

BARRIERS SUMMARY

Low Awareness and Interest	Low Perceived Customer Value	Low Perceived Contractor Value	Misaligned Policy	Infrastructure Readiness
<ul style="list-style-type: none"> • Dispersed information • Customer education • Contractor hesitancy • Low impact to state carbon footprint 	<ul style="list-style-type: none"> • Benefits not quantified • Paperwork complexity • High upfront costs / affordability • Lack of tailored programs 	<ul style="list-style-type: none"> • Workforce not trained in decarb technologies • Little incentive to promote new tech • Few energy auditors 	<ul style="list-style-type: none"> • No state policy to reduce building emissions • No rate designs for beneficial electrification • Lack of regulatory certainty for utilities • Incentives for natural gas expansion • State stds - building codes, air quality reqs • No accounting for externalities cost 	<ul style="list-style-type: none"> • Large inventory of old homes • Increasing electrical demand • Need for grid modernization

BREAKOUT DISCUSSION 1

What actions can the state take to overcome these barriers?



- Low Awareness and Interest
- Low Perceived Customer Value
- Low Perceived Contractor Value
- Misaligned Policy
- Infrastructure Readiness

**Find your discussion slide
30 minutes with others to brainstorm and capture ideas**

BREAKOUT DISCUSSION 2

What actions can the state take to overcome these barriers?



- Low Awareness and Interest
- Low Perceived Customer Value
- Low Perceived Contractor Value
- Misaligned Policy
- Infrastructure Readiness

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30-MIN DISCUSSION SLIDE

INSTRUCTIONS:

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5. **Reporter:** capture ideas in the notes.
6. During the last 5 minutes of the exercise, **highlight in yellow** the top 2-3 ideas your group is most excited about.
7. **Reader:** questions for this group to consider:
 - a. What are effective/proven approaches for connecting with New Mexico communities? Who (or what orgs) are trusted entities to provide energy information and education?
 - b. What approaches are needed to ensure that a marketing and education campaign include culturally appropriate outreach?

NOTES - What actions should New Mexico take to overcome these barriers? Who should own this action? What is the timeline?

1. Dispersed Information and Customer Education

- a. We need the information from all the programs in one place:
 - i. EMNRD is working on this. Contractors have been selected to build a website that will be a good piece of information. This is a one stop shop for all the programs and includes Solar for All, tax rebates, EV rebates. Ties to State programs and information, as well as if someone does not qualify for one of the state programs, they can be directed here. Will go live for the public Labor Day weekend. The HER and HEAR program will be start of this for people to apply.
 - ii. EMNRD should prioritize additional resources on their website.
 - iii. They will reach out to programs to put on website. Should look at high impact, and where people can get the most. Start with a comprehensive list of all the programs (one web page).
- b. Low-income communities have limited information in their native language. Materials need to be made available in other languages.
- c. Send out newsletters and redirect people to these ideas.

2. Customer Education

- a. For the population that is not media literate to navigate the internet
- b. State funded advisors that are full time positions to help people process information, EMNRD has "Energy Coaches" and are working on this through an RFP process. Develop a network of energy coaches, employed by selected contractor. Develop a climate core trained in same methods as energy coaches. Same script
- c. Single application process where people don't have to fill it out a number of times.
- d. Need to overcome the trust barrier. There must be a known entity from the community for this to be effective.
- e. Large employers in the state to provide energy literacy - develop a single curricula. Also benefit to combat misinformation (PNM curriculum)

3. Contractor Hesitancy

- a. Increased demand from customers may lead to contractors moving forward - contractors need to see benefit of helping business grow
- b. Local contractors - ensure they are able to reach out to customers/understand housing stock
- c. Provide contractor trainings

BARRIER: Low Awareness and Interest



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A. No participants joined this second breakout room

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7. **Reader:** questions for this group to consider:
 - a. What are existing programs, grants, and tax credits that can help bring down costs of building decarbonization?
 - b. What kinds of support or resources might be needed to help people access these resources?

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1. **Address misinformation from customers** and contractors by conducting educational presentations with **key stakeholder from trusted voices** in the community.
 - a. Key stakeholders: Tax advisors, mid-stream distributors, chambers of commerce, etc.
 - b. Trusted Voices: Green Chamber of Commerce, Community Based Organizations, etc.
2. Stand up a referral program for energy efficiency programs.
3. **Provide easy opportunities to cover up-front costs**, such as **on bill financing** to provide low interest fuel switching and energy efficiency replacements options (huge barrier to LI customers). Low interest financing or covered by a green bank. TSGT also developing network of contractors to support on-bill financing.
 - a. particularly helpful to those wo a tax liability
 - b. rebates need to be refundable rebates. Point of sale rebates. LI folks know when and where the. HEAR/HER will provide point of sale rebates.
4. Conduct an educational campaign on the utility bills that showcase on bill financing
5. Need to keep the utility viable - added EV load may balance out customer losses in rural NM.

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- A. State fund a campaign (tik tok, YouTube etc) with compelling stories about BE, media and in person interactions (B) Open houses for homes that have electrified. See the CO open house model.
- B. Work with trusted on-the-ground groups for face-to-face interactions.
- C. Supplement EMNRD's Energy Coaches (young people especially) to work with official program. Training for for volunteer and paid navigators be the same. IOUs and REC be part of same message
- D. **Reducing Paperwork complexity: Universal application to apply for all programs. In person on paper or use an ipod to take info in meeting if people don't have a computer.**
- E. Recruit CPAs to help in some way? Direct pay elective pay program Existing grant source (non-competitive!): Elective Pay aka Direct Pay. CPAs / Tax prep folks could help raise awareness! <https://www.lawyersforgoodgovernment.org/elective-pay-ira-tax-incentives>
- F. **Non energy-benefits highlighted - health benefits of electrifying. (highest payoff in income-limited homes)**
- G. Find ways to convince landlords to do upgrades. They need larger incentives.
- H. MOVE TO POLICY. Landlords should be required to provide adequate cooling (at least for new construction or when a transition in ownership). Insulation - landlord upgrading. Energy disclosure - requires landlords to disclose energy costs of their unit (at rental or at POS)
- I. "Prosperity Works Kids" program involves all generations to be ambassadors. Workers going into home brought their children too and speak from the heart.

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7. **Reader:** questions for this group to consider:
 - a. Where are the apprenticeship and/or job training opportunities in NM? Could these opportunities be partners in pursuing building decarbonization?
 - b. Are there any workforce development/training programs within utilities' energy efficiency or other programs? Any lessons learned for building decarbonization?

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Who/Where are the opportunities?

1. Local Unions: Plumbers and Pipefitters, Sheet Metal, Carpenters Unions, Electricians
2. Associated Building Contractors; Associated General Contractors; Associated Sub-Contractors; Mechanical Contractors Association.
3. Homebuilders
4. 16,000 contractors total - big pool that we have to sell on electrification

How/What is the approach?

5. **Bring a training module to contractors, sell them on this training. At journeymen certification point - continuing education free credits.**
6. New construction already reducing gas use—UNMH as an example— very little gas, mostly electric.
7. Offer free continuing education—Journeymen are required to have this to renew their certs—plumbing, pipe fitting, etc.
8. Large building requirement changes come down from the Feds—ie, lead paint, refrigerants—and the info has to be how this benefits us now—not to save the environment down the road. Trade folks have to respond to a Fed req.
9. **Rebates** have to be part of the picture—otherwise no participation will occur.
10. Availability of technologies



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A. Workforce not trained

- a. **Reaching out** to building trade unions / industry and providing training to help overcome hesitancy
 - i. Ensuring all groups have been contacted and are included—contractor associations, unions, higher education, etc.
- b. Help contractors understand initiatives that are available
 - i. Opportunity through State operated website “one stop shop”
- c. Expand current DWS trainings

B. Few energy auditors

- a. NM HEAT grant / other ECMD opportunities (Contractor Training Grant, Sustainable Education for Advanced Buildings)
- b. Look into getting **more BPI certified training centers** around NM - help to understand and demystify new technologies.

C. Little incentive

- a. Include incentive as part of the same tech trainings
- b. Being added to the **HEAR/HER approved contractor list (awareness that this list exists) Franklin Energy will do training.**
- c. Ensuring customer interest in new technologies—Adding items to building codes



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 - b. If not, what are options to better align policies?

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1. CF - Sierra Club - AE SWEEP - My suggestion is legislation to require Regular and automatic updates to the building codes IECC - 1 year after release
2. Pass legislation to direct emission reductions from buildings
3. Develop more rates that move customers to time-of-use, encourage charging EVs overnight, reduce peak demand impacts, clean heat rate for heat-pump electric heating during winter months
4. No statute or rule that limits fuel switching however, electric utilities may need direction to pursue BE
5. Clean heat standard to encourage switch from natural gas and propane. Clean heat std as RPS for natural gas. CO, NY examples.
6. Need legislation to address indoor air quality
7. Encouraging utilities to offer on-bill financing
8. State appliance efficiency standards
9. Pass legislation directing utilities to consider externalities in any cost-benefit assessment (i.e., GHG emissions, air quality)
10. Pass legislation or new rule at PRC limiting and removing natural gas equipment incentives.

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- A. No state policy to reduce building emissions
- B. No rate designs for beneficial electrification
 - The PRC would need to do this unless there is a statute that directs the PRC to do this. This could be done through grid modernization. **There would need to be a lobbying activity to the legislature. Jim DesJardins will make this happen.**
- C. Lack of regulatory certainty for utilities
 - This will follow the above action. The utilities would adhere to PRC rules.
- D. Incentives for natural gas expansion- line extension allowances for new construction. We must find where this incentive is (in NM Code?) before we can go after it.
- E. State stds - building codes, air quality reqs- We were behind but now we are current. Energy costs needs to be what is looked at when someone qualifies for a mortgage. Higher building costs affect low-income qualifiers. **Mortgage lenders need to consider energy savings when qualifying people for homes. Mismatch between mortgage and building piece.**
- F. No accounting for externalities cost - severance tax fund attempts to address. Goes to education not environmental clean up. Fund to bridge gaps?
 - BLM and the Environmental Department does this but they don't have sufficient funding for everything. Agencies need more funding to accomplish these missions. **Someone needs to go the Legislative Finance Committee to ask for more funds.**
 - There is legislation that will impact this. The Severance Tax Bond accounts for this.
 - Why can't we use the Severance Tax Bond (which comes from gas exploration) to provide funding to help incentivise electrification for Single Family homes. We can do something to help bridge the gap between cost and incentive.



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 - b. What considerations or safeguards are needed to ensure that investments into and upgrades of electric infrastructure are made in an equitable manner?

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1. CEED program admin by Emnrd can help low income homes to do home repairs for home repairs and EE
2. Solar for All might be used to help. REllated HEAR and HER
3. CEED might help utilities partner with counties.
4. Who actually does the work. Assessments. Energy Auditors?
5. Justice 40/EJ screening tool
6. PRC & Grid modernization -
7. Building electrification, EVs and transition to RE will tax the grid
8. Smaller rural coops could use help with research into grid needs, planning for their contexts.
9. Focus on who does the work - grant money available but need to figure out who does it

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- A. Use data of homes based on year of construction. Partial housing stock assessment for deferred maintenance issues. How many homes get deferred because of electrical issues. Get a baseline of the problem we're trying to solve. Getting that readiness to accommodate forecasting.
 - a. Collaborative effort between utilities, EMNRD, LFC, PRC, Human Services Department, City and County Authorities.
 - b. 1 year to collect data and then assess the data and decide what to do with it, and maybe approach a green bank or other program to do remediation PRC
- B. implementation of Distribution system upgrade and modernization plans - rulemaking to improve distribution system planning.

VOLUNTEERS?

Goal: to elaborate on actions offline and bring back to the group for consideration

Low Awareness and Interest	Low Perceived Customer Value	Low Perceived Contractor Value	Misaligned Policy	Infrastructure Readiness
<ul style="list-style-type: none">• Ann Simon	<ul style="list-style-type: none">• Alice Main	<ul style="list-style-type: none">• Alex Eubanks	<ul style="list-style-type: none">• Jim DesJardins	<ul style="list-style-type: none">• David Chacon

Additional volunteers include Stefi Weisburd and Adam Harper

MEETING WRAP UP

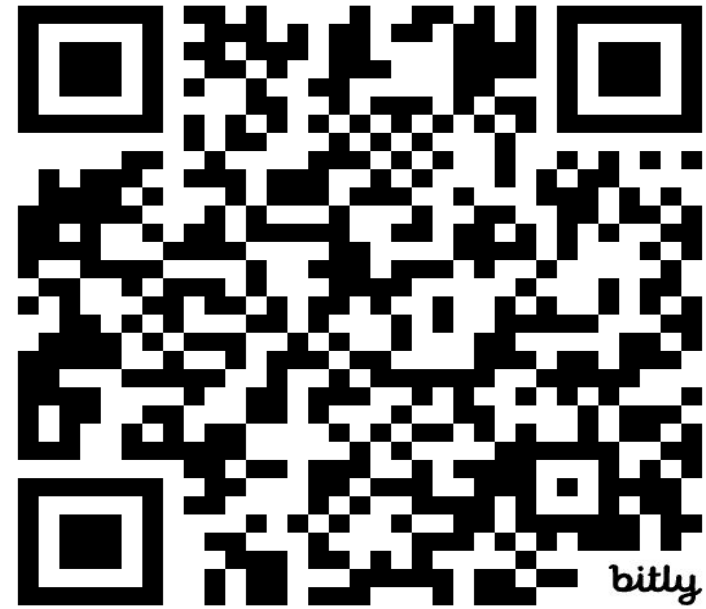
- Heard from NM REC
- Hosted the program showcase
- Identified top actions to overcome the barriers
- Identified volunteers to expand on actions

Thank you to our volunteers; we will be contacting you

Questions? cboies@gridworks.org and mtatro@gridworks.org

SURVEY QR CODE

Please take a few
minutes to
answer a survey
and give us
feedback



DISCUSSION SLIDES

Breakout Discussion 1



BUILDING
DECARBONIZATION
COALITION

DISCUSSION SLIDES

Breakout Discussion 2



**BUILDING
DECARBONIZATION
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BREAK

Time for a 10 minute break!

