

Community Benefits Plan

Inflation Reduction Act Section 50122

Grant Program: Home Electrification and Appliance Rebates

Submitted by

New Mexico State Energy Office (NMSEO)

Energy Conservation & Management Division (EMNRD-ECMD)

New Mexico Energy, Minerals & Natural Resources Department

New Mexico HEAR Project

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Purpose

The purpose of this document is to provide a comprehensive summary of the specific objectives the New Mexico State Energy Office (NMSEO) is committing to in its Community Benefits Plan. These objectives are articulated in quantifiable terms and structured around SMART milestones – Specific, Measurable, Achievable, Relevant, and Timely – to ensure clarity and accountability. Wherever possible, detailed timelines will be included to guide the implementation process. This Community Benefits Plan aims to deliver substantial, long-term benefits to low- and moderate-income households by promoting and financing the adoption of energy-efficient technologies through the Home Efficiency and Affordability Rebate (HEAR) Program. By outlining these objectives, NMSEO aims to foster a transparent, strategic approach that not only addresses immediate energy needs but also contributes to the sustainable development and economic stability of the communities served. The Community Benefits Plan is designed to leverage the HEAR Program’s resources effectively, ensuring that the targeted households experience meaningful improvements in energy-efficiency, resulting in lower utility bills and enhanced living conditions. This document will serve as a roadmap for NMSEO’s efforts, detailing the steps that will be taken with measurable outcomes.

A. Engaging Community and Labor

NMSEO will engage community and labor as described in this Community Benefits Plan to reach workforce organizations, disadvantaged communities, low-income households, and other marginalized groups.

Engagement to Date

Community-Based Organizations (CBOs) Engaged to Date:

- Coalition for Sustainable Communities
- Prosperity Works
- Keres Consulting
- New Mexico Mortgage Finance Authority

Local Governments Engaged to Date: City of Santa Fe

New Mexico’s Energy Workforce Engaged to Date:

- Franklin Energy, ICAST
- Santa Fe Community College
- Various New Mexico local unions.

Key Community and Labor Stakeholders

With DOE’s guidance, the NMSEO plans to partner with the Department of Workforce Solutions (DWS) and leveraging existing strong relationships with unions, community colleges, tribal technical colleges, and trade associations that provide training/retraining, scholarships, and apprenticeship programs, as well as wrap-around services for students and workers in the building and electrical sectors. The NMSEO will conduct quarterly meetings with stakeholders,

from the groups above, to share lessons learned, curriculum updates, roadblocks, and any issues that may need stakeholder input.

The following stakeholders play a vital role in energy contractor training and workforce development in New Mexico:

- **State Agencies:** New Mexico Department of Workforce Solutions (EMNRD-ECMD), and New Mexico Economic Development Department (EDD).
- **Labor unions:** The New Mexico Federation of Labor, the New Mexico Buildings and Construction Trades Council, as well as individual local unions, including those that provide successful apprenticeship programs, such as the International Brotherhood of Electrical Workers (IBEW); the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry UA Local Union 412, and the NM Electrical Joint Apprenticeship & Training Committee (NM JATC).
- **Community and technical colleges:** Santa Fe Community College (SFCC), Northern New Mexico Community College, San Juan College, Dona Ana Community College, and Navajo Technical University.
- **Trade Associations:** Southern New Mexico Independent Electrical Contractors, Inc. (SNMIEC), Northern New Mexico Independent Electrical Contractors (NNMIEC), and the National Electric Contractors Association NECA.
- **Minority serving and community-based organizations:** Minority Business Development Agency (MBDA); the Small Business Development Agency (SBDC), Women's Economic Self Sufficiency Team (WESST), and Somos un Pueblo Unido.
- **Contractors and small businesses**
- **Regional Development Boards** (for advocacy and outreach to local employers)
- **New Mexico Association of Regional Councils** (for advocacy and outreach to local employers)

Public Input Sessions

The State will host two in person or virtual public input sessions via Zoom within the 2024 year. These sessions will be promoted through the State's website, social media channels, distribution lists, and partner organizations. Sessions will be held in Albuquerque, targeted for August 6th, 2024, and Las Cruces, targeted for August 26th, 2024, New Mexico. The following organizations will be invited to participate:

- New Mexico Municipal League
- City of Albuquerque Youth & Family Services
- City of Las Cruces Community Engagement Office
- City of Santa Fe Youth & Family Services
- New Mexico Indian Affairs Department
- New Mexico Federation of Labor, AFL-CIO

- New Mexico Building Construction & Trades Council
- New Mexico Veterans Integration Centers

Public input from the engagement sessions will inform and improve the State's program deployment to better meet participant needs and expectations, foster collaboration amongst community organizations and build relationships, and identify potential undiscovered roadblocks to participation for disadvantaged communities.

The public input session held in Albuquerque on August 6th, 2024, yielded participation of thirteen individuals from various stakeholder groups, as well as residents of New Mexico. Some of the stakeholder participants included individuals from Sierra Club, Energy 350, and PNM, as well as local Albuquerque residents.

Information was provided to the audience regarding both HER and HEAR, describing the eligibility, program offerings, including measures and rebate levels, and the benefits to the end use customer. There was also mention of the upcoming Energy Coach RFP.

In general, participants were very excited for the upcoming rebates and eager to learn about the potential opportunities to stack and braid rebates with other programs like tax credits and utility rebates. Participants also communicated their desire to have a concierge style service available to them to guide them through the overall process, which will ultimately be the role of the Energy Coach. Lastly, customers were very excited to see both homeowners' and renters included in the program design. .

The public input session held in Las Cruces on August 20th, 2024, yielded participation of twelve individuals from various stakeholder groups, as well as residents of New Mexico. Some of the stakeholder participants included individuals from the City of Las Cruces and 360 NM, as well as local Las Cruces residents.

Information was provided to the audience regarding both HER and HEAR, describing the eligibility, program offerings, including measures and rebate levels, and the benefits to the end use customer. There was also mention of the upcoming Energy Coach RFP.

In general, participants were excited for the upcoming rebates and eager to learn about the potential opportunities to stack and braid rebates with other programs like tax credits and utility rebates. Participants also communicated the need for monies that can be allocated to address health and safety concerns as well as a desire to have a concierge style service available to them to guide them through the overall process, which ultimately will be the role of the Energy Coach. Las Cruces participants were excited to see that both homeowners and renters were included in the program design.

Strategy for Incorporating Community and Labor Feedback

The NMSEO is committed to continuous improvement of its programs. The best sources of information with which to gauge program success are the community, education, and labor stakeholders, as well as direct program participants. Feedback will be solicited, collected, and integrated as part of anticipated annual continuous improvement sessions.

Accountability will be ensured through quarterly advisory group meetings, which will include time for reviewing and discussing any interim feedback received through emails, phone calls, surveys, and one-on-one meetings with groups and participants throughout the program's life cycle. The advisory group will provide recommendations for improvement and ensure that all feedback is considered and addressed in a timely manner.

Ongoing Community Engagement Plan

The State will maintain a dedicated website for rebate program information that includes a copy of the Community Engagement Plan, email domain for providing feedback, and contact information for program staff.

Outreach Strategies for Target Groups

NMSEO will identify and partner with contractor associations, workforce development programs, and labor unions as appropriate to promote job opportunities and training programs related to the rebate program. The State will employ a multi-faceted approach to engage these potential partners within disadvantaged communities. Partners may include:

- **Energy Coaches:** NMSEO will sign contracts with HEAR Program Managers (aka Energy Coaches). The Energy Coach will provide program navigation assistance through a dedicated phone line and an info email address designed to resolve issues associated with leveraging other funds, resolving eligibility issues, deciphering bid information, and addressing barriers to project completion. NMSEO intends that this effort will be augmented by direct, relationship-based support from community-based organizations engaged to provide application assistance and support services to households in disadvantaged communities.
- **Energy Advisors:** Program Energy Advisors will be utilized to educate and inform customers about available rebates. These Energy Advisors will be local to New Mexico and can provide educational information, and generally create awareness among New Mexico residents about the availability of these programs. These Energy Advisors will also QAQC contractors that participate in the program to ensure quality installations for customers.
- **Community-based organizations:** In collaboration with community-based organizations, the State will host events and workshops to raise awareness about the

rebate program and aid with rebate requests. These events will be tailored to the specific needs and interests of each community.

- **Faith-based organization collaborations:** Collaborate with faith-based organizations to promote the rebate program to their congregations. Host information sessions and enrollment events at places of worship to reach a diverse range of community members.

Outreach strategies will be implemented within the first three months of program launch and reviewed for effectiveness annually.

B. Engaging and Supporting a Skilled and Qualified Workforce

In addition to the strategies described above to engage community and labor, NMSEO will engage and support a skilled and qualified workforce with the following approaches.

Partnering with Responsible Contractors

The State will develop a “responsible contractor” policy that sets criteria for contractor participation in the rebate program, including compliance with labor laws, safety standards, and insurance requirements. Contractors will be enrolled in a closed network which involves a comprehensive and thorough application and validation process to ensure the highest standards of professionalism and accountability. Contractors must first apply and submit their credentials for verification, they will be required to provide a completed W9 form and a valid Certificate of Insurance, demonstrating their compliance with regulatory and insurance requirements. Additionally, contractors must sign the Contractor Participation Agreement, which includes detailed Terms & Conditions that they must agree to in order to participate in the network. This meticulous process ensures that only responsible and qualified contractors are admitted, thereby maintaining the integrity and quality of the closed network. Contractors who invest in workforce training and provide family-sustaining wages and benefits will be prioritized for project referrals (or flagged on qualified contractor lists as meeting these criteria).

Workforce Education and Training Support

With significant public and private investment in energy-efficiency, electrification, and clean energy improvements planned for the next decade, NMSEO is engaged in building a workforce pipeline able to meet the employer needs of local employees while providing good pay, benefits, and predictable schedules.

Improving outcomes for employers as well as workers requires strong partnerships with both and requires the commitment of energy and time to listen, learn, and be an active participant in the process. With a tight supply of workers in these trades, many companies are struggling to bridge the skills gap. NMSEO and EMNRD-ECMD can take a dual approach and focus on both job seekers and employers. NMSEO’s plan for strong and enduring partnerships with employers will be based on assisting them with finding new skilled workers and retaining the current ones.

The NMSEO will be the connector between employers, academic institutions, training providers, unions, students, and employees and collaborate to analyze the green industry's current and future skill requirements. The NMSEO can identify strategies for expanding and diversifying the pipeline of skilled workers and connecting these workers with employers. Employers can offer ongoing feedback on real-time workforce needs and provide critical data on job quality and pay.

Higher Education Institutions (HEIs) already have existing partnerships with community organizations and industry, HEIs can place students in internships, on-the-job training opportunities, and assist with job placement. Participants/students can also have access to faculty and staff who have connections and ties to local and state employer networks. HEIs have established industry advisory boards, including employers, which help shape curriculum, provide insight into upcoming trends, and advocate on behalf of the programs.

Supporting trainees with wrap-around services

Wrap-around services are key to helping adults students complete their training and enabling small businesses to continue offering services. The following are proposed wrap-around services NMSEO can offer to further accessibility:

- Stipends for childcare
- Stipends for transportation assistance
- Stipends for lodging
- Hardship assistance
- Tuition, textbook, materials, and supplies

A budget of \$660,477.95 is set aside from the State's rebate administrative costs funding (or from other state funds, if available) to provide supportive services as needed to help trainees stay enrolled and successfully complete their training. When possible, NMSEO will collaborate with community-based organizations that leverage these services to provide additional support services. NMSEO will investigate opportunities to partner with:

- Previously named labor unions to recruit trainees from underrepresented groups into union apprenticeship programs.
- Community Colleges to develop and offer pre-apprenticeship training programs that link graduates directly to apprenticeship programs.

Encouraging Participation in Labor-Management Training Partnerships, Including Registered Apprenticeships and Pre-Apprenticeships

To increase union support, the NMSEO partnership with DWS will be valuable as they already work closely with labor organizations in the administration of registered apprenticeships, pre-apprenticeship, and enforcement of public works laws. Support also includes key Community and labor stakeholders mentioned above.

Project data will be tracked using the New Mexico DWS Workforce Connection Online System. Reports can be pulled from the system and shared with partners through centralized communication in Microsoft Teams. Project management will include a team of Career Consultants in DWS Workforce Connection Centers located throughout the counties in the Northwest and Southeast regions of the State with the support of a DWS program coordinator. The program coordinator will work with higher education institutions and training centers to identify programs that provide a pathway for residential contractors to obtain certifications and licensures. The program coordinator will also play a role in connecting and recruiting participants for training programs ensuring that goals are successfully met.

The New Mexico EDD offers a Federally funded Job Training Incentive Program (JTIP) for companies to apply for training funds. This program has long been instrumental in bringing, keeping, and growing New Mexico companies while also providing strong encouragement for companies to hire and train New Mexicans in key positions. The JTIP offers another avenue to collaborate, connect companies to the JTIP, and encourage participation in registered apprenticeships. In addition, the NMSEO plans to educate labor unions about incentives of the HEAR, which may help those unions acquire work and train more workers.

Ensuring High Quality Jobs and Retention

Renewable energy and energy efficiency industries are experiencing high growth and need professionals at every level from entry to executive. This creates inherent potential for upward mobility if workers are provided opportunities to gain the skills necessary for advancing to higher-level positions. The NMSEO will facilitate career growth among trainees by connecting them with DWS career counselors, hosting webinars, and connecting the trainees to each other through networking events. The energy-efficiency jobs stimulated by HEAR funding provides transferable skills that may enable workers to transition to other infrastructure projects, private sector construction, and other areas of the economy.

By collaborating with businesses to provide career advancement pathways and recognizing high-performing employees, the State can further incentivize job retention. Through these efforts, the community benefits plan can contribute to the creation of stable, high-quality jobs that support both workers and the broader goals of the HEAR program.

Through engaging workers and unions in advance, the NMSEO seeks to support fair wages and working conditions (including through encouraging labor-management committees), which should reduce work slowdowns, litigation, and other workplace risks. Through this work, and partnerships with the labor unions described above, the NMSEO can encourage and advance collective bargaining and free and fair opportunities for workers to organize.

C. Incorporating Diversity, Equity, Inclusion and Accessibility (DEIA)

The constitution of New Mexico recognizes English and Spanish as official languages of the state. 64.3% of the state is represented by BIPOC (50.1% Hispanic, 11.2% Native American, and 3% African American). Included in this percentage are immigrants (primarily Spanish-speaking), who comprise 9% of the state's population. New Mexico is also home to 23 federally recognized

tribes, including the Navajo Nation which comprises 27,413 square miles in New Mexico, Arizona, and Southern Utah, and is the largest Indigenous Tribe in the United States. The state population is 2,113,344 (2020 Census) and is predominantly rural. Bernalillo, Dona Ana, San Juan, and Santa Fe counties comprise the largest urban areas, with the rest of the state's 33 counties having fewer than 100,000 people.

Recognizing the rich diversity that defines New Mexico, NMSEO's commitment to Diversity, Equity, Inclusion, and Accessibility (DEIA) underscores the importance of ensuring that all individuals and organizations can fully participate in and benefit from the HEAR program. NMSEO will actively seek input and involvement from diverse stakeholders, implement targeted strategies to ensure opportunities are equitable, build organizational capacity by training staff and partners on cultural competency and inclusive practices, and continuously monitor and evaluate progress in achieving DEIA objectives. NMSEO will strive to incorporate DEIA in all areas of the HEAR program, including promoting entrepreneurship among diverse business owners and incorporating inclusive outreach strategies.

Promoting Entrepreneurship Among Diverse Business Owners

Small businesses represent over 99% of all firms in New Mexico, 98% of all businesses have < 100 employees, 88.4% have < 20 employees, and 60% have < 5 employees. With few corporate headquarters in the State, most of the manufacturing, technology and managerial positions are concentrated in the Albuquerque metro area. According to the Small Business Administration, there are several strategies to promote DEIA through entrepreneurship among diverse business owners.

The critical contribution of small and microbusinesses to New Mexico's economy, the lack of well-paying jobs, and the State's high poverty rate make entrepreneurship a viable path to economic self-sufficiency for many New Mexicans. With its poor education rankings, however, New Mexicans seeking to start or grow a business need comprehensive business and financial education and access to training if they are to have a realistic shot at starting and/or growing a sustainable business. Entrepreneurs in the clean energy space need access to financial literacy and the basics of running a successful and viable business. NMSEO will set aspirational targets for the portion of projects completed by certified minority- and women-owned businesses.

The NMSEO plans to promote entrepreneurship among diverse business owners, including providing entrepreneurship technical assistance to the following populations in DACs:

- **Women:** Despite increasing numbers of women pursuing entrepreneurship, barriers such as gender biases, limited funding, and access to business financial education have kept women-owned businesses small. The energy industry remains one of the most gender-imbalanced sectors. Women make up substantially less than half of the workforce across the energy sector and continue to be underrepresented in leadership positions.

Participants in any rebate related training may have access to organizations and incubators that serve women entrepreneurs including the Women’s Economic Self-Sufficiency Team (WESST) established in response to the Women’s Business Ownership Act of 1988.

- **Black, Indigenous, and People of Color (BIPOC):** Barriers that BIPOC face when trying to start and grow businesses create losses in economic efficiency, especially through their effects on limiting job creation, wealth accumulation, and local economic growth. The state plans to do outreach in these communities including all the various Pueblos throughout the state.
- **Low-Wealth New Mexicans:** New Mexico consistently ranks as one of three states with the highest poverty rates in the nation. Low-wealth individuals are more likely to lack financial literacy and other skills such as managerial experience and education. This lack of financial literacy makes low-wealth entrepreneurs more susceptible to failing in the first years of starting a business. The state of New Mexico plans to do outreach in these communities.

Inclusive Outreach Strategies

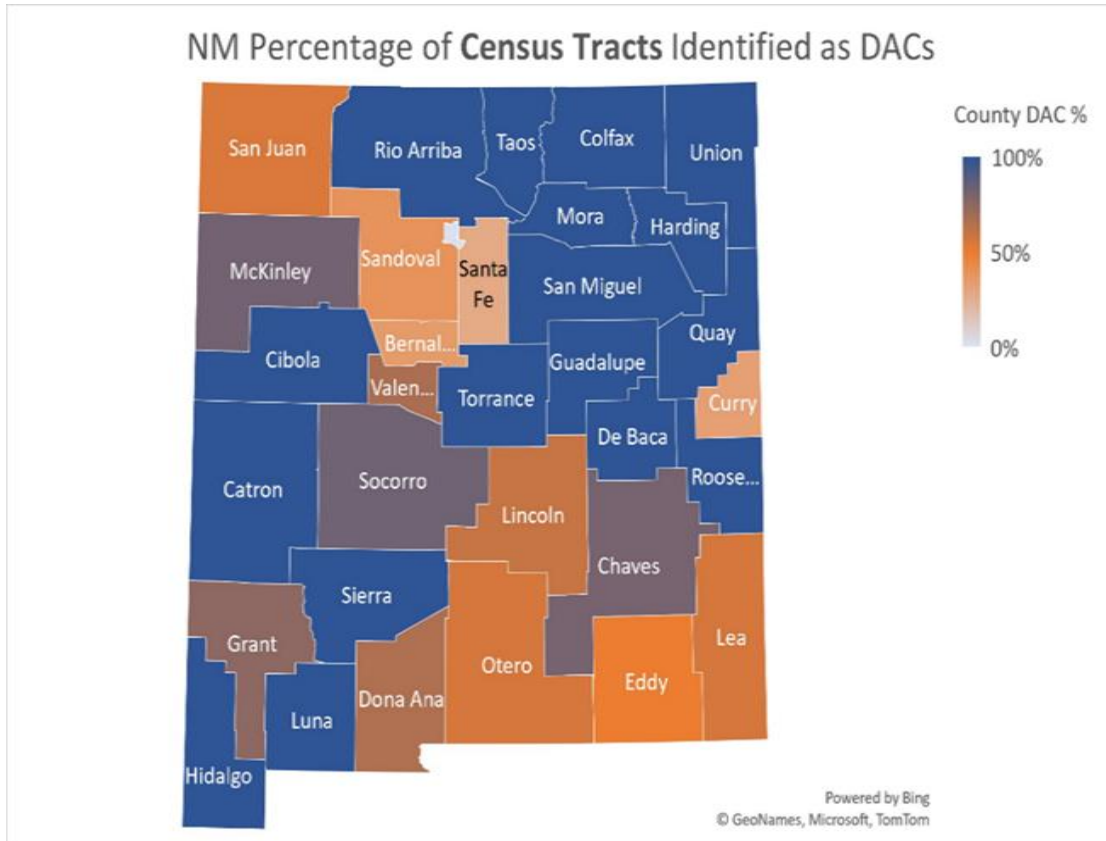
NMSEO may collaborate with disability advocacy organizations to gather comprehensive insights into the specific needs and challenges faced by the disability community. This partnership would aim to inform the development and refinement of program materials and services to ensure they are fully accessible to individuals with disabilities. Potential measures could include providing program materials in accessible formats such as large print, braille, and a variety of digital versions. Additionally, NMSEO may consider incorporating audio descriptions and sign language interpretations to further enhance accessibility and inclusivity as well as accessible event spaces.

D. Addressing the Justice40 Initiative

Definition of Disadvantaged Communities

According to the Climate and Economic Justice Screening Tool (CEJST 1.0), New Mexico has 267 census tracts that are disadvantaged under the Justice40 Initiative, which represents 52% of the population. This includes 61 tracts in the key counties of Chaves, Lea, Eddy, San Juan, and McKinley, which are most acutely impacted by the energy transition. 10 of those 61 DACs are identified as disadvantaged due to tribal overlap. Bernalillo, the largest populated county in the State with 672,508 people, has 53 (of their 153) of these census tracts, representing 35% of the county. See Figure 1.

Figure 1. New Mexico Percentage of Census Tracts Identified as DACs



NMSEO will offer 100% of the HEAR program to New Mexico residents who qualify as disadvantaged communities (DACs). Selected Energy Coaches will have, as a deliverable, proof that selected residents qualify as DACs. New Mexico residents eligible for HEAR funding and living in disadvantaged communities could be in any of the following counties:

Bernalillo	De Baca	Hidalgo	Otero	San Miguel	Union
Catron	Doña Ana	Lea	Quay	Santa Fe	Valencia
Chaves	Eddy	Lincoln	Rio Arriba	Sierra	
Cibola	Grant	Luna	Roosevelt	Socorro	
Colfax	Guadalupe	McKinley	Sandoval	Taos	
Curry	Harding	Mora	San Juan	Torrance	

The NMSEO believes the best use of HEAR funding is to improve upon existing training infrastructure while expanding access to it. Given the constraint of existing training programs, HEAR funding will be more effective in supporting students and communities identified as disadvantaged in northern New Mexico counties most immediately, with the potential for curriculum resources, union apprenticeships, and other job placement activities to expand to the rest of the State through state-wide efforts of EMNRD-ECMD. A combination of hybrid and in-person courses as well as wrap-around services will allow for greater access to training, and

colleges funded through this opportunity will be required to share information and curriculum resources with other colleges throughout the State.

NMSEO will ensure that this process informs efforts to assist low-income areas (less than 80% of area median income), and areas identified as having socioeconomic factors like low educational attainment and high unemployment rates, generally correlated with CEJST. If needed, this effort will be augmented with data from the U.S. Census Bureau, state agencies, and community-based organizations to ensure unidentified DACs are not overlooked.

Identifying and Expanding Access to Pueblo and Tribal Communities

NMSEO will undertake a thorough assessment to identify any gaps in Pueblo and Indigenous communities that are not able to access the Tribal HEAR Program. By closely monitoring and addressing these disparities, NMSEO aims to ensure that New Mexico's Pueblo and Native Tribes have equitable access to the benefits of either HEAR Program.

Strategies to Connect Trainees with HEAR Projects in Disadvantaged Communities

The NMSEO plans to track individual program projects and aggregate IJJA/BIL and HEAR projects through a database and GIS-based public story map. The map-based approach will allow the NMSEO and others to visually see where dollars are flowing and where benefits are accruing. It also allows for greater opportunities for cross-program collaboration and information exchange by members of NMSEO's team managing disparate, but connected, grant and incentive programs.

To support the education and training of both new and incumbent workers, NMSEO is actively pursuing the Training for Residential Energy Contractors (TREC) grant. This funding will enable NMSEO to integrate TREC trainees with the Solar for All Program and New Mexico's Community Energy Efficiency Block Grant Program, providing a seamless pathway for workforce development. TREC trainees, along with other individuals working on HEAR-funded projects, will be mandated to obtain Building Analyst Technician (BA-T) credentials from the Building Performance Institute (BPI), ensuring a high standard of expertise and competency. These trainees will play a crucial role in serving DACs. By focusing their efforts on these communities, the trainees will help address energy efficiency needs and promote sustainable practices in areas that have historically been underserved.

While the State's Weatherization Assistance Program is managed by a different state agency, NMSEO is dedicated to fostering connections and collaborative opportunities with this program whenever feasible. This approach aims to create a cohesive network of training and support, enhancing the overall effectiveness and reach, particularly in DACs.

Rebate Delivery in Disadvantaged Communities

New Mexico will track rebate distribution and uptake by CEJST category to ensure that HEAR program rebates are reaching identified communities and that the program is effectively addressing affordability barriers. Targeted outreach and promotional efforts will be conducted in partnership with trusted community organizations and leaders.

Plan To Track Applicable Quantifiable, Measurable, And Trackable Project or Program Benefits

The NMSEO is committed to ensuring that disadvantaged communities described above realize the benefits of this program. To that end, it will be key to tie performance and benefits metrics to these communities and do so in a way that does not overburden these populations. The NMSEO believes that the simplest and most efficient means of tracking will be to collect home and business zip code data of participants at the point of enrollment for trainees, students, or point of affirmative participation (e.g., apprenticeship program enrollment with EMNRD-ECMD) for contracting firms, unions, etc. Zip code data for participating individuals or firms can be overlaid in a GIS with the CEJT DAC Census Tracts. Additional data such as dollars spent per student/trainee can be aggregated to zip codes and Census Tracts as well. All data will be anonymized to protect privacy.

NMSEO will collect data on each rebate project, including the location, contractor or eligible entity representative, and household demographics (including race, ethnicity, income, housing type, disability status, and primary language) to support robust equity analysis. All data will be anonymized to protect privacy. Data will be aggregated and reported annually to track progress towards the Justice40 goal. Metrics will include number of households served, average rebate amounts, expected utility bill savings, and demographic breakdowns.

Economic Benefits for Disadvantaged Communities

All DACs in New Mexico will be prioritized for the following economic benefits.

The State aims to achieve an average annual utility bill savings of 10%-20% depending on the area and appliance installed for low-income households participating in the rebate program. The following economic benefits are anticipated to be achieved:

- **A decrease in energy burden (energy costs for low-income households and DACs):** Energy Coaches will make initial estimates of energy savings for the residences chosen by the HEAR program. If the initial assessment estimates that there will not be a significant reduction in energy costs for the residence, NMSEO will have a procedure in place to either disqualify the residence from the program or to see if stacking other energy savings measures would qualify the residence to participate. Post-upgrade energy coaching will be offered to help families understand how to optimize their home's performance and reduce energy costs.

New Mexico will work to ensure materials developed to support this effort are culturally relevant and available in residents' primary language.

○ **CBOs that will be engaged to deliver this benefit to DACs:**

- Somos un Pueblo Unido
 - Earth Care
 - Habitat for Humanity
 - Plugged-in for Good Energy Alliance
 - Prosperity Works
 - Resilient Community Coalition
 - Other CBOs not listed here
- **An increase in access to low-cost capital:** NMSEO will funnel federal and state funds available for residential energy-efficiency projects like the HEAR project. NMSEO will stack other programs with HEAR funding to increase administrative efficiencies and to ensure that New Mexico residences in DACs have all the benefits necessary to maximize energy savings per residence.
 - **An increase in quality job creation, the clean energy job pipeline, and job training for individuals:** New Mexico needs additional workforce to meet the needs of all energy-efficiency projects that will help transition the State to renewable energy and increase the energy-efficiency of the State's residences. Efforts through our community-based partners, community colleges and apprenticeship programs will increase the workforce needed to accomplish NMSEO's goals.

In New Mexico, all registered apprenticeship programs must go through a formal registration process with the State Apprenticeship Office at the DWS to ensure it is a quality program that includes all regulatory requirements. Once approved, each sponsor must administer their program per the approved program standards which include wages/benefits and an outline of the education and training to be provided, including a health and safety segment. Therefore, any apprenticeship programs engaged in this investment are committed to ensuring adequate wages/benefits, education and training, and health and safety. DWS will track metrics via the New Mexico State Management Information System.

As stated previously, NMSEO will ensure during the RFP and/or RPQ process that extra points are awarded to minority-owned or diverse business enterprises. Advertisement for the HEAR program by NMSEO and partners will target minority-owned or diverse business enterprises.

Milestones toward economic benefit realization for disadvantaged communities:

- Awareness campaigns launched to inform DACs about available opportunities.
- Qualified contractors list is available to potential DAC program participants.
- Project application materials qualify DACs for rebates.
- Timely distribution of funds to DACs.
- Quantity of projects completed in DACs.

- Quantity of project completed in areas of high energy burden.
- Estimated energy savings from projects completed in DACs.
- Estimated energy savings from projects completed in areas of high energy burden.
- DACs self-reported energy bill savings.
- Formation of partnerships with local businesses, educational institutions, and clean energy organizations.
- Certification and credentialing of participants in relevant clean energy skills.

Economic benefit realization metrics for disadvantaged communities:

- Number of applications received from DACs.
- Number of applications approved for DACs.
- Total amount of capital disbursed to DACs.
- Utility bills before and after the DACs participation in the program or/and modeling (when utility bills are not available).
- The number of quality jobs created for and in DACs increased by 10% per year.
- Average satisfaction score of energy-efficiency employees in or serving DACs.
- The total number of individuals completing job training programs annually increased by 10% per year.
- Percentage of trainees securing employment within 12 months of completing training programs.
- Total number of contracts (and dollar value) awarded to minority-owned or diverse clean energy enterprises.

Direct Benefits for Disadvantaged Communities

All DACs in New Mexico will be prioritized for the following direct benefits.

- **A decrease in environmental exposure and burdens:** New Mexico has mandated the decommissioning of coal-powered plants which has led to a decrease of environmental exposure. The State's commitment to renewable energy projects has also reduced environmental exposure. Electrification and use of more efficient appliances will further reduce environmental exposure to the residents participating in the HEAR program.
- **Increases in energy democracy, including community ownership of project assets:** As HEAR funding will be targeted to benefit 100% DACs, any residents benefitting from the HEAR program that are not DACs will be due to an exception or extenuating circumstances. NMSEO will task Energy Coaches, Community Organizations and/or Municipalities with obtaining feedback from DACs.
- **Increased parity in clean energy technology access and adoption:** Cooperation and communication with local municipalities and low-income advocacy groups will help NMSEO ensure that there is increased parity in clean energy technology access and adoption.

- **An increase in energy resilience:** The DAC residences, residents and proximity will be better able to withstand weather and temperature extremes with the energy savings improvements completed by the HEAR program.
- **Improved residential air quality:** DACs will have better residential air quality when their homes are weather-proofed and/or more efficient HVAC systems and/or more efficient appliances are installed in their homes. NMSEO will monitor utility bills before and after homes have been renovated by the HEAR program. Contractors and residents will be responsible for the procurement, cleanup and removal of the necessary materials needed for the energy savings improvements.

Milestones toward direct benefit realization for disadvantaged communities:

- Awareness campaigns launched to inform DACs about available opportunities and the direct benefits anticipated.
- Qualified contractors list is available to potential DAC program participants.
- Project application materials qualify DACs for rebates.
- Timely distribution of funds to DACs.
- Quantity of projects completed in DACs.
- Formation of partnerships with local businesses, educational institutions, and clean energy organizations.

Direct benefit realization metrics for disadvantaged communities:

- NMSEO will use the EPA's AVOIDed Emissions and geneRation Tool (AVERT) and Co-Benefits Risk Assessment (COBRA) tool to quantify, track, and report the avoided emissions and health benefits attributable to the program or any other equivalent program approved by DOE.

Anticipated or potential negative environmental impacts

- **Disposal and Manufacturing:** The production and disposal of energy-efficient appliances can have environmental consequences. Even though the new appliances are designed to be more energy-efficient, the manufacturing process and disposal of old appliances can result in carbon emissions and waste generation.
- **Indirect rebound effect:** This can occur when potential savings from the usage of more efficient technologies or more sufficient consumption in one consumption area are partially or fully offset by the consumers' adverse behavioral responses in other areas. When homeowners receive rebates for energy-efficient appliances they could be tempted to use more energy in other areas of their homes, therefore, offsetting the energy savings achieved by the HEAR program.

- **Resource Extraction:** The production of energy-efficient appliances often requires the extraction of natural resources, leading to negative environmental impacts such as water pollution and greenhouse gas emissions.

To monitor and mitigate the negative environmental impacts of the HEAR program, the NMSEO may implement the following measures:

- **Consumer Education:** Provide education and outreach programs to participants in the HEAR program. Education can include energy-saving practices, proper use and maintenance of appliances, the importance of overall energy conservation, and understanding how to prevent the indirect rebound effect to maintain the energy savings achieved by the HEAR program.
- **Lifecycle Assessment:** Consider the lifecycle of energy-efficient appliances from production to disposal. Encourage manufacturers to adopt sustainable practices, such as using eco-friendly materials, reducing waste, and promoting recycling and proper disposal of old appliances.
- **Sustainable Sourcing:** Encouraging manufacturers to source materials responsibly and minimize the environmental impact of resource extraction. This can include promoting sustainable forestry, responsible mining practices, and reducing the carbon footprint of raw material extraction.

Summary Table of Commitments

Category and Commitment	Year 1 Milestones	Year 2 Milestones	Year 3 Milestones	Year 4 Milestones	Year 5 Milestones
<i>Engaging Community and Labor</i>					
<u>Commitment 1:</u> NMSEO commits to actively engaging community members through consistent and transparent communication, ensuring their feedback shapes the HEAR Program.	Conduct 2 public input sessions.	Implement feedback-driven program updates.	Review and refine community engagement strategies based on participation and feedback.	Expand outreach strategies to reach additional target groups.	Evaluate the overall impact of community engagement efforts.
<u>Commitment 2:</u> NMSEO commits to prioritizing labor input and collaboration to ensure that the	Develop and launch a feedback integration system.	Begin monthly/quarterly community updates through various	Conduct another round of public input sessions to gather updated feedback. At a minimum 2.	Implement further program refinements based on the	Publish a comprehensive report on community and labor engagement outcomes.

program meets the needs and standards of the regional workforce.		communication channels.		latest feedback.	
<i>Engaging and Supporting a Skilled and Qualified Workforce</i>					
<u>Commitment 1:</u> NMSEO commits to partnering with responsible contractors who uphold high labor standards and quality workmanship.	Establish partnerships with at least 10 responsible contractors.	Conduct various training sessions, reaching 75 participants.	Expand training programs to include advanced energy efficiency techniques.	Review and update training curriculum based on industry advancements and feedback.	Conduct an impact assessment of the training and workforce development programs.
<u>Commitment 2:</u> NMSEO commits to providing comprehensive education and training support to develop a skilled and qualified local workforce.	Launch workforce training programs in collaboration with local trade schools.	Begin job placement for trained workers with partnered contractors.	Partner with additional contractors to increase job opportunities.	Achieve a job placement rate of 10% for program trainees.	Publish a report on workforce outcomes and future recommendations.
<i>Incorporating Diversity, Equity, Inclusion, and Accessibility (DEIA)</i>					
<u>Commitment 1:</u> NMSEO commits to promoting entrepreneurship among diverse business owners by providing mentorship and funding opportunities.	Support various diverse business owners through mentorship programs.	Provide program education to diverse business owners.	Expand mentorship and funding programs to support an additional 5 business owners.	Review and adjust programs based on feedback and outcomes.	Conduct an impact assessment of DEIA initiatives.
<u>Commitment 2:</u> NMSEO commits to partnering with inclusive training organizations to ensure underrepresented groups are supported and included in the workforce.	Establish partnerships with 3 inclusive training organizations.	Train 50 individuals from underrepresented groups through partnered organizations.	Train another 50 individuals from underrepresented groups.	Increase funding to train for diverse business support.	Publish a report on outcomes and future strategies for promoting DEIA in the energy sector.
<i>Addressing the Justice40 Initiative</i>					

<p><u>Commitment 1:</u> NMSEO commits to ensuring that 100% of HEAR program benefits are directed to disadvantaged communities (w/ potential for a small number of exceptions)</p>	<p>Identify and map all disadvantaged communities.</p>	<p>Provide energy efficiency upgrades 2,500 low-income households.</p>	<p>Achieve a 10-20% reduction in energy bills for upgraded households.</p>	<p>Review and refine rebate delivery processes based on feedback.</p>	<p>Conduct an impact assessment of the Justice40 initiatives.</p>
<p><u>Commitment 2:</u> NMSEO commits to creating significant economic benefits for low-income households through job creation and energy cost reduction.</p>	<p>Allocate 100% of HEAR rebates to households in DACs.</p>	<p>Create 75 local jobs, prioritizing low-income individuals.</p>	<p>Expand job creation efforts to employ 75 low-income individuals.</p>	<p>Continue job creation efforts to employ 75 low-income individuals.</p>	<p>Publish a report on outcomes and recommendations for further addressing equity in energy efficiency programs.</p>