted property owners that can certify that 65% of their properties' tenants meet ESA income eligibility thresholds may authorize treatment for all households (both occupied and vacant) without the IOUs requiring individual verification<sup>60</sup> Landlords of non-deed restricted multifamily properties must certify that at least 80% of the building's tenants meet the ESA income eligibility thresholds to authorize treatment for all households (both occupied and vacant) without the IOUs requiring individual verification.<sup>61</sup>

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<sup>58</sup> D.21-06-015, OPs.127-127, and Section.7.9.2, pp.360-361. MFWB Program information is available here: <https://esamultifamily.com/>.

<sup>59</sup> D.21-06-015, Section 7.9.2, pp.359-361. Requires use of a single intake application for ESA MFWB Program.

<sup>60</sup> D.21-06-015, Section 7.9.7, pp.363-364.

<sup>61</sup> D.21-06.015, Sec.7.9.6, p.362 and Section 7.9.7, pp.363-364. See also D.17-12-009, p.185.

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## ***5.5.3 Tenant Enrollment in Buildings Not Qualifying for 100% Enrollment***

Tenant households at properties that do not qualify for 100% in-unit enrollment must income-qualify individually and provide appropriate documentation to the contractor. Appropriate documentation is described Section 5.4.3.1 herein.

### ***5.5.3.1 In-Person Enrollment***

In-person enrollment is defined as one where a Program Representative visits the customer's home to perform the enrollment. The enrollment may include providing the customer with general Program information, energy education, collecting enrollment data on the household and the property, an in-home energy assessment (audit), installation of approved measures, and any other Program requirements for an in-person enrollment. Income documentation requirements are described above in Sections 5.4.2 and 5.4.3, and may include categorical or targeted self-certification described in Sections 5.4.4 and 5.4.5.

### ***5.5.3.2 Virtual Enrollment***

Virtual enrollment is an ESA enrollment option in which a Program Representative performs the enrollment via telephone or online meeting tool. This option is most likely to be used for individual tenant enrollments. The enrollment may include providing the tenant customer with general Program information, energy education, collecting enrollment data on the household and the property, performing an energy assessment and any other Program requirements for a virtual enrollment. The customer should be provided with clear instructions on how to upload any additional required documents.

### ***5.5.3.3 Self-Enrollment***

Self-enrollment is an ESA enrollment option that may be used for the Northern and/or Southern MFWB Program as determined by the Lead IOUs and their Northern and Southern MFWB Implementers. A self-enrollment is defined as one where the customer completes the application process using a utility-approved online enrollment system. During a self-enrollment, the applicant may be required to provide additional Program enrollment documents, including proof of home ownership, proof of qualification, and any other required enrollment documentation electronically using the utility-approved system. A self-enrollment may require final review and approval by the Implementer before enrollment is considered complete. The Implementer will be responsible to verify and maintain self-enrollment documentation when this option is allowed.

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## 6 Energy Assessment, Benchmarking and Project Proposals

### 6.1 Overview

Projects within the ESA MFWB Program may undergo a variety of building energy assessments, building energy benchmarking and in-unit home energy assessments that inform the development of energy retrofits for multifamily properties. Conducting thorough assessments is essential to the development of accurate energy benchmarking reports and energy retrofit plans.

This section establishes policies and procedures for energy benchmarking, assessments, and subsequent project proposals. The policies in this section are supplemented by additional provisions in both specific and general terms and conditions included in contractual agreements between the Utilities and Program Implementers.

### 6.2 Pathway Selection and Assessments

Building assessments and energy assessment procedures are determined in part by the project pathway. Approved project pathways are described for the Northern and Southern Programs in Section 3.3 of this manual. These include Individual Household and Whole Building Pathways. This section describes the energy assessments and outputs associated with each project pathway.

#### 6.2.1 *In-Unit Resident-Driven Pathway*

For tenant-initiated projects serving individual units of a multifamily property, ESA contractors will schedule and conduct an in-home energy assessment in conjunction with enrollment activities, as described in Section 3.3.1 of this manual.

An assessment of the unit will be completed on homes with income-qualifying tenants using utility-approved forms and/or tools. The assessment will be completed by an authorized Program Representative. Assessments will identify and evaluate all feasible in-unit measures which may be installed through the Program and conduct Natural Gas Appliance Testing in accordance with Program Installation Standards and individual utility policies.

In addition, energy education will be provided to all income-eligible applicants utilizing utility approved education tools. Hardcopy education booklets shall be provided only to customers who are limited by broadband access or do not have access to online resources unless specifically requested. The Utilities shall not count a household as “treated” if provided energy education alone. <sup>62</sup>

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<sup>62</sup> Main ESA Policy and Procedures, Section 4.4, p. 31.

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## **6.2.2 Whole Building Pathway**

Property owner/representative driven pathways are described for the Northern and Southern Programs in Section 3.3.1 of this manual. Whole Building pathways are intended to implement a more comprehensive approach that translates energy benchmarking and on-site assessment results into a measure package that includes in-unit, common area, and whole building measures.

### **6.2.2.1 Single Point of Contact**

The multifamily SPOC<sup>63</sup> service is designed to remove barriers to property owner participation by streamlining MFWB services and creating a more seamless customer experience throughout the Whole Building project lifecycle. SPOC services specific to this section may include:

1. Offering Energy Benchmarking services through the ENERGY STAR<sup>®</sup> Portfolio Manager<sup>®</sup>
2. Act as a one stop model whereby a property owner, manager or tenant may rely on the SPOC representative to facilitate and coordinate program access and provide project support throughout the project lifecycle

### **6.2.2.2 Energy Benchmarking**

Implementers will analyze current and historic energy usage patterns that can help identify beneficial measures to reduce energy demand property wide. This includes in-unit, common area and whole building measures.

1. U.S. Environmental Protection Agency's software tool ENERGY STAR<sup>®</sup> Portfolio Manager<sup>®</sup> will be used by Implementer to provide property-level energy benchmarking services to Program participants installing common area and/or whole-building measures.<sup>64</sup>
2. The Implementer will leverage the respective utilities' Building Benchmarking Portal to request aggregated whole-building current and historical energy usage data to complete benchmarking in Portfolio Manager. For properties seeking whole building upgrades, the property owner/representative must provide the property details and metered energy usage data (or "property usage data") using an approved ESA Benchmarking Authorization form in accordance with the State of California's Benchmarking and Disclosure Program (AB 802).
3. After conducting the analysis property owners/representatives will receive a written Benchmarking Report detailing current energy usage, costs and environmental footprint.

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<sup>63</sup> D.21-06-015, OP.130, and Section 7.9.3, pp.361-362.

<sup>64</sup> Ibid.

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4. Property owners/representatives will receive an ENERGY STAR® Portfolio Manager account if one is not already present. Post benchmarking education will be provided by Program teams to assist property owners/representatives in tracking future energy performance.

### 6.2.2.3 *Energy Assessment*

Implementer and property owner will coordinate an on-site energy assessment to determine existing site conditions, eligible measures for the project, and provide a utility approved assessment report to the property owner. The assessment report is a companion document to the Benchmarking Report.

After property enrollment in the Whole Building pathway, the Implementer will conduct a phone-based preliminary evaluation and schedule the on-site property assessment.

The on-site assessment includes visual inspection and data collection of the entire property and its operations. Pre-existing energy assessments or analysis may be used to inform the Assessment Report and SOW but will not replace on-site assessment conducted by Implementer unless approved by the utility Program Manager. Data collection may include photos, videos, written notes or other forms of documentation necessary to accurately estimate the quantities, locations and condition of potential energy and health and safety improvements.

Assessment areas of inspection and data collection include:

1. 100% of unique common areas and equipment, including community buildings, offices, garages, mechanical rooms, attics and crawlspaces serving common areas or multiple dwelling units, and central systems serving multiple units.
2. Similar or repetitive areas: A visual inspection of similar areas that are repeated across the property or across multiple buildings will be conducted at a minimum 20% sampling rate. These may include:
  - a. Parking and landscaped areas
  - b. Attics
  - c. Access areas including stairwells and common hallways
  - d. Building envelope
  - e. Utility or storage rooms
3. Gas and electric infrastructure: inspect and collect data on all existing, accessible electrical and gas meters.

Combustion appliance safety testing will take place on common area and whole building appliances in accordance with Section 17 to identify any health and safety concerns that need to be addressed immediately or in the SOW, in accordance with the combustion appliance safety

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protocols. Any immediate health and safety concern resulting from combustion appliance safety testing will be reported to the owner's representative or other on-site property representative immediately.

In-unit assessments to identify what in-unit measures will be installed through program services will be conducted by certified ESA contractor staff. Implementer will coordinate with ESA contractors to gather relevant in-unit assessment data sufficient to inform the development of the SOW. Program staff may request to inspect any vacant units.

## **6.3 Scope of Work, Project Approval and Program Leveraging**

This section provides the policies and procedures for presenting the findings of the Benchmarking report, Assessment report, and Whole Building project proposal to the property owner/representative. This section will also cover requirements for the SPOC to provide program referrals, leveraging and financing options for the proposed project.

### ***6.3.1 Benchmarking and Property Assessment Report***

Implementer will coordinate with SPOC to present to property owner/representative the property assessment and benchmarking reports including proposed SOW with eligible measures, quantities and specifications.

### ***6.3.2 Project Scope of Work Design***

Implementer will coordinate with property owner/representative, ESA contractors conducting in-unit services, trade ally contractors and contractors hired by property owner/representative to assemble the project SOW, including but not limited to:

1. Measures, measure quantities and specifications
2. Project costs and incentives
3. Construction schedule
4. Incentive payment requirements

As part of scope of work design, Implementer will review proposed scopes of work against the property assessment report and evaluate the scope for measure eligibility, incentive amounts, and copay requirements. The implementer will inform the property owner/representative of the approved scope of work and incentive levels.

### ***6.3.3 Project Approval***

Once the project scope of work has been approved by the property owner/representative an Approval Letter will be provided by the Implementer and Program incentive funds are reserved

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for common area and whole building measures. Work may not commence until signed Approval Letter is received.

## ***6.3.4 Program Leveraging and Financing***

Implementer will coordinate with SPOC to provide ongoing services through the project lifecycle<sup>65</sup> including:

1. Provide ongoing coordination and access to the Program.
2. Referrals to other relevant programs which may include weatherization programs, local and statewide renewable energy incentives and programs, electrification incentives and water conservation programs.<sup>66</sup>
3. Coordination support for accessing financing options for non-deed restricted properties.
4. Coordination support for program leveraging activities including incentive layering
5. Provide access to on-bill financing for qualified deed-restricted properties through program referrals.<sup>67</sup>

The Implementer should monitor leveraged financing to ensure that there is no double-dipping for programs that are funded by CPUC ratepayer funding.

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<sup>65</sup> D.21-06-15, OP.130 and Section 7.9.3 pp. 361-362.

<sup>66</sup> D.21-06-015, Section 7.9.2, pp.359-361.

<sup>67</sup> D.16-11-022 (modified by D.17-12-009), OP.44, and D.21-06-15, OP.130 and Section 7.9.3, pp. 361-362.

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## 7 Customer Relations

### 7.1 Customer Service Expectations Overview

This section applies to Implementer MFWB Program staff, including ESA subcontractors. It is imperative that both contractors and Implementers maintain proper customer relationships. The ESA MFWB Program is a customer service-oriented energy efficiency program, and professional and courteous service should be delivered accordingly. Specific policies with respect to customer relations are specified below.

#### 7.1.1 *Expedient Service*

Service must be provided to Program participants in a reasonable time frame, as determined by the Implementer. Contractors must inform customers of the approximate amount of time required for installations, inspections, and gas appliance testing (if required), and shall provide services as expeditiously as possible. The number of visits to a residence shall be kept to a minimum.

#### 7.1.2 *Other Work*

Only work directly associated with providing MFWB Program authorized services to participating customers may be billed to the Program. The contractor is prohibited from selling other services to the customer or charging the customer for any other service.<sup>68</sup>

#### 7.1.3 *Staff Identification*

All MFWB Program contractors or subcontractor employees who engage in customer contact must always wear identification badges provided or approved by the Implementer. Each badge must always be visible and include a color photo of the employee. If the contractor produces badges, templates for identification badges will be provided by the Implementer. The contractor shall immediately return to the MFWB Implementer the ID badges of all personnel no longer working for the contractors or their subcontractors on the ESA MFWB Program. In the event the contractor is unable to return a badge, the contractor shall immediately notify the Implementer.

Trade allies do not wear MFWB badges as they are contracted directly with property owners and not the MFWB Program.

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<sup>68</sup> This provision does not preclude the possibility of requiring a co-payment for the installation of one or more measures, if approved by the utility.

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## ***7.1.4 Contractor Etiquette***

MFWB Program contractors are responsible for the courtesy and appearance of their employees. Discourteous personnel and unprofessional appearance will not be tolerated in this Program and may constitute grounds for de-certification of the individual and revocation of their badge, or contract termination.

## ***7.1.5 Customers 18 Years or Older***

In general, contractors shall enter customer's residences only when adults, eighteen (18) years of age or older are present. The only exception to this rule is that contractors may enter the home of a customer under eighteen (18) years of age if the customer is married or has been declared an emancipated minor by the courts.

## ***7.1.6 Customer Complaint Procedures***

The contractor must make every effort to resolve and document customer complaints within the deadlines specified by the Lead Utility. The contractor must notify the Implementer of the status of each complaint and the Implementer will inform the Lead Utility of all unresolved complaints within 5 business days of the contractor's receipt of the complaint. Complaints related to customer safety should be resolved as quickly as possible according to the Lead Utility's requirements. If the complaint does not relate to customer safety, the contractor must resolve the complaint to the satisfaction of the customer as required by the Lead Utility. The acceptability of the contractor's resolution of complaints will be determined at the sole discretion of the utility. If the contractor or Implementer has not resolved the complaint within the mandated period, the contractor shall notify the utility or its designee of this failure, and the Implementer will inform the Lead Utility.

## ***7.1.7 Substance Abuse and Smoking Policy***

In addition to local and state laws, contractor personnel shall not be under the influence of drugs or alcohol nor be using drugs or alcohol anytime when performing ESA Program work. Smoking is always prohibited within the residence being served and on the customer's property.

## ***7.1.8 Incident Reports***

Contractors must contact the Implementer within the deadlines specified by the Lead Utility to provide an incident report if during a home visit there is damage to a customer's home and/or property, or if the contractor's employee has been accused of an illegal act. The contractor will inform the Implementer of the resolutions of all such incidents. The Implementer will inform the Lead Utility if the contractor or Implementer has not resolved the complaint within the mandated

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period. Contractor/Implementer and the Lead Utility will determine and agree upon a timeline to resolve outstanding issues.

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## 8 Measures

### 8.1 Overview

The Multifamily Whole Building (MFWB) Program offers a mix of measures for “in-unit” treatment (installation in an individual dwelling unit), Common Area Measures (CAM) (for installation in common areas of a multifamily complex), and treatment of whole buildings. These measures are intended to deliver reliable savings and improved health, comfort, and safety (HCS) in treated properties. This section addresses those measures presently available through the ESA MFWB Program and discusses the means for making changes in eligible measures over time. Subsection 8.2 refers to the measures presently offered under the Program. Subsection 8.3 describes means to evaluate measures for inclusion in the Program in future years. Subsection 8.4 addresses measure co-payment requirements.

### 8.2 Current Program Measures

The Program’s suite of initial core measures includes deemed in-unit, common area, and whole-building measures that are currently approved for the 2023-2026 ESA MFWB Program. A list of MFWB measures is found in **Table A-1** (see Attachment A) of this *P&P Manual*. These measures are provided to participants in the ESA MFWB Program in accordance with the *ESA MFWB Program Handbook*.

### 8.3 Changes to the Measure List

Implementers/Utilities will evaluate existing MFWB measure offerings and develop recommendations for Program modifications annually. To facilitate the process and allow flexibility throughout the 2023-2026 ESA MFWB Program, the Commission directed the adoption of a standardized and collaborative measure modification process<sup>69</sup> involving:

- Input from the ESA Working Group, Stakeholders, and Contractors, and
- Publication in individual IOU ESA Monthly Reports (for notification purposes)

This process allows the IOUs (and their MFWB Implementers with Lead Utility approval) to add, retire, or modify their measure offerings throughout the Program cycle to adapt to the introduction of new innovative products, evolving customer profiles, evolving work papers, and the results of cost-effectiveness studies. The process provides IOUs greater control and opportunity to achieve their unit goals, cost effectiveness targets, and energy savings goals within their authorized ESA budgets.

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<sup>69</sup> D.21-06-015, OPs.61 and 69, and Section 6.5.8.1, pp.192-193.

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This process requires the use of monthly reports (for modification purposes) as the most efficient method to allow the IOUs flexibility to make measure and Program changes.<sup>70</sup> The ESA Working Group will be used as the venue to discuss measure changes, as well as changes to measure co-pays and measure replacement criteria, before the IOUs submitting them for notification through the ESA monthly reports.<sup>71</sup> **Table A-1** (found in Attachment A) will be updated to reflect any measure changes approved by the ESA Working Group and subsequently noticed in the IOU monthly report. The monthly report will be referenced in the updated table(s).

## 8.4 Measures Requiring Co-Payments

D.21-06-015 authorized multifamily property owner/representative co-payments under certain circumstances:

Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company must require a minimum 50% property owner co-pay for Energy Savings Assistance (ESA) Program's multifamily whole building measures and common area measures in non-deed-restricted buildings. Eligible multifamily ESA Program in-unit measures (in both occupied and vacant qualifying units) will continue to be fully subsidized for both deed restricted and non-deed-restricted properties.<sup>72</sup>

Whole-building and CAM offerings are expensive improvements funded by ratepayers that provide benefits to the property owners (who are likely not low income), but not always the multifamily tenants (who are likely low income), even when bill savings and HCS benefits accrue to them. Acknowledging these concerns, D.21-06-015 requires implementation of a minimum 50% property owner co-pay for whole-building and common area measures in non-deed-restricted buildings.<sup>73</sup> Co-payments are not required from participating deed-restricted property owners, and program incentives will fund up to 100% of in-unit, common area, and whole-building project costs for deed-restricted properties.

Eligible multifamily ESA in-unit measures will be fully subsidized for both deed-restricted and non-deed-restricted properties and have no landlord co-pay requirement at this time.<sup>74</sup> There is no cost to in-unit tenants.

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<sup>70</sup> D.21-06-015, pp.192 and 199.

<sup>71</sup> D.21-06-015, OPs.61 and 69.

<sup>72</sup> D.21-06-015, OP.138.

<sup>73</sup> D.21-06-015, Section 7.9.10, p.384.

<sup>74</sup> D.21-06-015, OP.138 and Section 7.9.10, p.363.

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## 9 In-Unit Minor Repairs

This section describes the ESA MFWB Program policies and procedures relating to minor repairs for tenant units. Subsection 9.1 discusses the minor repairs that may be provided through the ESA MFWB Program. Subsection 9.2 describes Program limits on expenditures on general types of minor repairs. Finally, Subsection 9.3 describes the prioritization criteria that will be used by Implementers to prioritize repairs when not all needed minor repairs can be performed due to budget limits for an individual unit.

### 9.1 Overview

Minor repairs are repairs required to: (a) facilitate the installation of eligible in-unit measures, (b) reduce in-unit infiltration, or (c) mitigate a hazardous in-unit condition. Minor repairs do not include non-functional appliance repair or replacement, or repairs unrelated to the installation of approved measures.

Minor repairs shall be done in a manner that does not impede accessibility for customers with observed disabilities. In all units receiving infiltration-reduction measures, minor repairs also include other corrections needed to pass NGAT protocols, including, but not limited to, adding combustion and ventilation air (CVA) venting, appliance vent repair, and other corrections.<sup>75</sup> It is the general policy of the ESA MFWB Program that these repairs be made if deemed necessary and feasible, subject to budgetary limits.

### 9.2 Limits on In-Unit Minor Repairs

There are two types of cost limits incurred for minor repairs:

- **Average Cost Limits.** These are limits on the average cost of categories of service across all dwelling units receiving minor repair service. They are designed to provide overall cost control for the provision of these services.
- **Individual Unit Limits.** These are defined as limits on the cost that can be incurred for an individual unit without the specific approval of the MFWB Implementer. These individual limits are meant to provide equity in the distribution of program funds across customers while also providing Implementers enough flexibility to respond to individual customer needs and hardship situations.

The expenditure limits are presented in **Table 9-1** and apply to **all** in-unit minor repairs.

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<sup>75</sup> NGAT protocols are described in Section 16. NGAT and CVA are not required in homes without natural gas.

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**Table 9-1: Caps on In-Unit Minor Repairs**

Service	Average Cost per Individual Unit Receiving Service	Maximum Cost for Individual Unit
Minor Repairs (in-unit)	\$1,700	\$2,500

## 9.3 Prioritization of Minor Repairs

The maximum minor repair cost is currently set at \$2,500 per unit. However, the ESA Working Group is authorized to adjust the maximum cost up to 150% of the unit cost.<sup>76</sup> The Implementers must monitor the minor repair cap to ensure an appropriate share of the total program budget is spent on minor repair. In the event that an ESA contractor requests permission from the MFWB Implementer to exceed the limit on minor repairs, the Implementer will base the decision on the estimated cost of the contractor's proposed minor repair, and the need for the repairs in question.

If the Implementer deems it necessary to limit expenditures on the unit, measures will be prioritized using the following priority list, prioritized in the order they appear:

1. Repairs needed to mitigate immediate hazards
2. Repairs required to facilitate the installation of a measure
3. Repairs needed to mitigate major infiltration sources
4. Other repairs

Repairs not directly related to the priorities above, such as those resulting from delayed maintenance or otherwise the legal responsibility of the landlord to maintain a safe and habitable residence, should be addressed by the landlord prior to or concurrent with weatherization services.

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<sup>76</sup> Ibid.

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## 10 Common Area and Whole Building Minor Repairs

This section describes the ESA MFWB Program policies and procedures relating to minor repairs for common area and whole building treatments. Subsection 10.1 provides an overview of the minor repairs that may be provided through the ESA MFWB Program. Subsection 10.2 describes Program limits on expenditures and allowable categories of minor repairs. Finally, Subsection 10.3 describes the prioritization criteria that will be used by Implementers to prioritize repairs when not all needed minor repairs can be made within budget limits for a property or measure.

### 10.1 Overview

Minor repairs are allowed when necessary to: (a) facilitate the installation of common area and whole building program measures, (b) reduce building infiltration, or (c) mitigate a hazardous condition. Each Lead IOU will define a list of allowable minor repair measures. Minor repairs do not include additional work directly associated with the installation of measures. These costs should be included in the total cost of the measure. Examples of additional work include but are not limited to redirecting piping, installation of a condenser pad, electrical remediation, HERS verifications etc. Minor repairs also do not include non-functional appliance repair or replacement, repairs unrelated to the installation of approved measures, or repairs needed as a result of deferred maintenance.

When occupied common areas receive infiltration-reduction measures, minor repairs may also include corrections needed to pass combustion appliance testing or commissioning, including, but not limited to, adding combustion and ventilation air (CVA) venting, appliance vent repair, and other corrections. It is the general policy of the ESA MFWB Program that these repairs be made if deemed necessary and feasible, subject to budgetary limits.

Minor repairs shall be done in a manner that maintains accessibility for customers with observed disabilities.

### 10.2 Limits on Common Area & Whole Building Minor Repairs

The policy is designed to provide the necessary flexibility to address the variety of issues found in multifamily properties, within specific cost limits.

- **Maximum per Measure Cost Limits.** These are limits on the average cost of categories of service across all buildings receiving weatherization measures. They are designed to provide flexibility while ensuring overall cost control for the provision of these services.

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- **Common Area and Whole building Limits.** These are defined as limits on the cost that can be incurred for the property without the specific approval of the utility Implementer. These individual limits are meant to provide equity in the distribution of program funds across customers while also providing Implementers enough flexibility to respond to individual measure and property needs.

The expenditure limits are presented in **Table 10-1** and apply to all common area and whole building related minor repairs.

**Table 10-1: Caps on Minor Repairs**

Service	Maximum Cost per Measure	Maximum Cost per Property
Minor Repair (WB/CAM)	15% of measure cost	10% of total measure cost <sup>a</sup>

<sup>a</sup> 10% of total measures for which repairs are necessary to facilitate installation and/or mitigate hazards.

## 10.3 Prioritization of Minor Repairs

The maximum minor repair cost is 15% of the individual measure installation cost requiring repair work. The maximum total cost of repairs is 10% of all measure costs for both common area and whole building measures. The ESA Working Group is authorized to adjust the maximum cost up to 12.5% of total measure costs.

The Implementer must monitor the minor repair cost cap to ensure an appropriate share of the total program budget is spent on minor repair. If a contractor requests permission from the Implementer to exceed the limit on minor repairs, the Implementer will base the decision on the estimated cost of the contractor's proposed minor repair, and the need for the repairs in question. If the Implementer deems it necessary to limit expenditures on the space, measures will be prioritized using the following priority list, in the order they appear:

- Repairs needed to mitigate an unforeseen problem that would prevent a measure being installed if not corrected.
- Repairs needed to mitigate immediate hazards (e.g., flue vent repairs).
- Other as approved by the utility.

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## 11 Measure Installation Policies

### 11.1 Overview

This section presents ESA MFWB Program policies for the installation of Program measures shown in **Table A-1** (see Attachment A). Specific measure installation policies for in-unit, CAM, and whole-building measures are covered in the *MFWB Measure Specifications Manual*. Subsection 11.2 specifies general policies that apply to all measures, including those installed by (1) Implementer's contractors and subcontractors, and (2) Building-owner's contractors (Trade Allies). It also addresses, safety, site clean-up, and other policies.

### 11.2 General Installation Policies

#### 11.2.1 Introduction

Several general policies relating to the installation of Program measures must be followed by all installation personnel. These policies are presented below. Where appropriate, distinction is made as to whether the policy applies to in-unit measures or common area/whole building measures. Where a distinction is not specified the policy applies to all measure installation activities.

#### 11.2.2 Required Installation by Contractor

Measures must be installed by the contractor, with the exception of measures that have been authorized by the Lead IOUs to be self-installed by the tenant. Dropping off materials that have not been approved by the Lead IOUs for later installation by the tenant is not permitted under the ESA MFWB Program. The Lead IOUs and Implementers may approve: (a) installation of in-unit measures by building owners' maintenance crews, trade allies or ESA contractors; and (b) limited tenant self-installation of basic in-unit measures, provided verification processes are in place to ensure customer qualifications and installation standards are met. The list of self-install measures (if allowed) may differ for the Northern and Southern MFWB Program.

#### 11.2.3 Installation Standards and Specifications

All measures must be installed in conformance with the *ESA California Installation Standards Manual (IS Manual)* and the *MFWB Program Measure Specification Manual (MFWB Specification Manual)*. These standards and specifications are intended to meet or exceed existing codes and regulations, and to conform to accepted building practices. When a conflict exists between the: (a) installation standards and specifications, and (b) State and local building codes/ordinances, the more stringent requirement shall take precedence.

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Any incidental work required for the proper installation of a measure shall be performed in a professional manner and in conformance with: (a) best practices associated with the work being performed; (b) State and Local building codes; (c) Title 24; and (d) additional restrictions and ordinances.

## ***11.2.4 Safety***

Contractors must plan and conduct all work in a manner that is consistent with applicable federal, state, and local laws and in accordance with individual utility contracts to ensure the safety of persons and property. For instance, the contractor is responsible for complete compliance with California Occupational Safety and Health Standards (Cal-OSHA). It is the responsibility of each contractor to establish and maintain a written safety program for all work undertaken for the ESA MFWB Program. It is also the responsibility of each contractor to ensure that all employees comply with all required safety precautions and regulations. Contractors must ensure that their staff members receive appropriate training in the safe and proper use of the tools associated with the installation of each ESA MFWB Program measure.

## ***11.2.5 Installation of Measures***

When measures are installed in individual dwelling units, the installer (ESA MFWB Program contractors, maintenance crew/contractor) must communicate to tenant the benefits of each measure to be installed. When measures are installed in Common Areas and for the whole building, the installation contractor will inform the property owner of the following:

- How the measure should be operated to maximize energy savings
- Proper maintenance, and
- Proper operation of equipment

## ***11.2.6 Lead-Safe Practices***

Contractors/installers shall employ lead-safe practices when working with painted materials installed before 1978 accordance with federal, state, and local regulations and codes. Lead-safe practices for specific measures will be listed in the *IS Manual* and *MFWB Measure Specifications Manual*.

## ***11.2.7 Site Control and Clean-Up Policies***

The contractor/installer must prepare and implement a site-specific control and safety plan as required by state and local requirements and standard practices. It may include traffic control, waste disposal, material storage and handling, fall protection, etc. All work sites and related structures, equipment, and facilities shall be maintained in a clean, orderly condition during all work conducted under the ESA MFWB Program. Any unused or leftover materials, garbage, and

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debris must be promptly removed from the premises by the contractor and disposed of at the contractor's expense. The customer's premises must be left in a clean and orderly condition at the end of each day and at the completion of work.

## ***11.2.8 Recycling and Disposal Policy***

The contractor/installer shall properly dispose of, and recycle when applicable, replaced measures in an environmentally safe manner and in accordance with federal, state, and local codes and regulations. Policies and procedures for disposal and recycling of specific measures are listed in the *IS Manual*.

## ***11.2.9 Healthy Building Materials***

D.21-06-015 directed the ESA WG to consider the benefits of incorporating healthy building materials (HBM) in the *IS Manual* weighed against the financial impacts to the Program.<sup>77</sup> The working group considered the additional costs and the potential adverse effects upon cost effectiveness that incorporating HBM may have on the ESA Program. The working group's recommendations were incorporated into the *IS Manual* and subsequently have also been carried over into the *MFWB Measure Specifications Manual*.

Going forward, any modification or addition to the IS manual or the *MFWB Measure Specifications Manual* must incorporate HBM and concurrently consider any additional costs and the potential adverse effects to cost effectiveness that incorporating healthy building materials may have on the ESA MFWB Program.

Contractors must also evaluate and incorporate the use of HBM when completing work ancillary to the installation of measures.

## ***11.2.10 In-Unit Refrigerator Replacement***

The Implementer shall offer refrigerator replacements for up to two qualifying refrigerators. For units which have a second inefficient refrigerator, the contractor shall first encourage the tenant to remove and recycle the secondary unit by providing customer education, including rebates available to retire and recycle the second inefficient unit. If the customer declines to remove and recycle the inefficient second unit, then the contractor may offer replacement with a more efficient second unit using the same guidelines as the primary refrigerator replacement.

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<sup>77</sup> D.21-06-015, OP.66.

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## 12 CAM and Whole Building Post Installation Verification and Inspection Policies

### 12.1 Overview

This section summarizes the post installation verification and inspection policies applicable to the Whole Building project pathway in the ESA MFWB Program to ensure equipment safety, operational performance and compliance in the installation of all Program measures. Post installation verifications include desktop reviews, inspections by Authorities Having Jurisdiction (AHJ) and on-site inspections conducted on behalf of the program. Subsection 12.2 discusses inspections personnel and responsibilities, , Subsection 12.3 describes desktop reviews, 12.4 discusses post-inspections and inspection frequency and Subsection, and 12.5 discusses inspections by the AHJ.

Post inspections may be supplemented with implementer’s Quality Assurance (QA) procedures to ensure contractors and Trade Allies adhere to installation policies and safety protocols. These QA activities may include:

- Ride-alongs
- Installation observations
- Jobsite control and safety checks
- Desktop reviews, including reviews of commissioning results

### 12.2 Inspection Personnel and Responsibilities

The lead utility, the lead utility’s designated third-party, or the Implementer may conduct post-installation inspections of common area and whole building measures. Implementers may use third parties or their own personnel to perform inspections.

Common area and whole building measures affecting existing combustion appliances that impact occupied spaces may trigger the need for gas safety testing which must be conducted by a qualified individual. The *MFWB Measure Specifications Manual* details testing protocols and personnel requirements for these measures.

Whole building measures such as water heating, space heating and/or cooling systems serving large occupied common areas or multiple dwelling units are classified as “complex systems” and have equipment specific start-up and/or commissioning protocols that extend beyond the scope of the current NGAT protocol. Commissioning for complex systems is subject to the requirements and approval of the Implementer and/or AHJ. Commissioning of these complex

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systems require specialized training, and the work is conducted by Trade Allies (installation contractors, or licensed contractors selected by the building owner). Therefore, the traditional ESA post-inspection procedures may not apply, and an alternative post inspection procedure will be established by the Lead IOU. Personnel commissioning or inspecting these systems shall meet applicable industry certification and licensing requirements.

Implementers may elect to use their personnel (if installation work is performed by a subcontractor) or select an independent third-party to verify the proper installation and performance of the measure installed.<sup>78</sup>

Complex equipment commissioning will be supplemented with Implementer’s approved Quality Assurance (QA) procedures to ensure contractors and Trade Allies adhere to Program installation policies and safety protocols.

## 12.3 Desktop Reviews

Implementers will perform desktop reviews on all projects to ensure accuracy and compliance. Desktop reviews will include review of documentation submitted by contractors and trade allies including, but not limited to:

- Manufacturers cut sheets/product information documents
- HERS verification documentation (where required)
- Digital photo/video evidence of installation
- Contractor invoicing
- Local jurisdiction permitting information
- Commissioning documentation

## 12.4 Post-Installation Inspections and Frequency

A representative sample of whole building projects and associated measures will be selected for post installation verification by the implementer and/or lead utility. Those inspections may occur by inspection personnel during systems commissioning; however, all other measures must be installed to complete an inspection.

The Implementer, approved third-party, and/or Lead Utility will inspect projects based on suggested minimum sample sizes as shown in **Table 13-1**. These sample sizes are designed to provide 90% confidence that the true pass rate is within 5% of the estimated value.

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<sup>78</sup> PG&E AL 4707-G/6842-E (January 24, 2023), Atch. B, p.14; and SDG&E AL 4115-E/3144-G (November 30, 2022), Atch. B.

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Nonconformances identified through the sampling plan shall be addressed through corrective action in accordance with Implementer's approved quality assurance plan.

## **12.5 Mandatory Inspections by the AHJ**

All ESA MFWB Program measures that requires a building permit must pass final inspection by the AHJ to be eligible for incentives. The property owner/representative will retain a copy of the final building permit and include it within the file submitted for desktop review.

For complex systems, as defined herein: an AHJ inspection may, at the utility's discretion, qualify as a post-installation inspection toward the required sampling rates for these measures.

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## 13 In-Unit Inspection Policies

### 13.1 Overview

This section summarizes the inspection policies applicable to the “in-unit” components of the ESA MFWB Program to ensure safety and quality control in the installation of measures. Subsection 13.2 discusses the designation of the responsibilities for inspections. Subsection 13.3 describes pre-inspections; Subsection 13.4 presents policies on post-installation inspections.

### 13.2 Inspection Personnel

Implementers may use in-house personnel, contract employees, or a third-party inspection contractor to conduct in-unit inspections. Since the Lead Utilities are not undertaking the administration function, they may perform the inspection function, which is in line with the directives of D.00-07-020.<sup>79</sup>

### 13.3 Pre-Inspection

The Lead IOUs or Implementers may prescribe a pre-installation inspection process for their respective ESA MFWB Programs. As part of this process, each IOU can select the percentage of units and common areas to be evaluated for Program eligibility and feasibility prior to the installation of measures.

### 13.4 Post-Installation Inspection

#### *13.4.1 General Policies on Post-Installation Inspection*

Post-installation inspections are used to assure that contractors install measures in compliance with all Program requirements, *MFWB Measure Specifications Manual* for the ESA MFWB Program, applicable building codes and industry best practices. In this subsection, specific policies relating to post-installation inspections are provided. These policies encompass the pass rates to be used in program administration, frequency of post-installation inspections, treatment of failed inspections, resolution of disputes relating to inspections, inspection waivers, and corrective actions.

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<sup>79</sup> D.00-07-020, OP.1.a, and Section 9.2.2, pp.65-67.

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## 13.4.2 Types of Pass Rates

Lead Utilities/Implementers or their designees will collect statistics for in-unit installation pass rates, as well as per-measure pass rates. Per-measure pass rates may be used to inform quality assurance plans that tailor technical upskill training and technical assistance.

## 13.4.3 Post-Installation Inspection Frequency

Lead Utilities/Implementers or their third-party inspection contractors will select for inspection all 1) attic insulation, 2) furnace replacement and 3) water heaters affecting the living spaces.<sup>80</sup> An AHJ inspection may, at the utility's discretion, qualify as an inspection toward the mandatory goal for these measures.

For all jobs not involving attic insulation or furnace replacement, random inspections will be conducted using a statistically based sampling plan.

Utilities or their third-party inspection contractors shall develop sampling plans for random samples that are statistically based. The minimum sample sizes in **Table 13-1** may be used. These sample sizes are designed to provide 90% confidence that the true pass rate is within 5% of the estimated value. An expanded table of minimum sample sizes can be found in **Table C-1** (see Attachment C). Other statistically based methodologies are also acceptable.

**Table 13-1: Suggested Minimum Sample Sizes for Inspections (90% within 5% precision)**

Pass Rate	Number of Units Completed by Contractor					
	200	500	1,000	2,000	5,000	10,000
70%	140	241	317	377	425	443
75%	129	210	265	306	337	348
80%	115	176	213	238	257	263
85%	98	138	161	174	184	187
90%	75	97	107	113	117	119
95%	45	51	54	55	56	57

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<sup>80</sup> It is understood that selecting 100% of jobs for inspection does not necessarily mean that 100% of inspections will be completed, because the utilities and their third-party inspection contractors cannot compel program participants to be present for inspection appointments.

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Lead Utilities/Implementers or their third-party inspection contractors may exceed these minimum sample sizes if, in the judgment of the Lead Utility, larger sample sizes are necessary to preserve Program quality control. Circumstances that may justify larger sample sizes include, but are not limited to, the following:

1. The utility's Program or the amount of additional post-inspections undertaken is small enough to conduct additional post-inspections without substantially increasing total Program expenditures.
2. A contractor exhibits a pattern of inspection failures that justifies inspection of a higher percentage of jobs.
3. A contractor is on a quality-improvement plan which requires improvement of its inspection pass rates.

Lead Utilities/Implementers will keep records of actual inspection frequencies by contractors.

### ***13.4.4 Inspection Methodologies and Virtual or Remote Inspections***

Virtual inspections may be utilized to more cost effectively complete verification activities when doing so will not impact the quality or completeness of the inspection. Virtual inspections may be conducted when:

1. Situations where the inspection scope will have no impact on the rigor of the inspection.
2. The virtual inspection results in reduced cost compared to an equivalent on-site inspection without compromising the integrity or completeness of the inspection.
3. The inspection activities do not include conducting diagnostic testing or other physical activities.

Virtual inspections may not be utilized when:

1. Inspection scope is complex and includes measurements and/or diagnostic testing or other activities not easily performed remotely.
2. A qualified representative of the project team is not available to facilitate the inspection on site.
3. The contractor(s) have demonstrated frequent and ongoing inspection failures.

Minimum requirements for conducting virtual inspections include:

- The inspections procedures are documented in appropriate work instructions and/or Quality Assurance plans.
- Documentation will include photos and/or video evidence, a completed checklist of inspection procedures and signature of completion by both parties.

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- Geotagging or other verification inspection was completed on the subject property.

Virtual inspections are not intended to result in a lower rigor inspection, The inspection should verify the same requirements as needed to satisfy an onsite inspection.

During the course of the inspection, if it is determined that a virtual inspection cannot be satisfactorily completed, inspectors will arrange for an on-site inspection.

### ***13.4.5 Failed Inspections***

If a measure is installed incorrectly, a contractor may be issued a Correction Fail, which must be resolved in accordance with IOU policy. Hazardous Fails must be addressed by the contractor within 24 hours of notification.

### ***13.4.6 Failed Inspection Dispute Resolution***

When a dispute arises between inspectors and contractors, the Lead Utility/Implementers may utilize in-house personnel or a third-party inspector to help determine appropriate action to be taken.

### ***13.4.7 Inspection Waivers***

Policies on inspection waivers vary between mandatory and non-mandatory inspections, as follows:

- ***Mandatory inspections*** by ESA MFWB Program inspector: Inspections are required for projects which include Attic Insulation, Gas Furnace Replacement, water heaters, and additional measures as specified by the utility. For mandatory inspections, two attempts will be made to arrange for a post-installation inspection within 30 calendar days of the notification of job completion. After two such attempts, the inspection provider will solicit the assistance of the landlord.
- ***Mandatory inspections*** by the AHJ: All ESA Program in-unit and common area measures that require a building permit must pass AHJ final inspection, with a copy of the finalized inspection report retained in the customer's file.
- ***Refused AHJ Inspections:***
  - When the customer refuses to allow the AHJ to perform a final inspection, the contractor obtaining the permit shall advise the landlord that the inspection is required by the AHJ (State, County, or City) and if refused, the permit will expire, and the work may be considered work done without a permit.

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- The ESA MFWB contractor shall retain in the customer's file copies of communications with the AHJ, certified letters sent to the customer, and any other written correspondence regarding the case.
  
- ***Non-mandatory inspections*** relate to projects not involving attic insulation, furnace replacement or water heater effecting the units. They are non-mandatory in the sense that only a sample of projects must be inspected. For non-mandatory inspections, two attempts will be made to arrange for a post-installation inspection within 30 calendar days of the notification of job completion. A non-mandatory inspection of a sampled project may be waived by the Lead Utility/Implementer after the landlord attempts to contact the participant failed, provided attempts are made to overcome barriers attributable to language preference or disability. The inspection provider shall replace a waived inspection with another inspection and shall complete enough inspections as provided in the policy on post-inspection frequency (see **Table 13-1** and/or Attachment C).

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## 14 Workforce Standards and Contractor Eligibility

### 14.1 All Contractors

#### 14.1.1 Overview

All contractors, their subcontractors, and any other employee working under the ESA MFWB Program shall meet certain requirements set forth by the Program in compliance with D.21-06-015 as authorized in the Lead IOUs' MFWB Compliance Advice Letters.<sup>81</sup> These are outlined below. The Implementer is responsible for verifying that anyone working for the MFWB Program complies with all relevant workforce standards and contractor eligibility requirements. The purpose of this section is to identify these requirements and to provide general information for contractors, ESA contractors and trade allies regarding insurance requirements, licensing requirements, pre-onboard screening, position-specific training, measure training and quality assurance.

#### 14.1.2 Insurance Requirements

All contractors and their employees or subcontractors shall maintain insurance in full force and effect during the life of the contract as prescribed by the utility and/or implementor, with responsible insurance carriers authorized to do business in California.

#### 14.1.3 Licensing Requirements

Any organization or company completing work for the ESA MFWB Program must comply with all applicable federal, state, and local laws and regulations, as well as with utility guidelines.

All contractors and their employees or subcontractors must also comply with any applicable CSLB requirements, including current requirements for electrical, plumbing and HVAC, and must remain in good standing with the CSLB.

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<sup>81</sup> Workforce Standards regarding pre-onboarding screening, position-specific training, measure training, and quality assurance ride-alongs are specified in:  
D.21-06-015, Atch.B, Section C.4 re Implementation Plan contents.  
PG&E AL 4707-G/6842-E (January 24,2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30,2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, pp. B-11—B-13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

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## 14.2 ESA MFWB Program Contractors

### 14.2.1 Overview

ESA MFWB Program Contractors are third-party entities specifically trained and hired by the Implementer to perform work within the scope of ESA Program services. In addition to insurance and licensing requirements, there are additional protocols specific to ESA MFWB Program Contractors that must be fulfilled prior to the commencement of work. Subsection 14.2.2 describes the pre-onboarding screening process. Subsection 14.2.3 specifies position-specific training. Subsection 14.2.4 outlines specific measure trainings. Subsection 14.2.5 discusses quality assurance and ride-alongs.

### 14.2.2 Pre-Onboarding Screening<sup>82</sup>

All Energy Specialists (ESs) conducting in-person outreach to residents in the ESA Program are required to hold a Home Improvement Sales Certificate (HISC) through the CSLB prior to commencing work. ESA contractors must also carry insurance coverage consistent with Program requirements. Implementer will require that all ESA contractors complete background checks, as required, for ESA Program personnel. Implementer verification of position-specific training and execution of non-disclosure agreements and code of conduct are also part of the screening process. Implementer will validate contractor employees meet all required Program criteria prior to issuing Program badges. Both the Implementer and the contractor are responsible for maintaining records.

Program onboarding includes an overview of MFWB policies and procedures, information about leveraged other energy saving programs, and coordination with key stakeholders.

### 14.2.3 Position-Specific Training<sup>83</sup>

The Implementer will leverage current Main ESA curriculum and trainings, including ESA Contractor Training for roles including ES and Weatherization Specialist (WS), and ESA Natural Gas Appliance Testing (NGAT) (discussed in more detail in Section 16).

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<sup>82</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, p. B-12. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>83</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, pp. B-12—13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

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Training may be provided through a variety of modalities, including in-person, virtual and on-the-job training.

## ***14.2.4 Measure Trainings<sup>84</sup>***

The Implementer shall verify all required training is completed prior to performing the applicable measure installations required for the Program. This includes training for assessors and installers on Installation Standards (IS) Manual policies and procedures. The *IS Manual* is used by all IOUs and specifically outlines technical procedures and standards associated with installation of ESA Program measures.

## ***14.2.5 Quality Assurance<sup>85</sup>***

The Implementer shall provide hands-on support for installation contractors in the form of ride-alongs to enhance the quality of installation and field practices. New hires may be required to ride-along with experienced contractors once they complete training. The ride-alongs may also be targeted and unannounced based on third-party inspection results for contractors who need extra support.

## **14.3 Owner Selected Trade Allies**

### ***14.3.1 Overview***

The property owner may select a contractor to perform the work of the ESA MFWB Program on their property, as long as the selected contractor satisfies all requirements set forth in this section, and in Section 14.1.

### ***14.3.2 Onboarding<sup>86</sup>***

Trade Allies will be vetted by the Implementer during Program onboarding for compliance with Program qualifications and standards and quality of common area and whole-building

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<sup>84</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, p. B-13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>85</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, p. B-13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>86</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).

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treatments. Additionally, the Implementer will encourage Trade Allies to complete additional certification training, such as North American Technical Excellence and Air Conditioning Contractors of America and others.

Prior to scope of work approval, the Implementer will confirm that trade allies meet the requirements of the MFWB Property Owner Affidavit (POA) including being licensed, bonded, and insured. By signing the POA, the property owner has confirmed trade allies have the appropriate licenses to install measures included in their installation scope of work. License requirements will be documented in the Program Handbook or Manual. These requirements are subject to change and will be evaluated on an ongoing basis.

### *14.3.3 Quality Assurance<sup>87</sup>*

The Implementer will collect information related to trade ally or owner-selected contractor performance through inspections and customer satisfaction surveys. The Implementer may deem any trade ally that demonstrates questionable performance ineligible for Program participation until completing remedial actions.

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SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, pp. B-12—13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>87</sup> PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.12. Accepted with no changes in ED Disposition Letter (February 23, 2023).  
SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, Section 5, p. B-13. Accepted with no changes in ED Disposition Letter (December 30, 2022).

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## 15 Workforce Education and Training (WE&T)

### 15.1 Overview

The ESA Program has a long history of promoting Workforce Education and Training (WE&T) efforts in support of the statutory requirements for contractors to utilize and employ people from the local area and provide local job training. The ESA contractor workforce is responsible for the success of the Program and the achievements of Program goals. The CPUC has authorized the IOUs WE&T strategies to develop a better skilled workforce that will help the IOUs achieve the goals set out in this decision, bring about efficiencies to Program implementation, and create greater trust with the customers and communities it serves.<sup>88</sup>

This policy provides the policy framework for implementation of the WE&T program within the parameters of the MFES program. This section is not intended to be a comprehensive guide as each IOU and Program Implementer will determine the specific tactics to meet the WE&T goals as determined by Decision 21-06-015, OPs 101, 111 and 124 as summarized below.<sup>89</sup>

- **OP. 102** – Program must leverage the statewide Career & Workforce Readiness (CWR) program to target workers in disadvantaged areas with specific training, as well as partner with organizations that provide training and job-related services.
- **OP. 101, 111** - ESA WE&T objectives shall be met, including hiring of local and disadvantaged workers, worker training, and career-ladder job development, as well as any new metrics to track these objectives.
- **OP. 124** - Workforce outreach plans for leveraging existing available workforce, education and training programs, a preference for hiring from disadvantaged and local communities.<sup>90</sup>

### 15.2 Target Audience

The target audience for WE&T training opportunities are ESA contractor employees and employees of trade ally contractors. This includes field staff, technicians, supervisors and customer support staff. Position specific training requirements for ESA contractors and employees is defined in Section 14.2 of this manual.

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<sup>88</sup> D.19-06-02, p.12.

<sup>89</sup> SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, pp. B-10. Accepted with no changes in ED Disposition Letter (December 30, 2022).

<sup>90</sup> Decision D.21-06-015, Section 7.9.2, p.360.

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## 15.3 Coordination with Training Organizations

Program Implementers will coordinate with industry partners as identified in implementation plans to provide robust upskill opportunities for ESA workers. These may include Career & Workforce Readiness program, workforce development partners, career centers, community colleges and CBOs that target low-income areas and DACs.<sup>91</sup>

## 15.4 Hiring of Disadvantaged Workers

In order to support recruitment and hiring from low-income areas and DACs as well as connecting workers with training that promotes career ladder job development implementers will utilize tactics laid out in Program implementation plans. These tactics may include outreach through job fairs, participation in community events and connecting workers with local community colleges and workforce development partners.

## 15.5 On the Job Training (OJT) and Ride-Alongs

Implementers will support worker upskill training by providing supervised ride-alongs and on-the-job training as defined in Section 14.2. Program field staff will offer information on training and certification programs during ride-alongs.

Implementers will provide links and access to available trainings via an online resource available to contractors and workers.

## 15.6 WE&T Training Metrics

Implementers will collect data to support necessary reporting requirements on workforce education and training as determined by the Program and in accordance with the Decision.<sup>92</sup> These will include at a minimum:

- Percent of incentive dollars spent on contracts with a demonstrated commitment to provide career pathways to disadvantaged workers. Demonstrated commitment refers to contracts with organizations having documented worker upskill training efforts, including partnerships with organizations defined in Implementers Implementation Plan.

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<sup>91</sup> SDG&E AL 4115-E/3144-G (November 30, 2022); Atch. B: ESA Southern MFWB Program Implementation Plan, pp. B-11. Accepted with no changes in ED Disposition Letter (December 30, 2022). PG&E AL 4707-G/6842-E (January 24, 2023); Public Atch. B: ESA MFWB – Northern Region Implementation Plan, Section 5, p.29. Accepted with no changes in ED Disposition Letter (February 23, 2023).

<sup>92</sup> D.21-06-015, Section 6.13.8.1, p.286.

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- Number of CWR participants who have been employed for 12 months after receiving the training.
- Percent of total WE&T training program participants that meet the definition of disadvantaged worker.

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## 16 Natural Gas Appliance Testing for In-Unit Appliances

### 16.1 Overview

This section summarizes the statewide policy on MFWB Program Natural Gas Appliance Testing (NGAT) for appliances for individual dwelling units. Subsection 16.2 discusses the circumstances when such testing must be conducted. Subsection 16.3 presents the general protocols followed in NGAT. Subsection 16.4 discusses pre-weatherization evaluations of gas appliances. Subsection 16.5 addresses the timing of testing. Subsection 16.6 describes actions to be taken when one or more test is failed by an appliance in a participating unit. Subsection 16.7 discusses the types of personnel used for testing.

Specific standards and protocols for NGAT are described in the *MFWB Measure Specifications Manual* and the *IS Manual*.

### 16.2 Applicability of NGAT

#### 16.2.1 General Applicability

In general, NGAT will be conducted for all individual dwelling units that receive infiltration reduction measures and that have at least one natural gas appliance affecting the living space. In addition, the repair and replacement of a natural gas appliance (furnace or water heater) involves appliance testing. See the NGAT section and the applicable appliance replacement section in the *MFWB Measure Specifications Manual* and the *IS Manual*.

#### 16.2.2 Combustion Fuels Other than IOU Natural Gas

Units with non-IOU space heating fuels (e.g., propane) are not eligible for infiltration reduction measures; therefore, they are not eligible for NGAT. Units with IOU-fueled space heating but which use a non-IOU combustion fuel for another appliance (i.e., water heater) are also ineligible for NGAT due to the inability of the IOUs to service combustion appliances using non-IOU fuels.

### 16.3 NGAT Protocols

#### 16.3.1 General Protocols

General NGAT protocols are presented below. Detailed procedures are described in the NGAT section of the *MFWB Measure Specifications Manual* and the *IS Manual*.

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## 16.4 Pre-Weatherization Evaluations of Gas Appliances

In order to avoid cases in which post-weatherization NGAT would discover nonconforming conditions that (a) preclude installation of infiltration reduction measures, and (b) cannot be corrected within the scope of the program, pre-weatherization evaluations of gas appliances are performed during the assessment phase.

Required corrections shall be performed before weatherization commences. The tenant will be informed of conditions that preclude installation of infiltration reduction measures and cannot be remedied by the MFWB Program or landlord (e.g., exhausting gas clothes-dryers to outdoors).

### *16.4.1 Post-Weatherization NGAT*

After completion of weatherization that includes infiltration reduction measures, NGAT is performed for all natural gas appliances affecting the conditioned space.

### *16.4.2 Disposition of Appliance Fails/Problems*

In those cases where NGAT testing is conducted by the WS and a problem is identified, the case will be referred for resolution to qualified utility-trained personnel or a contractor licensed to repair appliances. Such resolution may involve the use of flue CO testing as well as other procedures.

## 16.5 Timing of NGAT

### *16.5.1 Natural Gas Appliances*

Post-weatherization NGAT shall be performed within five (5) working days after installation of infiltration reduction measures is complete.

## 16.6 Actions to be Taken when Appliances Fail NGAT

The following actions will be taken when appliances fail NGAT:

- Natural gas space and water heaters will be provided with service/adjustment and, if necessary, will be repaired or replaced in accordance with utility-specific program policy.
- Utility action to be taken will vary and may be based on the following:
  - Type of measure being installed (energy efficiency, health and safety or electrification)
  - Co-pay requirements as applicable to the IOU

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**Cost restrictions** determine whether to repair a defective appliance. The cost to repair relative to the cost to replace must not exceed the following thresholds (excluding costs of permits and other compliance items):

- Central furnaces: 50%
- Wall/floor/direct vent wall furnaces: 40%
- Water heaters: 50%

## 16.7 Personnel Performing NGAT

The utilities have the option to conduct NGAT utilizing in-house staff or contracting with third parties to provide these services. In all cases, personnel conducting the test must meet the minimum requirements set forth by the Lead Utility.

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## 17 Combustion Appliance Testing for Appliances Serving Common Areas

### 17.1 Overview

This section summarizes the statewide options for completing combustion appliance testing (CAT) on appliances serving multifamily building common areas. Personnel conducting CAT are allowed to use any of the protocols listed below:

- Combustion Appliance Safety (CAS) testing prescribed by the CA Department of Community Services and Development (CSD), or
- Building Performance Institute standard ANSI/BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings, Section 7, Combustion Appliance and Fuel Distribution System Inspection, or
- *IS Manual*, Section 24: Natural Gas Appliance Testing (NGAT) Standards and *MFWB Measure Specifications Manual*, Section X.<sup>93</sup>

Subsection 17.2 discusses the circumstances when such testing must be conducted. Subsection 17.3 presents the general protocols followed in CAT. Subsection 17.4 addresses the timing of testing. Subsection 17.5 describes actions to be taken when one or more test is failed by an appliance serving a common area. Subsection 17.6 discusses the types of personnel used for testing.

Note that specific standards and protocol for CAT are described in the *MFWB Measure Specifications Manual*.

### 17.2 Applicability of CAT

#### 17.2.1 General Applicability

In general, CAT will be conducted for all common areas that receive infiltration reduction measures and that utilize at least one natural gas appliance affecting the conditioned space. In addition, the repair and replacement of a natural gas appliances (furnace or water heating system) involves appliance testing.

For large common areas and complex whole building systems, testing may occur as part of the manufacturer's recommended system startup and commissioning procedures for which detailed policies are included the *MFWB Measure Specifications Manual*.

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<sup>93</sup> Section number not yet determined.

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## ***17.2.2 Applicability of Combustion Fuels Other than IOU Natural Gas***

Common areas with non-IOU (e.g., propane) space heating fuels are not eligible for infiltration reduction measures. Therefore, they are not eligible for CAT. Common areas with IOU-fueled space heating but which use a non-IOU combustion fuel for another appliance (i.e., water heater) are also ineligible for CAT due to the inability of the IOUs to service combustion appliances using non-IOU fuels. For policies regarding appliance testing for appliances serving areas other than a common area, see Section 16: Natural Gas Appliance Testing for In-Unit Appliances and Section 19: Commissioning for Whole Building Mechanical Systems.

## **17.3 CAT Protocols**

### ***17.3.1 General Protocols***

General CAT protocols are presented below. Detailed procedures, processes and requirements for each allowable test procedure are further discussed in:

- ❑ Combustion Appliance Safety (CAS) testing prescribed by the CA Department of Community Services and Development (CSD)
- ❑ Building Performance Institute standard ANSI/BPI-1200-S-2017 Standard Practice for Basic Analysis of Buildings, Section 7, Combustion Appliance and Fuel Distribution System Inspection
- ❑ NGAT section of the *MFWB Measure Specifications Manual* and the *IS Manual*

### ***17.3.2 Pre-Weatherization Evaluations of Combustion Appliances***

In order to avoid cases in which post-weatherization CAT would discover nonconforming conditions that cannot be corrected within the scope of the program, some pre-weatherization evaluations of gas appliances may be performed during the assessment phase.

Required corrections shall be performed before weatherization commences. The building owner or property management staff will be informed of conditions that preclude installation of infiltration reduction measures and cannot be remedied by the MFWB Program or the building owner.

### ***17.3.3 Post-Weatherization CAT***

After completion of weatherization that includes infiltration reduction measures, CAT is performed for all natural gas appliances affecting the conditioned space.

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## 17.4 Timing of CAT

### 17.4.1 Natural Gas Appliances

Post-weatherization CAT shall be performed within five (5) working days after installation of infiltration-reduction measures is complete.

## 17.5 Actions to be Taken when Appliances Fail CAT

The following actions will be taken when appliances fail CAT: and will not be replaced as part of the MFWB Program.

- The owner will be notified of the failed appliance and will be responsible for correction.
- Common areas affected by the failed appliance will not receive new infiltration reduction measures.

## 17.6 Personnel Performing CAT

The utilities/implementers have the option to conduct CAT utilizing in-house staff, contracting with third parties, or relying on qualified installing contractors to provide these services.

Combustion appliance testing of common area appliances may be conducted by a certified technician or individual closely supervised by such technicians. Utilities and the MFWB Program Implementers may have different minimum technical skill requirements for CAT personnel and may require that individuals performing CAT meet certification and training requirements specified by the utility and or implementer.

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## 18 Natural Gas Appliance Evaluation for In-Unit Appliances

### 18.1 Overview

This section summarizes the statewide policy on natural gas appliance evaluation (NGAE) inside a dwelling unit for the purpose of determining if an appliance may be replaced.

Note that specific standards and protocols for NGAE are described in the *IS Manual*.

### 18.2 Applicability of NGAE

#### 18.2.1 General Applicability

In general, NGAE may be conducted for all natural gas space- and water- heating appliances prior to the installation of weatherization measures to determine if replacement is within the scope of the MFWB Program. Those units not meeting the replacement criteria will be referred for weatherization services.

#### 18.2.2 Applicability to Combustion Fuels Other than IOU Natural Gas

Units with non-IOU (e.g., propane) fuel are not eligible for appliance evaluation or appliance repair and replacement.

### 18.3 NGAE Protocols

#### 18.3.1 General Protocols

General NGAE protocols are presented below. Detailed procedures are described in the NGAE section of the *IS Manual*.

#### 18.3.2 Pre-Replacement Evaluations of Gas Appliances

Prior to the installation of weatherization measures, an evaluation of natural gas space heating and water heating appliances may be conducted. Natural gas appliances failing the evaluation may be referred or replaced in accordance with the implementer-specific program implementation plan.

#### 18.3.3 Post-Replacement Safety Testing for Gas Appliances

NGAT is performed immediately following appliance replacement. Corrections shall be made to appliances failing one or more of the post-replacement safety tests.

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If infiltration reduction measures were installed after the appliance has been replaced, NGAT shall also be conducted for all natural gas appliances affecting the living space in accordance with the NGAT section of the *IS Manual*.

## **18.4 Personnel Performing NGAE**

The utilities have the option to conduct NGAE using in-house staff or contracting with third parties to provide these services.

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## 19 Commissioning for Whole Building Mechanical Systems

### 19.1 Overview

Commissioning is performed for complex whole-building mechanical systems that are replaced under the Program. The protocol is conducted to verify proper operation performance of large HVAC equipment for which the manufacturer specifies startup and verification procedures specific to their equipment.

Commissioning usually exceeds the scope of NGAT and is subject to Program Implementer approval and the requirements and approval of the AHJ as part of permitting requirements.

Subsection 19.2 discusses the circumstances when such commissioning must be conducted. Subsection 19.3 presents the general protocols followed in commissioning. Subsection 19.4 addresses the timing of commissioning. Subsection 19.5 discusses the types of personnel used for commissioning.

### 19.2 Applicability of Commissioning

#### 19.2.1 General Applicability

In general, commissioning is applicable for complex mechanical systems and will be conducted for all new and retrofitted systems installed in whole buildings.

In Title 24, Complex mechanical systems may include, but are not limited to, the following:

- Air handling components that serve multiple thermostatically controlled zones
- Built-up air handler systems (non-unitary or non-packaged HVAC equipment)
- Hydronic or steam heating systems
- Hydronic cooling systems

Complex mechanical systems are NOT the following:

- Unitary or packaged equipment listed in Title 24 Tables 110.2-A, 110.2-B, 110.2-C, or 110.2-E that each serve one zone
- Two-pipe, heating-only systems serving one or more zones

Those not considered complex mechanical systems will be subject to CAT protocols.

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## ***19.2.2 Combustion Fuels Other than IOU Natural Gas***

Buildings with non-IOU (e.g., propane) space heating fuels or domestic water heating are not eligible for commissioning. Buildings with IOU-fueled space heating but which use a non-IOU combustion fuel for another appliance (i.e., water heater, boiler) are also ineligible for replacement and commissioning.

## **19.3 Commissioning Protocols**

### ***19.3.1 General Protocols***

General commissioning protocols are presented below. Detailed procedures are usually specific to the product; however, basic commissioning practices are included in Section X of the *MFWB Measure Specifications Manual*. Additionally, the resources listed below include applicable protocols for commissioning.

- ASHRAE
- [Title 24 Commissioning Section 13 for Mechanical Systems](#)

### ***19.3.2 Pre-Weatherization Assessment of Gas Appliances***

Assessment of gas appliances may occur before weatherization commences to avoid cases in which nonconforming conditions cannot be corrected within the scope of the program.

### ***19.3.3 Post-Weatherization Commissioning***

Commissioning is performed for all complex natural gas appliances replaced by the program.

### ***19.3.4 Disposition of Appliance Fails/Problems***

In cases where the safety testing component of the commissioning protocol identifies a problem, the case will be referred for resolution to qualified utility-trained personnel or a contractor licensed to repair appliances. Such resolution may involve the use of flue CO testing as well as other procedures.

## **19.4 Timing of Commissioning**

Commissioning may begin before weatherization (the installation/repair of equipment), commence during weatherization, or take place after weatherization is complete. If the equipment being installed includes combustion appliances that effect a conditioned space, an appliance safety test shall be performed within five (5) working days after installation of infiltration-reduction measures is complete.

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## 19.5 Personnel Performing Commissioning

The personnel performing commissioning activities are usually members of the installing contractors hired by and in contract with the property owner. Utilities and the MFWB Program Implementers may have different minimum technical skill requirements for commissioning personnel and require that individuals meet certification and training requirements specified by the utility.

Personnel performing commissioning shall have a working knowledge of mechanical systems, follow applicable best practices and codes and standards, and commissioning procedures for the equipment being installed or retrofitted.

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## **Attachment A** Eligible MFWB Program Measures

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**Table A-1: MFWB Program Measures<sup>1</sup>**

Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
<b>Safety Testing</b>													
NGAT	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed			✓						✓			
<b>Appliance and Plug Load</b>													
Tier II Adv. Power Strips	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
High Efficiency Clothes Washers	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
Refrigerator Replacement	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
Advanced Keyboard	Deed	N/A	All	✓	✓								
	Non-Deed			✓	✓		CAM						
<b>Enclosure</b>													
Envelope / Air Sealing Measures <sup>3</sup>	Deed	N/A	All	✓	✓	✓		HEU	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM			✓	✓	✓	CAM, WB
Caulking	Deed	N/A	All	✓				N/A	All	✓	✓		
	Non-Deed			✓						✓	✓		CAM
Weatherstripping	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed			✓						✓			
Attic Insulation	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB
Floor Insulation	Deed	HEU	All	✓									
	Non-Deed			✓									

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Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
Wall Insulation	Deed	N/A	All		✓	✓		N/A	All		✓	✓	
	Non-Deed				✓	✓	CAM, WB				✓	✓	CAM, WB
Minor Repairs <sup>5</sup>	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB
Window Replacement	Deed	N/A	All	✓	✓	✓		N/A	All	✓			
	Non-Deed			✓	✓	✓	CAM, WB			✓			
Window Film	Deed	N/A	All		✓	✓		N/A					
	Non-Deed				✓	✓	CAM, WB						
<b>HVAC</b>													
Central HVAC Filter Replacement	Deed							N/A	All		✓		
	Non-Deed										✓		CAM
Central A/C Tune-Up	Deed	N/A	All	✓									
	Non-Deed			✓									
Smart Thermostats	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
Efficient Fan Controller	Deed	N/A	All		✓			N/A	All	✓	✓		
	Non-Deed				✓		CAM			✓	✓		CAM
Blower Motor Retrofit	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Duct Testing and Sealing	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Gas FAU Repair / Replace <sup>4</sup>	Deed	N/A	All	✓				N/A	All	✓	✓		
	Non-Deed			✓						✓	✓		CAM
Gas Central Furnace Upgrade	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM

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Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
Gas Wall/Floor Furnace Replace	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed			✓						✓			
Gas Wall Furnace Repair	Deed	N/A	All	✓				N/A	All	✓	✓		
	Non-Deed			✓						✓	✓		CAM
Ducted A/C Replacement	Deed	N/A	11-14	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
Ducted A/C Repair	Deed							N/A	All		✓		
	Non-Deed										✓		CAM
Ducted Heat Pump Replacement	Deed	N/A	All	✓	✓			N/A	All		✓		
	Non-Deed			✓	✓		CAM				✓		CAM
PTAC/PTHP	Deed	N/A	11-14		✓						✓		
	Non-Deed				✓		CAM		✓		CAM		
Window Evaporative Cooler	Deed							N/A	10, 13-16	✓			
	Non-Deed									✓			
Space Heating Boilers	Deed	N/A	All				✓	N/A	All				✓
	Non-Deed						✓			WB		✓	WB
Ductless Mini Splits	Deed							N/A		✓			
	Non-Deed								✓				
Room Heat Pump	Deed	N/A	All	✓									
	Non-Deed			✓									
<b>Lighting</b>													
LED Bulbs	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed			✓	✓		CAM			✓	✓		CAM
LED Exit Signs	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM

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Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
LED Tube Lamps	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Interior LED Fixtures/Retrofit Kits	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Exterior LED Fixtures/Retrofit Kits	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Ext. LED Wall-Mount Lighting	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Ext. LED Pole-Mount Lighting	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
LED Parking Garage Lighting	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
LED Pool Lighting	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Occupancy Sensors	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
<b>Domestic Hot Water</b>													
Faucet Aerators	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed				✓	✓				CAM		✓	✓
Low-Flow Showerhead or Combined Showerhead TSV	Deed	N/A	All	✓	✓			N/A	All	✓	✓		
	Non-Deed				✓	✓				CAM		✓	✓
Thermostatic Shower Valve	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed				✓						✓		
Thermostatic Tub Spouts	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed				✓						✓		

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Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
Gas Storage Water Heater Replace	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓		
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓		CAM
Gas Tankless Water Heater Replace	Deed	N/A	All		✓	✓		N/A	All		✓	✓	
	Non-Deed				✓	✓	CAM, WB				✓	✓	CAM, WB
Gas Water Heater Repair	Deed	N/A	All	✓				N/A	All	✓	✓		
	Non-Deed			✓						✓	✓		CAM
Heat Pump Water Heaters	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓		
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓		CAM
Domestic Hot Water Boilers	Deed	N/A	All			✓		N/A	All			✓	
	Non-Deed					✓	WB				✓	WB	
Boiler Controls	Deed	N/A	All			✓		N/A	All			✓	
	Non-Deed					✓	WB				✓	WB	
Demand Control Hot Water Recirculation Pumps and Controls	Deed	N/A	All			✓		N/A	All			✓	
	Non-Deed					✓	WB				✓	WB	
Pipe Insulation	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB
Water Heater Blankets	Deed	N/A	All	✓				N/A	All				
	Non-Deed			✓									
Dual Setpoint Controller for Combination Boilers	Deed	N/A	All					N/A	All			✓	
	Non-Deed										✓	WB	
<b>Miscellaneous</b>													
CO Alarms	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB
Smoke Alarms	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB

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Measure	Deed Restriction	Northern						Southern					
		Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay	Special Segments <sup>2</sup>	CZ <sup>1</sup>	I U	C A M	W B	Copay
Portable A/C	Deed	MBL & DAC/ Tribal / Rural	11-14	✓				MBL & DAC/ Tribal / Rural	10,13-15	✓			
	Non-Deed			✓						✓			
Pool Heater Replacement	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Pool/Spa Pump Replacement	Deed	N/A	All		✓			N/A	All		✓		
	Non-Deed				✓		CAM				✓		CAM
Air Purifiers	Deed	MBL & DAC/ Tribal / Rural	All	✓				MBL & DAC/ Tribal / Rural	All	✓			
	Non-Deed			✓						✓			
Cold Storage	Deed	Wildfire Tier 2 or Tier 3	All	✓									
	Non-Deed			✓									
<b>Fuel Sub./Switch.</b>													
Cooking Appliance FS/S (Stove, Oven, Cooktop)	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed			✓						✓			
Heat Pump Clothes Dryer FS/S	Deed	N/A	All	✓				N/A	All	✓			
	Non-Deed			✓						✓			
Ducted Heat Pump FS/S	Deed	N/A	All	✓	✓			N/A	13-15	✓			
	Non-Deed			✓	✓		CAM			✓			
Ductless Mini Split FS/S	Deed	N/A	All	✓	✓			N/A	13-15	✓			
	Non-Deed			✓	✓		CAM			✓			
Heat Pump Water Heater FS/S	Deed	N/A	All	✓	✓	✓		N/A	All	✓	✓	✓	
	Non-Deed			✓	✓	✓	CAM, WB			✓	✓	✓	CAM, WB

**Table A-1 Footnotes:**

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<sup>1</sup> **Table A-1** indicates the specific program measures that may be provided to participants for the ESA Program in accordance with the *IS Manual*. The climate zones referenced are developed by the CEC, and may be located at: <http://www.energy.ca.gov/maps/renewable/BuildingClimateZoneMap.pdf>, and are updated regularly at [http://www.energy.ca.gov/maps/renewable/building\\_climate\\_zones.html](http://www.energy.ca.gov/maps/renewable/building_climate_zones.html)

<sup>2</sup> Special Segments are as defined in the IOUs' Application and approved in D.21-06-015.

<sup>3</sup> Includes Caulking, Cover Plate Gaskets, Evaporative Cooler Cover, Air Conditioner Cooler Discharge Cover, Attic Access Weatherstripping and Minor Home Repairs (which include repairs such as ceiling repair, cover plates, door jams, door patch/plate, door replacement, exhaust fan vents, exterior wall repair, foam wall patching, interior wall repair, glass replacements, glazing compounds, lock sets (exterior door) windowsill repair, thresholds, vent repair and alignment, and window repair).

<sup>4</sup> Includes gas water heaters and furnaces.

<sup>5</sup> There are multiple sub-measures included under minor home repairs. Minor home repairs are constituted by services that reduce infiltration (e.g., window repairs), mitigate a hazardous condition (e.g., CVA correction), or accommodate the installation of program measures (e.g., attic venting).

*Note:* In situations where there are questions regarding the interpretation of a certain measure, the Utilities shall use D. 21-06-015 or subsequent superseding decision as the overriding authority.

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## **Attachment B** Household Income Types and Documentation for In-Unit Enrollment

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**Table B-1: Household Income Types and Documentation for In-Unit Enrollment**

FULL DOCUMENTATION (NON-CATEGORICAL)	CATEGORICAL <sup>4</sup>
<b>Alimony or child support</b>	<b>Bureau of Indian Affairs</b>
<ul style="list-style-type: none"> <li>- Check or check stubs</li> <li>- Most recent court documents</li> <li>- Affidavit of income</li> <li>- Notarized document</li> <li>- Bank statement with direct deposit source (gross amount)</li> </ul>	<ul style="list-style-type: none"> <li>- Award letter or Notice of Action letter</li> <li>- Bank statement with direct deposit source (gross amount)</li> <li>- Screen shot/print screen<sup>1</sup> from issuing agency</li> <li>- Copy of uncashed check</li> <li>- Case worker may fax information to Program Representative</li> </ul>
<b>Capital or other gains</b>	<b>LIHEAP (Low Income Home Energy Assistance Program)</b>
<ul style="list-style-type: none"> <li>- Federal income tax filing with W2s and/or 1099s attached</li> </ul>	<ul style="list-style-type: none"> <li>- CSD Form 43</li> <li>- Proof of LIHEAP payment to utility</li> </ul>
<b>Disability or unemployment</b>	<b>Medi-Cal</b>
<ul style="list-style-type: none"> <li>- Check or check stubs</li> <li>- Award letter/Notice of Action letter</li> <li>- Screen shot/print screen<sup>1</sup> from issuing agency with linking document(s)</li> <li>- Federal income tax filing with W2s and/or 1099s attached</li> </ul>	<ul style="list-style-type: none"> <li>- 3rd party Medi-CAL card (LA Care, IEHP, HealthNet, etc.)<sup>5</sup></li> <li>- Adoption Assistance or Foster Care award letter</li> <li>- Award letter or Notice of Action letter</li> <li>- Issuance History Printout Stamped by the County</li> <li>- 1095-B from the Department of Health Care Services</li> <li>- Benefits ID card (issued with 12 months)</li> <li>- Screen shot/print screen<sup>1</sup> from issuing agency</li> <li>- Screen shot/print screen<sup>1</sup> from website</li> </ul>
<b>Foster Care/VA Benefits/Workers Comp.</b>	<b>Medi-Cal/Medi-Caid Assistance</b>
<ul style="list-style-type: none"> <li>- Bank statement with direct deposit source (gross amount)</li> <li>- Check or check stubs</li> <li>- Award letter/Notice of Action letter</li> </ul>	<ul style="list-style-type: none"> <li>- Award letter/Notice of Action letter</li> <li>- Benefits ID card with a valid issue date within past 12 months of enrollment date</li> <li>- Tax Form 1095-B</li> </ul>
<b>Gambling/lottery winning</b>	<b>Medi-Cal for Families</b>
<ul style="list-style-type: none"> <li>- Case-by-case (ESA Program approval required)</li> </ul>	<ul style="list-style-type: none"> <li>- Award letter or Notice of Action letter</li> <li>- Current (&lt;60days) premium statement (not past due)</li> </ul>
<b>General relief (cash assistance)</b>	
<ul style="list-style-type: none"> <li>- Bank statement with direct deposit source (gross amount)</li> <li>- Award letter/Notice of Action letter</li> <li>- Copy of uncashed check(s)</li> </ul>	
<b>Insurance/legal settlements<sup>2</sup></b>	
<ul style="list-style-type: none"> <li>- Bank statement with direct deposit source (gross amount)</li> <li>- Settlement document</li> <li>- Annuity letter</li> </ul>	

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- Check stub	- Screen shot/print screen <sup>1</sup> from issuing agency
<b>Interest/Dividends</b>	- Screen shot/print screen <sup>1</sup> from website
- Bank statement with direct deposit source (gross amount)	- Tax Form 1095-B
- Customer's investment statement(s)	<b>NSLP (National School Lunch Program)</b>
- Federal income tax filing with W2s and/or 1099s attached	- Case-by-case (ESA Program approval required)
<b>Monetary gift(s)</b>	<b>SNAP (Supplemental Nutrition Assistance Program) CALFRESH</b>
- Bank statement with direct deposit source (gross amount)	- Award letter or Notice of Action letter
- Affidavit of income	- Screen shot/print screen <sup>1</sup> from issuing agency
<b>Pension/401K(IRA) disbursement<sup>2</sup></b>	- Screen shot/print screen <sup>1</sup> from website (CA.gov) showing current participation
- Bank statement with direct deposit source (gross amount)	- Case worker may fax information to Program Representative
- Check or check stubs	<b>SSI (Supplemental Security Income)</b>
- Award letter/Notice of Action letter	- Award letter or Notice of Action letter
- Federal income tax filing with W2s and/or 1099s attached	- Bank statement with direct deposit source (gross amount)
- Form 1099	- Form SSA-1099
<b>Rental income or royalty payments<sup>3</sup></b>	- Screen shot/print screen <sup>1</sup> from issuing agency
- Rental receipts	- Copy of uncashed check
- Rental agreement specifying rent amount AND affidavit	- Case worker may fax information to Program Representative
- Federal income tax filing with Schedule E attached	<b>TANF (Temporary Assistance for Needy Families) CALWORKS</b>
<b>School grants/scholarships/student aid/foreign exchange<sup>2</sup></b>	- Award letter or Notice of Action letter
- Cancelled check(s)	- Bank statement with direct deposit source (gross amount)
- Award letter/Notice of Action letter	- Screen shot/print screen <sup>1</sup> from issuing agency
<b>Self-employment earnings<sup>3</sup></b>	- Copy of uncashed check
- Federal income tax filing with Schedule C attached	- Case worker may fax information to Program Representative
- Affidavit of income	<b>Tribal Headstart</b>
<b>SSA (Social Security)</b>	- Award letter or Notice of Action letter
- Bank statement with direct deposit source (gross amount)	<b>Tribal TANF</b>
- Screen shot/print screen <sup>1</sup> from issuing agency showing current participation	- Award letter or Notice of Action letter
- Award letter/Notice of Action letter	
- Federal income tax filing with W2s and/or 1099s attached	

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<ul style="list-style-type: none"> <li>- Form 1099</li> <li>- Uncashed check(s)</li> <li>- Case worker may fax information to the Program Representative</li> </ul>
Union strike benefits
<ul style="list-style-type: none"> <li>- Benefits payment stubs</li> </ul>
Wages/salaries/commissions
<ul style="list-style-type: none"> <li>- Federal income tax filing with W2s and/or 1099s attached</li> <li>- Payroll check stub(s) or deposit notice(s)</li> <li>- Affidavit from the employer (for cash wages only and only for one employer)</li> </ul>

<ul style="list-style-type: none"> <li>- Bank statement with direct deposit source (gross amount)</li> <li>- Screen shot/print screen<sup>1</sup> from issuing agency</li> </ul>
WIC (Women, Infants and Children)
<ul style="list-style-type: none"> <li>- Award letter or Notice of Action letter</li> <li>- Grocery receipt with WIC phone app screen shot/print screen<sup>1</sup></li> <li>- WIC phone app screen shot/print screen<sup>1</sup></li> <li>- WIC shopping list</li> </ul>

<sup>1</sup> Screen shot/print screen must clearly link customer to household.

<sup>2</sup>Not including loan proceeds.

<sup>3</sup> For rental income and self-employment income, only positive values of income are included. Negative net rents and negative self-employment income are ignored.

<sup>4</sup>Where not provided in cash distributions, participation in these public purpose programs is considered for categorical eligibility enrollment purposes only. Categorical eligibility enrollment requirements may differ across the utilities.

<sup>5</sup>Card must state that the customer is participating in Medi-Cal program.

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## Attachment C Inspection Pass Rates

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**Table C-1: Expanded Inspection Pass Rate Tables**

Pass Rate	Number of Homes Complete by Contractor											
	100	200	300	400	500	600	700	800	900	1000	1100	1200
70%	82	140	182	215	241	262	279	294	306	317	326	335
75%	78	129	164	190	210	226	238	249	258	265	272	278
80%	73	115	143	162	176	187	195	202	208	213	217	221
85%	66	98	117	129	138	145	150	154	158	161	163	165
90%	55	75	86	93	97	100	103	105	106	107	109	109
95%	37	45	48	50	51	52	53	53	54	54	54	54

Pass Rate	Number of Homes Complete by Contractor											
	1300	1400	1500	1600	1700	1800	1900	2000	2500	3000	3500	4000
70%	342	349	354	360	365	369	373	377	391	402	410	416
75%	283	287	291	295	298	301	303	306	315	322	327	331
80%	224	227	229	232	234	235	237	238	244	248	251	254
85%	167	168	170	171	172	173	174	174	178	180	181	182
90%	110	111	111	112	112	113	113	113	115	116	116	117
95%	55	55	55	55	55	55	55	55	56	56	56	56

Pass Rate	Number of Homes Complete by Contractor											
	4500	5000	5500	6000	6500	7000	7500	8000	8500	9000	9500	10000
70%	421	425	428	431	433	435	437	439	440	441	442	443
75%	334	337	339	340	342	343	344	345	346	347	348	348
80%	255	257	258	259	260	261	261	262	262	263	263	263
85%	183	184	185	185	186	186	186	187	187	187	187	187
90%	117	117	118	118	118	118	118	119	119	119	119	119
95%	56	56	56	56	56	57	57	57	57	57	57	57

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## **Attachment D** Electrification Policy for MFWB Program

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## Section A: Common Terms and Definitions

- **Auxiliary Measures** -- Auxiliary measure is defined as new electrical equipment installed that directly facilitates the installation of fuel substitution measures and is distinguished from Remediation activities.
- **Co-Funding** – Some electrification measures may be co-funded between Main ESA/MFWB Programs and one (or more) other non-rate payer funded programs. Main ESA/MFWB should perform due diligence to make sure that total co-funded payments for these measures do not exceed 100% of the measure cost.
- **Cost-Sharing** – Many co-funded measures require cost sharing agreements between landlord/property owners and the Main ESA IOUs or MFWB Implementers/Lead IOUs.
- **D.21-06-015 (Also called “the ESA Decision”)** – The Decision on Large Investor-Owned Utilities’ and Marin Clean Energy’s California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rates Assistance (FERA) Program Applications for Program Years 2021-2026, in Application 19-11-003 et al. (Also called “The ESA Decision”).
- **Decarbonization** – “Building decarbonization” refers to the umbrella of methods to reduce greenhouse gas emissions from buildings. California buildings contribute approximately 24% of greenhouse gas emissions in the state. California has identified building decarbonization as a key strategy to meeting its long-term climate goals.
- **Deed Restriction** – Deed restriction, for the purposes of the Energy Savings Assistance (ESA) Program, will be defined consistent with Decision 17-12-009, which provides: “Eligible properties must meet the partial definition of deed-restricted in California Public Utilities Code Section 2852(a)(A) further modified here. For this ESA Program multifamily effort, a property must be a multifamily residential complex financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants.” (D.21-06-015, OP.155. D.21-06-015 p.372, fn.969: *D.16-11-022, modified by D.17-12-009, p.212.*)
- **Electrification** – Electrification converts an energy-consuming device, system, or sector from non-electric sources of energy to electricity.<sup>1</sup> Building Electrification is the electrification of building end-use appliances that currently use natural gas, propane, or other fossil fuels to operate.
- **(The) ESA Decision (Also called “D.21-06-015”)** – The Decision on Large Investor-Owned Utilities’ and Main Clean Energy’s California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric

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<sup>1</sup> <https://www.energy.gov/electricity-insights/what-electrification>

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Rates Assistance (FERA) Program Applications for Program Years 2021-2026, in Application 19-11-003 et al.

- **ESA Measure Offering Proposal Protocols to Retire, Modify and Add New Measures** – The approved process by which ESA/MFWB measures (including electrification measures) may be retired, modified or added. This protocol requires measure retirements, modifications and additions be proposed and discussed through the ESA Policy & Procedures/Installation Standards Sub Working Group before being submitted to the ESA WG for approval. Once approved, ESA measure offerings are updated to the public through the ESA Monthly Reports.
- **Fuel Substitution** – Fuel substitution measures involve energy efficiency projects where all or a portion of a building’s existing energy use is converted from one fuel to another (i.e., natural gas to electricity). Only equipment fueled by regulated natural gas fuels being replaced with electrically powered equipment provided by a CPUC-regulated investor-owned utility or a municipal utility are eligible to provide fuel substitution measures in this policy. (D.19-08-009, August 5, 2019, pp.12 and 53. In Rulemaking R1311005.) Fuel substitution measures as defined above must pass the Fuel Substitution Test (FST). The FST has two components, herein referred to as Part 1 and Part 2 of the FST: Part 1) The measure must not increase total source energy; and Part 2) The measure must not adversely impact the environment. Fuel substitution measures are allowed in the MFWB Program.
- **Fuel Switching** – The replacement of equipment powered by non-utility (unregulated) fuels with electric measures for the same end use. Unregulated fuels include, but are not limited to, solid heating fuels, propane or fuel oil. Fuel switching measures may be allowed in the Main ESA Program as authorized by the Commission.
- **Main Distribution Panel (MDP)** – Receives power from the electrical grid supply feeder and distributes electricity to various circuits throughout the home.
- **Maximum Cost Cap per Unit** – Limits on the cost that can be incurred for an individual unit without the specific approval of the utility Program Administrator.
- **Non-Deed Restricted Properties** – Also known as “Market Rate Properties.” These are multifamily residential complexes that are *not* financed with low income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants. These multifamily properties can receive 100% of in-unit project costs and up to 50% for common area and whole building measures. (D.21-06-015, OP.138, and Section 7.9.4, p.362.)
- **SMJU** – Small Multi-Jurisdictional Utilities

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## 1 Introduction

### 1.1 Overview and Decision Directive

In Decision (D.) 21-06-015—the Decision on Large Investor-Owned Utilities (IOUs)<sup>2</sup> and Marin Clean Energy’s California Alternative Rates for Energy (CARE), Energy Savings Assistance (ESA), and Family Electric Rate Assistance (FERA) Program Applications for Program Years 2021-2026—the California Public Utility Commission (CPUC or Commission) approved two SCE electrification pilots<sup>3</sup> and consideration for highly efficient electrification measures in the newly authorized Northern and Southern Multifamily Whole Building (MFWB) programs.<sup>4</sup> The Commission declined to impose new restrictions on ESA investments in Electrification until more information was gathered from the San Joaquin Valley Disadvantaged Communities (SJV DAC) and SCE electrification pilots (see D.21-05-015, Sec.7.9.11).<sup>5</sup>

D.21-06-015 allowed efficient electrification measures to be considered during the 2021-2026 program cycle following the mid-cycle progress report and results from the various ongoing pilots and studies.<sup>6</sup> The ESA Working Group (ESA WG) was tasked to consider any updates proposed by the IOUs, including the role of electrification in the ESA and MFWB Programs.<sup>7</sup> D.21-06-015 approved specific fuel substitution and switching measures in SCE’s Main ESA program, and all IOUs may use the current ESA Measure Offering Proposal Protocols to request to add, modify, or retire ESA and MFWB measures, including electrification measures.<sup>8</sup>

These policies also apply to MFWB projects where the electrification measures are being co-funded by external programs, such as TECH Clean CA, Equitable Building Decarbonization, DOE Weatherization Assistance Program (WAP), etc. In cases where an external program is

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<sup>2</sup> The IOUs are: Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas).

<sup>3</sup> D.21-06-015, OP.163 and OP.164 approved SCE’s Building Electrification (BE) and Clean Energy Homes pilots. See also Section 8.5.3.1, pp.386-387 and Section 8.6.2.1, pp.389-390.

<sup>4</sup> D.21-06-015, OP.124. See also Section 7.9.2, p.359.

The branded, customer-facing program name of the MFWB Program is Multifamily Energy Savings Program (MFES).

<sup>5</sup> D.21-06-015, Section 6.5.8.6, pp.195-196.

<sup>6</sup> Ibid.

<sup>7</sup> D.21-06-015, Section 10.3.6.3, p.420.

<sup>8</sup> The ESA Working Group’s ESA Measure Offering Proposal Protocols to Retire, Modify and Add New Measures in the MFWB Program Policies & Procedures Manual (Section 8.3, pp.49-50, and see ff.70 and 71).

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providing co-funding, but the project is overseen by ESA implementers as part of the ESA treatment, these ESA electrification policies apply.

This MFWB Electrification Policy Attachment (*Electrification Policy*) was written by the Ad Hoc Electrification Policy Development Sub-Group of the ESA WG's Policy & Procedures/Installation Standards Sub-Working Group (PP/IS SWG). The Ad Hoc Sub-Group included representatives from the IOUs, Main ESA and MFWB Implementers, CPUC Energy Division, and RHA's Technical Division contracted to help draft and maintain the MFWB Program Policies & Procedures and Measure Specifications Manuals. The policies in this Electrification Attachment focus on MFWB policies that are unique to electrification. All other MFWB policies described in this *MFWB P&P Manual*<sup>9</sup> apply.

The *Electrification Policy* describes electrification policies for the MFWB Program based on:

- Decision directives and Advice Letters
- Pilots, studies and reports
- Lessons learned and best practices (especially as identified in recent electrification and SJV DAC pilots)
- Innovation (including from other programs such as TECH, or CCA sponsored programs)

The results from these efforts (i.e., pilots, studies, SJV, TECH, etc.) should continue to shape the *Electrification Policy* to ensure safe and accessible electrification solutions for low-income customers. The *Electrification Policy* will be reviewed, updated and revised on an ongoing basis to keep it current.

Electrification policy for the MFWB Program allows for the implementation of fuel substitution measures.) Fuel substitution measures involve energy efficiency projects where all or a portion of a building's existing energy use is converted from one fuel to another (i.e., natural gas to electricity). Only equipment powered by regulated natural gas fuels being replaced with electrically powered equipment provided by a CPUC-regulated or a municipal utility are eligible to provide fuel substitution measures in this policy.<sup>10</sup> Fuel substitution measures as defined above must pass the Fuel Substitution Test (FST). The FST has two components, herein referred to as Part 1 and Part 2 of the FST: Part 1) The measure must not increase total source energy; and

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<sup>9</sup> California Statewide Energy Savings Assistance Program Multifamily Whole Building Policy and Procedures Manual, Version 3.0, April 18, 2025 (*MFWB P&P Manual*).

<sup>10</sup> D.19-08-009, August 5, 2019, pp.12 and 53. In Rulemaking R1311005.

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Part 2) The measure must not adversely impact the environment. Fuel substitution measures are discussed in Section 6 herein.

## 1.2 Policy Scope

This policy applies to all fuel substitution measures installed in the MFWB Program as of the date of approval by the ESA Working Group. The policy does not apply to fuel substitution measures which have already been installed under the MFWB Program. Additionally, the policy does not apply to fuel substitution measures installed as a part of the CPUC approved ESA pilots implemented in the current program cycle. This policy does not apply to fuel switching measures other than as addressed in Section 6.3 herein.

## 1.3 Structure of this Attachment

Section A: Common Terms and Definitions includes the common terms and definitions pertaining to the MFWB Program that are used in this *Electrification Policy*. The remainder of this *Electrification Policy* is organized as follows:

**Section 2** describes Customer Eligibility.

**Section 3** describes Impact on Customer Energy Bills.

**Section 4** describes Incentives, Co-Payments and Cost Sharing for Certain Whole Building and Common Area Measures.

**Section 5** describes Guidelines for Electrical System Assessment.

**Section 6** describes Fuel Substitution Measures.

**Section 7** describes Type of Remediation Allowed.

**Section 8** describes Cost Maximums and Tenant Protection/Rent Affordability.

**Section 9** describes Customer Education.

**Section 10** describes Natural Gas Appliance Testing and Evaluation.

**Section 11** describes Combustion Appliance Testing for Appliances Serving Common Areas.

**Section 12** describes Commissioning for Whole Building Mechanical Systems.

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## 2 Customer Eligibility

### 2.1 Overview

This section discusses eligibility that is unique for electrification measures. All other matters of customer eligibility related to ESA are addressed in Section 5 of the *MFWB P&P Manual*.<sup>11</sup> Eligibility for electrification may depend on several factors, as detailed in the subsections below.

#### 2.1.1 Active CPUC-Regulated Gas and/or Electric Account

To be eligible for electrification, a customer must be served by an active CPUC-regulated gas and/or electric account/meter.<sup>12 13</sup> This includes both master-metered properties and individually metered units.

#### 2.1.2 Additional Fuel Substitution Eligibility Criteria

In addition to requiring that customers receiving electrification have an active CPUC-regulated gas and/or electric account, other requirements include:

- The property must be eligible to be served by the ESA MFWB Program
- There must be active CPUC-regulated or municipal natural gas service to the property and/or unit. Municipal gas service is allowed if the CPUC-regulated account requirement is fulfilled by the electric account<sup>14</sup>

Fuel substitution eligibility based on the existing gas provider and post-retrofit electricity provider is shown in Table 2-1.

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<sup>11</sup> *MFWB P&P Manual*, Section 5, pp.30-40.

<sup>12</sup> *MFWB P&P Manual*, Sections 5.2-5.3, pp.30-38, and Section 5.5, pp.39-40.

<sup>13</sup> D.1908009 Conclusion of Law 2, p. 53.

<sup>14</sup> D.19-08-009, COL.2, p.53 and FOF.3, p.50. See also Section 5.2, p.12.

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**Table 2-1: Provider Retrofits Eligible for Fuel Substitution**

FROM	TO		
Gas Provider	Electric Provider		
	IOU	SMJU	Municipality
IOU Gas	✓	✓	*
SMJU Gas	✓	✓	*
Municipal Gas	✓	✓	--
Propane/Other	--	--	--
No Gas	--	--	--
*When electricity is provided by a municipality, fuel substitution measures are allowable when funded via leveraged funds. ESA funding may NOT be used. <sup>15</sup>			

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<sup>15</sup> D.19-08-009, OP.5.

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## 3 Impact on Customer Energy Bills

### 3.1 Overview

ESA Decision 21-06-015<sup>16</sup> requires ESA and MFWB to reduce hardship on income-qualified customers, including impact on customer energy bills. Energy bill impact insights from ESA pilots<sup>17</sup> highlight the importance of careful consideration of the energy bill impacts of electrification measures.

In keeping with these directives and lessons learned, this section establishes the minimum requirements for estimating the potential impacts electrification measures may have on energy bills and educating consumers to make informed decisions when considering fuel substitution measures.

### 3.2 Estimating Energy Bill Impacts

Utilities are encouraged to evaluate the potential impact of fuel substitution measures on customer energy bills. When estimating the bill impacts resulting from installation of fuel substitution measures, multiple factors should be considered, including fuel source and costs, equipment efficiency, utility rates, climate, and user behavior. If an equivalent pre- and/or post-retrofit analysis was performed for the same project and/or measures, that analysis may be used for the ESA measures in lieu of a separate analysis.

#### 3.2.1 *Estimating Utility Bill Impacts: In-Unit*

The CPUC bill impact calculator should be used to estimate the impact the installation of fuel substitution measures may have on each customer's utility bill. Until this calculator is released for use, CPUC or utility-approved methods of evaluation should be employed. During this program cycle, with utility approval, implementers/contractors may also use one of the following:

- **Billing Analysis:** Measure workpapers establish savings for a measure based on pre-existing equipment, new equipment selected, climate zone, capacity and other factors.

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<sup>16</sup> D.21-06-015, Section 6.5.8.6, p. 195-196.

<sup>17</sup> IOUs ESA Program Midcycle Progress Report, A.19-11-003, 12/20/2023.

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The savings from these workpapers may be used to estimate measure bill savings by using local utility fuel prices and individual utility rate plans.

- This method should be paired with analysis of the customer’s Advanced Metering Infrastructure (AMI) measured interval meter data, billing tariffs, and/or utility bills to improve accuracy.
- Energy Modeling: Utility-approved energy simulation modeling software may be used for estimating energy bill impacts of fuel substitution measures.

### ***3.2.2 Estimating Utility Bill Impacts: CAM/WB Measures***

Utilities or their implementers/contractors should evaluate the potential impact of Common Area and/or Whole Building fuel substitution measures on customer energy bills when the following conditions apply:

- The measure will have a direct impact on tenant energy bills through sub-metering, shared-utility costs or other mechanism in which tenant is charged for energy consumption directly associated with the measure, or
- The measure is provisioning energy services to more than one dwelling unit (central systems) and those energy costs are directly associated with other fees charged to tenant.

## **3.3 Mitigating Bill Impacts**

The ESA Decision 21-06-015<sup>18</sup> does not require the MFWB Program to guarantee that fuel substitution measures will not increase customer energy bills. It did authorize the approved ESA electrification *pilots* to offer same or similar bill discount guarantees offered in SJV DAC pilots to mitigate adverse changes to energy bills after fuel substitution measures were installed. The findings from ESA pilots highlight the importance of mitigating potential impacts to energy bills. This section outlines suggestions to mitigate both potential energy bill increases and ensure customers can make informed decisions about the fuel substitution measures proposed.

### ***3.3.1 Energy Bill Impact Mitigation Tactics***

Utilities should focus on incrementally reducing the potential for customers’ negative bill impacts by taking actions to minimize the likelihood of increased energy bills as a result of fuel substitution measures. This will include tactics that address the following items:

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<sup>18</sup> D.21-06-015, OP.124 and Sec 7.9.2 p.359

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1. Identify customer segments and profiles specific to the relevant utility's climate zones, building stock, and household energy profile that are most likely to experience neutral bill impacts or bill savings. Develop customer targeting plans that prioritize these customer segments and specific customer profiles in outreach and enrollment efforts.
2. Educate contractors and outreach personnel on approved customer segments and appropriate measures to recommend for fuel substitution.
3. Verify that customer existing conditions align with defined profiles during assessment and enrollment.
4. Consider additional energy saving and load reduction measures that would help to mitigate the bill and bundle these other measures with the electrification measures.
5. Coordinate with income-qualified solar programs designed to reduce individual customer electrical costs in multifamily housing including Solar on Multifamily Affordable Housing (SOMAH), MASH, SASH or others. Please note the availability of funding for these programs is dependent on demand and program budget allocations.

### **3.3.2 Customer Education**

***In-Unit:*** Customer education related to the benefits of electrification and the potential impacts to tenant energy bills shall be conducted. Tenants shall be provided with additional resources and leave behind information specific to recommended and feasible measures.

Customer education should also include referrals to utility-provided support to help tenants select an appropriate rate plan based on their energy usage post-retrofit.

***Common Area and Whole Building:*** Education and information regarding fuel substitution measures installed may be included in the energy audit report or provided to property owners by a separate means.

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## 4 Incentives, Co-Payments and Cost Sharing for Certain Whole Building and Common Area Measures

Policies for treatment of MF rental units are included in Section 5 of the *MFWB P&P Manual*. This section focuses on specific policies pertaining to electrification measures, including incentives, co-payments and cost sharing agreements.

### 4.1 Co-Pay Requirement

IOUs are currently allowed to charge property owners a minimum 50% co-payment of the eligible cost for certain whole building and common area measures in non-deed restricted properties.<sup>19</sup>

### 4.2 Incentives

Common area and whole building electrification measures are available to qualifying properties through measure incentives. Deed restricted properties are eligible to receive up to 100% of the measure incentive value and non-deed restricted properties are eligible for up to 50% of the measure incentive. The trade ally providing MFWB electrification services can bundle any remediation costs into the total installation cost; however, if the available incentive does not cover the total installation cost, the property owner is responsible for the difference.

In-unit electrification measures are fully subsidized by the MFWB Program for both deed and non-deed restricted properties. The total installation cost including any remediation required may not be fully covered by MFWB electrification incentives, in which case the property owner would be responsible for any uncovered remediation costs (not the tenant).

Utilities may also work out leveraging opportunities with other programs. The MFWB Program can provide fuel substitution incentives for eligible in-unit electrification measures while leveraging with other non-rate payer funded programs. In the event the cost of a measure (including leveraged funds) reduces the total invoiced cost of a fuel substitution measure below the incentive amount, the incentive value will be adjusted accordingly.

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<sup>19</sup> *MFWB P&P Manual*, Section 8.4, p.50.

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## 5 Guidelines for Electrical System Assessment

### 5.1 Overview

Electrical system assessments are a required element of providing fuel substitution measures in the MFWB Program. Assessments are a multi-step process that include an inspection of the properties' electrical system including connection to the electrical transmission and distribution network (electrical grid), identification of remediation needs, and calculation of total electrical loads, including new electrical loads to be installed.

This section describes policies for conducting electrical system assessments when evaluating and recommending fuel substitution measures. Fuel substitution measures shall not be installed if the electrical system cannot safely support the installation of fuel substitution measures or correction cannot be made within the scope of allowable auxiliary measures and/or remediation. In this case, the measure shall be considered non-feasible.

### 5.2 Assessments and Data Collection

An on-site assessment of all homes being considered for fuel substitution shall be conducted by a qualified individual prior to recommending fuel substitution measures. The assessment must include both home electrical systems (behind the meter) and electrical service between the home and the point of connection to the electrical grid (front of meter). At a minimum, information necessary to assess measures and conduct calculations shall be captured in the following areas:

- Building characteristics and information necessary to perform electrical load calculations
- Electrical loads
- Electrical distribution and safety system, including main distribution panel
- Existing gas appliances

Electrical assessments for CAM/WB measures are performed by trade allies as a part of the measure design and engineering process.

### 5.3 Electrical Load Calculations

Building electrical load calculations shall be conducted for all homes being considered for fuel substitution measures. One or a combination of approved methods for calculating building electrical loads in single family homes may be used, as detailed in the California Building Code. Homes that do not have sufficient load capacity to accommodate fuel substitution measures shall

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be deemed non-feasible when 1) they cannot be remediated via the allowable electrification auxiliary measures and remediation, or 2) they violate individual utility policy.

### ***5.3.1 Remediation of Existing Code Violations***

When an on-site assessment identifies existing code violations, including the service drop from the Main Distribution Panel (MDP) to the point of interconnection with the electrical grid, remediation may be required before fuel substitution activities can safely occur, building permits can be finalized, and compliance with local utility requirements can be met. If remediation is not feasible for identified code violations, the measure(s) may be deferred, deemed ineligible, or authorized with special approval.

## **5.4 Infrastructure Capacity and Utility Coordination**

When the assessment of electrical infrastructure determines that the installation of fuel substitution measures will create additional load and increase demand from the electrical grid, implementers must coordinate with local electric utilities to ensure compliance with the individual utilities' rules and regulations and verify available capacity. When sufficient capacity cannot be provided or requirements cannot be met, the measure(s) shall be considered non-feasible.

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## 6 Fuel Substitution Measures

### 6.1 Overview

This section discusses the allowable fuel substitution measure categories by end use. Subsection 6.2 includes policies for fuel substitution measure inclusion and adoption, and Subsection 6.3 includes fuel switching policies. Subsection 6.4 lists the approved appliances eligible for replacement with fuel substitution measures, and Subsection 6.5 lists the allowable fuel substitution measures. Subsection 6.6 includes policies for inoperable appliances. Subsection 6.7 defines auxiliary measures.

### 6.2 Fuel Substitution Inclusion Policy

For a measure to be classified as a fuel substitution measure in the MFWB Program, all or a portion of a building's existing energy use must be converted from one fuel to another (i.e., natural gas to electricity). Only equipment powered by natural gas fuels provided by a CPUC-regulated or a municipal utility are eligible for fuel substitution measures, as shown in Table 2-1.

Fuel substitution measures are allowable under the MFWB Program if they have been approved in D.21-06-015 or through the ESA Measure Offering Proposal process.<sup>20</sup>

### 6.3 Fuel Switching Policy

Fuel switching measures are currently not allowed in the MFWB Program, unless specifically authorized by the Commission. Fuel switching is defined in Section A herein as “the replacement of equipment powered by non-utility (unregulated) fuels with electric measures for the same end use. Unregulated fuels include, but are not limited to, solid heating fuels, propane or fuel oil.”

### 6.4 Appliance Categories by End Use

Table 6-1 includes fuel substitution measure categories by end use. Measure specific eligibility and feasibility requirements are detailed in the *MFWB Measure Specifications Manual*.<sup>21</sup>

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<sup>20</sup> This CPUC approved measure proposal process shows that the measure is compliant with this policy. And is described in Section 8.3 of this *MFWB P&P Manual*, ff.69-71, pp.49-50. Following adoption and notice in the IOU Monthly Report, measure installation standards will be included in the *MFWB Measure Specifications Manual*.

<sup>21</sup> *MFWB Measure Specifications Manual*, Version 3.0, dated April 18, 2025.

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**Table 6-1: Fuel Substitution Categories**

Measure Category
Water Heating
Space Heating and Cooling
Combined Space and Water Heating
Cooking
Clothes Drying

## 6.5 Allowable Fuel Substitution Measures

Fuel substitution measures that have been approved by the CPUC and/or through the ESA Measure Offering Proposal process are eligible for installation under this policy. Specific measures and installation requirements are provided in the *MFWB Measure Specifications Manual*.

## 6.6 Inoperable Appliances

Inoperable gas appliances may be replaced through fuel substitution when:

- All other appliances are electric or will be converted to electric through fuel substitution and the inoperable appliance is the last remaining gas appliance in the home, or
- The appliance has been identified for property-wide replacement.
- The cost to repair the inoperable appliance is more than the cost to replace with a new electric or gas appliance, as follows:
  - Central furnaces – 50% of replacement cost, or more.
  - Wall/floor/direct vent wall furnaces – 40% of replacement cost, or more
  - Water heaters – 50% of replacement cost, or more
  - Cooking appliances – 40% of replacement cost, or more

## 6.7 Auxiliary Measures

Auxiliary measures include installation of new or upgraded electrical equipment required to facilitate fuel substitution measure(s) installation. In order to access funds for auxiliary measures, at least one fuel substitution measure must be installed. Auxiliary measures funded through leveraged funding sources specifically for the installation of fuel substitution measures are allowable and subject to this policy. Auxiliary measures may include:

- New Electrical Circuit: Installation of circuit breaker, conductors and outlet for new electrical appliance requiring a dedicated circuit.

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- Sub-Panel: Installation of a new sub-panel to facilitate installation of one or more electrical appliances when the MDP has adequate capacity but lacks the necessary busbar terminals to install new circuits.
- Electrical Panel Replacement: Replacement of an existing MDP and circuit protection with the same ampacity as the existing electrical service.
- Electrical Panel and Service Upgrade: Replacement of existing electrical service drop and MDP with new equipment rated to the ampacity of the upgraded service drop (e.g. 100A upgrade to 200A service).
- Non-Coincident Load Sharing Devices: Installation of a load splitting device, or circuit breaker with load sharing capabilities as defined by CEC Section 220.6. This device allows for two non-coincident loads to share a single dedicated circuit.

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## 7 Type of Remediation Allowed

### 7.1 Remediations Overview

This section addresses policies and procedures for remediations. Subsection 7.1 defines the types of remediation. Subsection 7.2 defines electrical remediation and the policy for allowable remediation activities. Subsection 7.3 describes building remediations, the allowable activities and policy for conducting these activities. Subsection 7.4 describes the cost limits for remediation.

#### 7.1.1 Types of Remediation

Remediations are defined as building improvements, outside the scope of standard measure installation procedures, necessary to facilitate safe and code compliant installation of fuel substitution measures. Remediations are divided into two categories: (a) electrical remediations and (b) building remediations.

- Electrical remediations are defined as electrical system repairs necessary to facilitate the safe and code compliant installation of electrification measures.
- Building remediations are defined as non-electrical repairs unique to the physical condition of the building that must be completed to safely install electrification measures.

Note: Electrical system upgrades are listed as auxiliary measures in Section 6 herein and are distinct measures, not included in remediation activities.

### 7.2 Allowable Electrical Remediation Activities

Electrical remediations allowable under the MFWB Program to facilitate the installation of fuel substitution measures are listed in Table 7-1. Electrical remediation costs for in-unit measures may be funded by the property owner. Electrical remediation costs for whole building and common area measures are limited to the total measure incentive amounts.

**Table 7-1: Allowable Electrical Remediations**

Electrical Remediation	Description
Electrical repairs for code compliance	Correction of code violations necessary to pass local and utility final inspections. *Correction of existing code violations may be the responsibility of the property owner.
Electrical repairs to facilitate measure installation	Electrical repairs to existing electrical system necessary to facilitate the installation of fuel substitution measures.

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## 7.2.1 *Electrical Remediation Policy*

These repairs may be undertaken in combination with auxiliary electrical measures as listed in Section 6 herein when:

- Customer does not have sufficient service capacity for fuel substitution measures to be installed.
- Customer has sufficient capacity but requires electrical remediation or auxiliary measures to bring electrical system into compliance with applicable codes and facilitate installation of fuel substitution measures.

## 7.3 Non-Electrical Building Remediations

This section describes the policies for building remediations necessary to facilitate the safe and code compliant installation of fuel substitution measures as defined herein. These remediations are distinct from minor home repairs as defined in the *MFWB P&P Manual*<sup>22</sup> documents. Building remediation does not include the repair of non-functional electrical appliances, or general building repairs not specifically required to facilitate installation of electrification measures. All building remediation shall be done in a manner that maintains accessibility for customers with access and functional needs or other observed disabilities. In order to access funds for remediation, at least one fuel substitution measure must be installed under MFWB.

### 7.3.1 *Allowable Building Remediations*

Building remediations are allowed when necessary to achieve one or more of the following:

1. Create necessary physical clearances for the installation of a measure.
2. Repairs necessary to mitigate immediate observable hazards.
3. Remove obstacles or re-route plumbing and electrical infrastructure to accommodate the installation of a measure.
4. Repair or replace degraded, damaged or non-complaint components of a distribution system physically attached to an electrification measure. Examples include, but are not limited to, plumbing repairs, removal of hazardous materials (within program limits), non-structural blocking and other miscellaneous repairs of distribution systems not covered under Minor Home Repair.

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<sup>22</sup>*MFWB P&P Manual*, Attachment A, Table A-1, ff. 3 and 5, p.90.

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5. Minor repairs to finishes are allowed when installation of fuel substitution measures or auxiliary measures requires the removal of finishes. Finishes may include non-structural blocking, drywall, tape, texture and primer/sealer, interior trim or wood paneling.

## 7.4 Cost Limits on Remediation

There are two types of limits on costs incurred for electrical and building remediation. Cost limits in this section do not include costs associated with auxiliary measures described in Section 6 herein.

Cost limits for remediation as determined in this section may be increased or decreased with written approval from the funding utility.

### 7.4.1 *Average Cost Limits*

These are limits on the average cost of categories of service across all ESA homes receiving at least one electrification measure. They are designed to provide overall cost control for the provision of these services. Average cost limits have not yet been recommended by the ESA Working Group and will be revisited once sufficient remediation cost metrics have been acquired through the implementation of fuel substitution measures in the MFWB Program. Until statewide cost limits are in place, each investor-owned utility should establish their own cost limits.

### 7.4.2 *Individual Home Cost Limits*

These are defined as limits on the cost that can be incurred for an individual home when installing at least one fuel substitution measure, without the specific approval of the utility Program Administrator. Individual home cost limits have not yet been recommended by the ESA Working Group and will be revisited once sufficient remediation cost metrics have been acquired through the implementation of fuel substitution measures in the MFWB Program. Until statewide cost limits are in place, each investor-owned utility should establish their own cost limits.

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## 8 Cost Maximums and Tenant Protection/Rent Affordability

This section includes cost controls for fuel substitution measures only, and NOT for remediation and/or repairs required before fuel substitution measures can be installed. As discussed in Subsection 4.2, fuel substitution measures are paid through incentives rather than actual installation costs, deed restricted properties are eligible to receive up to 100% of the measure incentive value, and non-deed restricted properties are eligible for up to 50% of the measure incentive. Remediation costs associated with electrification measures may be included in trade ally scope of work for CAM/WB measures, to which the eligible incentive will be applied. The cost caps for remediation are set forth in Section 7 herein. Addressed in this section are two types of cost controls/caps (maximum cost) for fuel substitution measures.

Subsection 8.1 addresses the “maximum cost cap per unit”. Subsection 8.2 outlines requirements for split incentive agreements (rent protection for tenants). Subsection 8.3 provides guidance for the timing of tenant agreements.

### 8.1 Maximum Cost Cap Per Unit

Maximum cost caps are defined as limits on the cost that can be incurred for an individual unit without the specific approval of the utility Program Administrator. Cost limits have not yet been recommended by the ESA Working Group and will be revisited once sufficient remediation cost metrics have been acquired through the implementation of fuel substitution measures in the MFWB Program. Until statewide cost limits are in place, each investor-owned utility should establish their own cost limits.

In the event that a contractor requests permission from the utility Program Administrator to exceed their maximum cost cap per unit for fuel substitution, the Program Administrator should consider 1) the savings and health safety benefit to the customer, 2) the estimated cost of the contractor’s proposed measure, and 3) the remediation and repairs associated with the measure. If the Program Administrator deems it necessary to limit expenditures for in-unit treatments, measures may be prioritized using the following general priority list:

- Effect the measure will have on the customer’s bill (see also Subsections 3.2 and 3.3 herein regarding bill impact analysis and estimation)
- The greenhouse gas offset by the installation
- The amount of remediation required for the installation
- The extent to which the home will result in a complete electrification

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## 8.2 Tenant Protection/Rent Affordability Agreement

In order for tenants to be eligible for fuel substitution measures, the property owner should agree to and sign a Split Incentive<sup>23</sup> Agreement – herein referred to as a “Tenant-Protection Agreement” (TPA) or “Rent Affordability Agreement” – provided by the utility or their contractor and co-signed by the property owner.<sup>24</sup> A TPA is required for property owner/property level enrollment in the MFWB Program for non-deed restricted properties or deed restricted properties with less than 10 years remaining on their regulatory agreement. The TPA is intended to provide protections to the tenant that prevent the property owner from significantly raising rent prices or evicting tenants as a result of the home improvements received through electrification for at least five years following installation of measures.<sup>25</sup> Alternately, the IOUs may choose to revise their existing POA to include tenant protection agreement language. By signing the TPA or revised POA, property owners demonstrate their intent to protect participating renters from significant rent increases or displacement post-treatment for a period of five years. It is recommended utilities consider specific tactics and requirements developed through building electrification pilots approved by the commission and included herein by reference.<sup>26</sup>

D.21-06-015 also directs rent protections for non-deed-restricted MFWB properties, specifying these property owners must maintain at least 50% of building tenants as CARE income qualified for a period of 10 years following the measures received.<sup>27</sup>

## 8.3 Timing of Tenant Protection/Rent Affordability Agreement

The contractor should not perform any work until the TPA has been signed.

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<sup>23</sup> Split Incentives are a type of economic barrier common to the multifamily sector that occurs when occupants or tenants pay their own energy bills. In these cases, the building’s owner/operator has little incentive to invest in efficiency upgrades and may also bill the energy costs for common areas to tenants as part of their rent. (See D.17-12-009 (Atch 1 Modifying D.16-11-022), Sec.3.9.3, pp.180-181.)

<sup>24</sup> D.21-06-015, OP.163 required SCE to “utilize Resolution E-5043’s Appendix B ‘Split Incentives Agreement’ that requires owners to agree for five years to eviction limits and a fixed cap on annual rent increases at 3.6% to protect participating renters from significant rent increases or displacement post-treatment. SCE must adjust the required signing parties to their BE pilot ‘Split Incentives Agreement’ to include the property owner, tenant, and either their implementer or the utility.” The original TPA was revised and streamlined by Energy Division.

<sup>25</sup> D.21-06-015, OP.163 and Section 8.5.3.1, p.387 authorized SCE’s Building Electrification (BE) Pilot.

<sup>26</sup> D.21-06-015, OP.163 and D.21-06-015, Section 6.5.8.6, pp.195-196

<sup>27</sup> D.21-06-021, OP.139 and Section 7.9.11, pp.364-365.

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## 9 Customer Education

Customer education for fuel substitution measures is critical to the customer's understanding of:

- How to operate and maintain newly installed equipment,
- Resources available to them to answer questions,
- How fuel substitution measures may impact energy costs, and
- How to maximize the benefits of newly installed equipment.

This section summarizes the topics that must be included as part of customer education for fuel substitution customers. Subsection 9.1 discusses providing equipment operation and performance education to customers. Subsection 9.1.1 discusses educating customers regarding the benefits and impacts of electrification. Subsection 9.1.2 addresses systems maintenance requirements, and Subsection 9.2 discusses providing rate education to customers to ensure they can choose the most optimal rate to benefit from their new equipment. (Additional detail on customer education is provided in Subsection 3.3.2.)

### 9.1 Equipment Operation and Performance

Customers shall be provided with education to ensure that they understand and can correctly operate their new technology. Leave behind collateral material may be used in lieu of face-to-face education. This education may include answers to frequently asked questions, details reinforcing what the contractors have told them, and helpful contact information.

#### *9.1.1 Benefits and Impacts of Electrification*

As part of the standard assessment, Contractors should make sure that the customer will benefit from electrification. Customer education should encompass the benefits of electrification and the potential impacts on energy bills based on the assessment. Contractors should provide customers with additional resources and leave behind relevant materials.

#### *9.1.2 Fuel Substitution Equipment Maintenance Education*

Contractors should review equipment maintenance requirements with the customer. Equipment manufacturer maintenance, warranty, and instructional documentation should be included in the collateral material left behind along with contact information and helpful web links.

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## 9.2 Utility Rate Review

When fuel substitution measures are considered and/or installed, customers should be referred to utility-provided resources to review rate options and educate customers on alternative rate structures for their home post retrofit. Customers should also be provided with collateral that includes contact information for these resources.

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## 10 Natural Gas Appliance Testing (NGAT) and Evaluation for In-Unit Appliances

This section summarizes statewide policy for the MFWB Program’s natural gas appliance testing and evaluation requirements when installing electrification measures. Subsection 10.1 discusses when such testing/evaluation shall be conducted. Subsections 10.2 and 10.3 present the general protocol for pre- and post- electrification activities.

### 10.1 Applicability of Natural Gas Appliance Testing and Evaluation

In general, natural gas appliance testing or evaluation will be conducted for all individual dwelling units that receive infiltration reduction measures and that have at least one natural gas appliance affecting the living space.<sup>28</sup>

Additionally, when electrification measures are installed, regardless of the installation of infiltration reduction measures, a combustion appliance safety test is required if:

- Natural gas appliances are still present and affect the living space,<sup>29</sup> and
- The newly installed electric appliance changes the air dynamics within the living space.

The air dynamics of the living space are affected when the electric appliance is installed in a manner that 1) depressurizes conditioned space, or 2) reduces the amount of combustion and ventilation air (CVA) provided to a combustion appliance. More detailed examples are provided in the contractor guide “Electrification’s Effects on the Air Dynamics of the Home.”

### 10.2 Pre-Weatherization Check of Gas Appliances

In order to avoid cases in which post-electrification NGAT would discover nonconforming conditions that (a) preclude installation of electrification measures, and (b) cannot be corrected within the scope of the program, some pre-installation evaluations of gas appliances are performed as part of the electrification assessment.

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<sup>28</sup> The NGAT and CAT sections of the *MFWB Measure Specifications Manual* describe the conditions under which an appliance is determined to affect the living space.

<sup>29</sup> Refer to the *MFWB Measure Specifications Manual* (v. 3.0), Sections 1A and 2B for a description of “Natural Gas Appliances Affecting the Living Space”.

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The tenant will be informed of conditions that prevent the installation of electrification measures and cannot be remedied by the MFWB Program. These items include, but are not limited to:

- Inadequate CVA for the remaining appliance
- Gas dryers vented to the inside
- Improper/unsafe gas appliance that will not be removed or repaired
- Appliances using combustion fuel other than IOU natural gas

## 10.3 Post-Weatherization NGAT

After completion of the installation of electrification measures, post-NGAT is performed for all natural gas appliances affecting the living space if the newly installed electric appliance also affects the air dynamics of the living space.

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## 11 Combustion Appliance Testing for Appliances Serving Common Areas

This section summarizes the statewide policy for completing combustion appliance testing (CAT) on appliances serving multifamily building common areas when electrification measures are installed.

Subsection 11.1 discusses the circumstances when such testing must be conducted. Subsections 11.2 and 11.3 present the general protocols for pre- and post-electrification activities.

### 11.1 Applicability of CAT

In general, CAT will be conducted for all common areas that receive infiltration reduction measures and that utilize at least one natural gas appliance affecting the conditioned space.

Additionally, when electrification measures are installed, regardless of the installation of infiltration reduction measures, CAT is required if:

- Natural gas appliances serving a common area are still present and affecting conditioned space,<sup>30</sup> and
- The newly installed electric appliance changes the pressure dynamics within the conditioned space.

### 11.2 Pre-Electrification Evaluation of Combustion Appliances

In order to avoid cases in which -post-electrification CAT would discover nonconforming conditions that (a) preclude installation of electrification measures, and (b) cannot be corrected within the scope of the program, some pre-installation evaluations of gas appliances may be performed during the assessment phase.

The building owner or property management staff will be informed of conditions that preclude installation of electrification measures and cannot be remedied by the MFWB Program or the building owner.

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<sup>30</sup> Refer to the *MFWB Measure Specifications Manual* (v. 3.0), Sections 1A and 2B for a description of “Natural Gas Appliances Affecting the Living Space”.

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## 11.3 Post-Electrification CAT

After completion of the installation of electrification measures, CAT is performed for all natural gas appliances affecting the conditioned space if the newly installed electric appliance also affects the air dynamics of the conditioned space.

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## 12 Commissioning for Whole Building Mechanical Systems

Commissioning is performed for complex whole building mechanical systems that are replaced under the MFWB Program and when required by the AHJ as part of permitting requirements. The protocol is conducted to verify proper operation and performance of electrification measures for which the manufacturer specifies startup and verification procedures specific to their equipment.

Electrification measures installed to replace complex whole building systems are subject to commissioning. Appliances that are not being replaced as part of program services are not subject to commissioning. However, if an electrification measure is installed in the same space (e.g., utility or boiler room) as a combustion appliance that is not being replaced, and the electrification measure affects the pressure dynamics of that space, CAT must be conducted on all combustion appliances remaining in that space unless otherwise specified by individual utility policy.