



# Public Service Commission of Wisconsin

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Public Service Commission of Wisconsin  
 RECEIVED: 7/1/2024 11:01:06 AM

July 1, 2024

Re: 2023 Inflation Reduction Act - Training for Residential Energy Contractors Grant (TREC) 9718-FG-2023

Comments Due:

**Friday, July 19, 2024 - 1:30 pm**

This docket uses the Electronic Records Filing system (ERF).

Address Comments To:

**9718-FG-2023 Comments**  
 Public Service Commission  
 P.O. Box 7854  
 Madison, WI 53707-7854

The Public Service Commission (Commission) memorandum concerning its consideration of the Training for Residential Energy Contractors Grant (TREC) program design and budget, is being provided for public comment. Comments must be received by **1:30 pm CT on Friday, July 19, 2024**.

Members of the public may file comments through the [Commission's website](#). Click on the "File a Comment" button at the bottom of the website home page. On the public comments page, click on the "file a comment" hyperlink associated with this case (or "docket number," 9718-FG-2023).

All comments will be posted to the Commission's Electronic Records Filing System (ERF).

Please direct questions about this docket or requests for additional accommodations for the disabled to the Commission's docket coordinator, Dorene Schink at (608) 266-3165 or [dorene.schink@wisconsin.gov](mailto:dorene.schink@wisconsin.gov).

Sincerely,

Joe Fontaine  
 Administrator  
 Division of Digital Access, Consumer and Environmental Affairs

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Attachment: Commission Memorandum

# **PUBLIC SERVICE COMMISSION OF WISCONSIN**

## **Memorandum**

July 1, 2024

### **FOR COMMISSION AGENDA**

TO: The Commission

FROM: Joe Fontaine, Administrator  
Tara Kiley, Deputy Administrator  
Joe Pater, Director, Office of Energy Innovation  
Olivia Shanahan, State Energy Office Supervisor  
Nicholas Labinski, Stakeholder Engagement Lead  
Division of Digital Access, Consumer, and Environmental Affairs

RE: Inflation Reduction Act - Training for Residential Energy Contractors Grant (TREC) 9718-FG-2023

Program Design and Budget

#### Suggested Minutes:

The Commission (set no limits on/limited) the eligible applicant types for the Wisconsin TREC program. The Commission (established/did not establish) a list of priority applicant types.

The Commission (set no limits on/limited) eligible activities for the Wisconsin TREC program. The Commission (established/did not establish) a list of priority activity types.

The Commission also established that applicants must (acknowledge the U.S. DOE requirement of curricula and materials/submit their curricula and materials to the U.S. DOE/receive U.S. DOE approval of their curricula materials) to be considered eligible.

The Commission (established/did not establish) an overall budget of \$2.5 million to be made available for two rounds of TREC grants, with each grant round/phase having a budget of \$1.25 million. The Commission (established/did not establish) a list of priority allocations.

The Commission (established/did not establish) a (maximum/set-aside for specific items) for grant funding requests by applicants.

## **Introduction**

The Training for Residential Energy Contractors (TREC) program is a new, federally-funded grant program administered by the Public Service Commission of Wisconsin's (Commission) Office of Energy Innovation (OEI). The OEI administers and implements innovative and effective energy planning, policy, and programming to benefit Wisconsin's citizens and businesses, and is Wisconsin's designated State Energy Office (SEO) under Wis. Stat. § 196.025(7). The OEI's work includes administration of multiple federally-funded programs.

The purpose of this memorandum is to provide the necessary background information on the federal requirements for the TREC program for the Commission to review and decide upon a program design for the Wisconsin TREC program. This memorandum also solicits public comment on this proposed program design for Commission consideration. This memorandum also provides information as reference for the Commission on routine program administration elements that will be tailored to match the Commission's discussion and decisions on program design.

## **Background**

On August 16, 2022, the U.S. Congress enacted the Inflation Reduction Act (IRA).<sup>1</sup> The IRA includes a \$370 billion investment to lower energy costs for families and small businesses and to accelerate investments in clean energy solutions.<sup>2</sup> Section 50123 of the IRA, *State-Based Home Energy Efficiency Contractor Training Grant Program*, provides \$200 million to TREC. Of that total appropriation, the U.S. Department of Energy (U.S. DOE) will allocate \$150 million

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<sup>1</sup> Inflation Reduction Act, Pub. L. No. 117-169 (2022), <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>

<sup>2</sup> See TREC Administrative and Legal Requirements Document (ALRD): [ALRD for State-Based Home Energy Efficiency Contractor Training Grants \(CTG\) Program - Modified 10/6/2023](#)

to SEOs as formula allocations.<sup>3</sup> The purpose of the formula funding is for states to develop and implement a state workforce energy program that prepares workers to deliver energy efficiency, electrification, and clean energy improvements. The Wisconsin formula TREC allocation is \$2,835,440.

The federal TREC program is designed to work together with the Home Energy Rebates programs (collectively known as “HER”), consisting of the “HOMES Rebate Program” or “Home Efficiency Rebates Program”<sup>4</sup> (IRA Section 50121) and the Home Electrification and Appliance Rebates (“HEAR”)<sup>5</sup> (IRA Section 50122). In docket 5-FE-104, the Commission determined that Wisconsin’s HER programs would be implemented through Focus on Energy (Focus) as a program separate from the Focus portfolio, which is overseen by the OEI. ([PSC REF#: 466844](#).) In dockets 9716-FG-2023 and 9717-FG-2023, the Commission made scoping decisions on the HER programs and directed the OEI to submit the applications to U.S. DOE. ([PSC REF#: 505286](#).) Those applications are currently under review with the U.S. DOE.

The OEI, under the direction of the Delegated Commissioner, has submitted the necessary application filings (TREC Application). The TREC Application included proposed program design details that established the Wisconsin TREC Program as a grant program for eligible entities to apply to—similar to other grant programs the Division of Digital Access and Consumer and Environmental Affairs administers in the OEI (such as the Energy Innovation Grant Program, Grid Resilience Program, Wisconsin Refueling Readiness, and Rural Energy

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<sup>3</sup> See *State-Based Home Energy Efficiency Contractor Training Grants*, [State-Based Home Energy Efficiency Contractor Training Grants | Department of Energy](#).

<sup>4</sup> The U.S. DOE has evolved its terminology and now refers to IRA Section 50121 as the “Home Efficiency Rebates Program.” The OEI has been referring to Section 50121 rebates as “HOMES Rebate Program” since the IRA was passed and has created strong awareness of the program name. See docket 9716-FG-2023.

<sup>5</sup> This program was previously acronymized as “HEEHRA,” in past communications with the Commission but has evolved its language for this program and now refers to this program as the Home Electrification and Appliance Rebate (HEAR) program. The OEI has adopted this naming convention for the sake of consistency with the U.S. DOE and other state programs.

Startup Program) and the Bureau of Broadband, Digital, and Telecommunications Access (including Universal Service Fund programs as well as the Broadband Equity, Access, and Deployment Workforce Planning Grant Program to support workforce needs related to broadband infrastructure). The TREC Application also addressed the use of administrative funds, program evaluation, and reported on OEI's plans to convene a Workforce Advisory Group (WAG) and the diverse make-up of the WAG, per the program requirements.<sup>6</sup>

### **Federal Requirements and the TREC Application**

#### **Program Goals**

The primary objectives of the federal TREC program are established in IRA Section 50123(b)(a) and further defined in the U.S. DOE's Administrative and Legal Requirements Document (ALRD). The federal goals of the program are to:

- 1) Reduce the cost of training contractor employees by providing workforce development tools for contractors, their employees, and individuals including, but not limited to, subsidizing available training, testing and certifications;
- 2) Provide testing and certifications of contractors trained and educated to install home energy efficiency and electrification technologies and deliver residential energy efficiency and electrification improvements; and
- 3) Partner with nonprofit organizations to develop and implement a State sponsored workforce program that attracts and trains a diverse set of local workers to deliver the influx of new federally-funded energy efficiency and electrification programs—including but not limited to the IRA HER programs.<sup>7</sup>

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<sup>6</sup> TREC ALRD: [ALRD for State-Based Home Energy Efficiency Contractor Training Grants \(CTG\) Program - Modified 10/6/2023](#).

<sup>7</sup> *Id.*

Wisconsin's TREC Application outlined three goals, with corresponding objectives, intended to meet federal goals for the TREC program and align with the Community Benefits Plan described below, while retaining sufficient flexibility to align with a subgrant program design.

**Wisconsin Goal 1:** Remove barriers to accessing training to upskill current workers or train current workers.

- **Objective 1:** Increase the number of new, and current workers completing training and certification programs over four years.
- **Objective 2:** Increase the number of contract firms with existing workers completing training or certification over four years.
- **Objective 3:** Have at least 30 new, existing, or contract workers use state provided wraparound services to help them complete a training or certification.

**Wisconsin Goal 2:** Recruit more diverse participants from disadvantaged and traditionally underrepresented communities into energy programs-related training and work.

- **Objective 1:** Increase outreach to diverse participants by 15 percent.
- **Objective 2:** Recruit 10 local organizations to perform outreach to target populations.
- **Objective 3:** Have 280 workers (new, existing, and contractor) from disadvantaged communities (DACs) trained and certified over the performance period of the grant.

**Wisconsin Goal 3:** To develop soft skills of the current energy workforce.<sup>8</sup>

- **Objective 1:** 20 workers completed training in communication.
- **Objective 2:** 20 workers completed business trainings.
- **Objective 3:** Increase by five percent the number of trainers at approved training and certification sites who speak non-English languages that are commonly spoken by the community.

### **Program Evaluation**

TREC formula funding is scheduled to be delivered in two rounds, with 50 percent of the funding made available with the executed assistance agreement, and the remaining 50 percent made available upon submission of the results from a required Round 1 program evaluation. Each state must conduct a program evaluation on the impacts of Round 1 funding, and identify plans for incorporating the evaluation results into program improvements for deployment of the remaining 50 percent of program funding. Commission staff, in consultation with the Delegated Commissioner, intend to return to the Commission for scoping decisions on the second round of funding, consistent with scoping practices in place for other SEO programs with multiple grant rounds.

The TREC Application suggested that the program evaluation would be based on those components identified by the U.S. DOE, including, but not limited to, the following:

- Progress against goals, activities, and metrics identified in section six of the Application Instructions and any forthcoming the U.S. DOE program guidance;
- Feedback from program participants collected by the program;

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<sup>8</sup> Soft skills include a range of options from communication skills to basic business and finance skills to increasing the number of trainers who speak a different language.

- Process and program design improvements that would increase the likelihood of meeting program goals, activities, and metrics;
- Review of program impacts; and
- Recommendations for improvement as identified by the program evaluation.

### **Workforce Advisory Group**

The TREC Application contained a general initial plan for implementation of the WAG, following the available U.S. DOE description, stating that the advisory group would play an ongoing role in recommending programmatic changes to better achieve outcomes and guiding specifics of program design, implementation, and evaluation.

Working from the U.S. DOE's broad set of requirements for the WAG, the TREC Application described OEI's plans for the WAG's role and duties:

- Act in an advisory role to Commission staff to inform the development and implementation of the WI TREC program design elements within the scope set by the Commission, as well as providing advice and support on program education and outreach.
- Support program evaluation by collecting and providing feedback and data on the outcomes of projects funded by the program.
- Assist Commission staff and program participants in sharing program information with their respective networks and connecting workers with jobs and training.
- Represent the diverse interest and perspectives of stakeholders.

This list is consistent with the U.S. DOE requirements and Wisconsin's TREC application, and within the OEI's planned scope of work for the WAG. Modifications to the activities proposed above may require additional U.S. DOE review.



The OEI anticipates membership to be open to a wide array of stakeholder representation, including: labor, educational institutions, industry associations and industry members (commercial and residential contractors, both large and small), non-profits, state agencies, local governments and municipalities, workforce boards, tribal nations, and advocacy organizations. The OEI considers this list to encompass a broad array of energy and workforce stakeholders that would represent a balance of interests, perspectives, and areas of expertise to the WAG.

The OEI has interpreted the WAG's one-third membership requirement to include members who are representatives of Wisconsin TREC grant recipient organizations, and/or those individuals who may be served by the grant recipient organizations. This may include organizations that are part of existing statewide programs, initiatives, or partnerships on workforce or energy, as discussed above, or the individuals described as their target audience in their project proposals. In light of the federal membership requirement, the OEI envisions that the WAG would not be involved in the awards decision-making process in any manner. The Wisconsin TREC program would follow the OEI's established review process used by other grant programs consisting of an internal review panel of experts including Commission staff, and at times individuals from other state agencies or other stakeholders whose reviewer role does not present any conflicts of interest with the applications under review.

The OEI will identify and select members informed by routine engagement and consistent with its core duty and specific efforts discussed in this memorandum. The OEI also anticipates a built-in pathway for initial WAG participants to consider gaps in its membership and recommend potential members to grow the group and bolster the group's work, especially as it relates to the Wisconsin TREC program objectives of recruiting more diverse participants from

disadvantaged and traditionally underrepresented communities into energy programs. A few factors the OEI would consider when selecting members include:

- Maintaining a group membership at a manageable size that facilitates effective group administration and interaction, while maintaining balanced representation from a range of different perspectives.
- Identifying representatives involved in the HER programs, to support the alignment between TREC and the HER programs.

The activities of and format for the WAG's involvement may be further informed by future U.S. DOE guidance in relation to the yet to be approved U.S. DOE workplan and milestones, allowing the WAG to be flexible and responsive to this guidance when it comes.

### **Community Benefits Plan**

Another U.S. DOE TREC Program requirement is the creation, submission and approval of a Community Benefits Plan (CBP).<sup>9</sup> CBPs are intended to ensure broadly shared prosperity in the clean energy transition and these plans are considered contractual obligations for the funding recipient. CBPs have four core policy priorities: 1) Engaging communities and labor; 2) Investing in America's workers through quality jobs; 3) Advancing diversity, equity, inclusion, and accessibility (DEIA) through recruitment and training; and 4) Implementing the Justice40 Initiative (Justice40),<sup>10</sup> which directs 40 percent of the overall benefits of certain federal investments to flow to DACs. The OEI submitted a draft CBP as part of the TREC Application. The draft CBP outlined the OEI's proposed approach to addressing each of the four priorities, as detailed in the following sections.

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<sup>9</sup> See U.S. DOE's "About Community Benefits Plans," [About Community Benefits Plans | Department of Energy](#).

<sup>10</sup> *Id.*; For specific Information about Justice40, see: [Justice40 Initiative | Department of Energy](#).

## **Engaging Labor and Communities**

The U.S. DOE defines Engaging Labor and Communities as project planning that “should include engagement with a wide range of local stakeholders such as labor unions, local governments, community and technical colleges, Tribal governments, and community-based organizations that support or work with DACs or economically marginalized populations.”<sup>11</sup>

The OEI has been engaging with stakeholders involved in training energy workers to inform development of the TREC Application and the scoping considerations discussed in this memorandum, and intends to continue engagement with these stakeholders throughout the TREC program. To date, Commission staff has engaged with stakeholders including, the Office of Sustainability and Clean Energy (OSCE), the Department of Administration’s (DOA) Division of Energy Housing and Community Resources (DEHCR), Focus on Energy, LiUNA!, Wisconsin’s Laborer’s District Council, Union Labor Coalition, Local Sheet Metal #18 and Contractors Association, the BlueGreen Alliance, Green Homeowners United, the Workforce Development Group to Support Climate Action, Wisconsin Department of Workforce Development (DWD), Slipstream, APTIM, the Wisconsin Local Government Climate Coalition, the Latino Academy, Operation Fresh Start, the Urban League of Greater Madison, Wisconsin Technical College System, Elevate, and several Tribal Communities, specifically Forest County Potawatomi, Lac Courte Oreilles Band of Lake Superior Chippewa, Red Cliff Band of Lake Superior Chippewa, Oneida Nation, Bad River Band of Lake Superior Chippewa, and The Ho-Chunk Nation.

The TREC Application outlined how these groups may continue to be involved, by participating in the subgrant program and/or serving on the WAG described above. The TREC

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<sup>11</sup> See the second question under Engaging Communities and Labor, [About Community Benefits Plans | Department of Energy](#).

Application also proposed that an applicant’s project designs should incorporate one or more of Wisconsin’s three program goals into their projects, with specific metrics to support labor or the community.<sup>12</sup>

To support Wisconsin TREC Goal 1, removing barriers to accessing training to upskill current workers or train current workers, the TREC Application proposed that applicants could include the following “Engaging Labor and Communities” activities:

- Increase in skills development opportunities by removing barriers to access and training.
- Increase in access to educational opportunities/certifications needed for clean energy jobs.
- Increase in access to resources to obtain jobs in clean energy sector.

To support Wisconsin TREC Goal 2, recruiting more diverse participants from disadvantaged and traditionally underrepresented communities into energy programs, the TREC Application proposed that applicants could include the following “Engaging Labor and Communities” activities:

- Increase in clean energy enterprise creation and contracting (e.g., minority owned or disadvantaged business enterprises) by recruiting from disadvantaged communities.
- Increase in clean energy jobs, job pipeline, and job training for individuals from disadvantaged communities.

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<sup>12</sup> These are from the TREC ALRD, p. 30-31, on how projects can benefit DACs: [ALRD for State-Based Home Energy Efficiency Contractor Training Grants \(CTG\) Program - Modified 10/6/2023](#).

- Increase in access to educational opportunities/certifications needed for clean energy jobs.
- Increase in parity in clean energy technology access and adoption.
- Increase in access to resources to obtain jobs in clean energy sector.

To support Wisconsin TREC Goal 3, developing soft skills of the current energy workforce,<sup>13</sup> the TREC Application proposed that applicants could include the following “Engaging Labor and Communities” activities:

- Increase in skills development opportunities.
- Increase in access to pre-apprenticeships/apprenticeships.
- Increase in access to educational opportunities/certifications needed for clean energy jobs.
- Increase in access to resources to obtain jobs in clean energy sector.

### **Quality Jobs**

The U.S. DOE defines this part of the CBP as expanding “good jobs through explicit strategies and actions designed to attract, train, and retain a skilled diverse workforce; foster safe and healthy work environments; reduce the risk of work slowdowns or stoppages; and ensure the efficient and effective use of taxpayer funds.”<sup>14</sup> Specifically, U.S. DOE’s TREC program expectations are for states to create strong and enduring partnerships with employers of energy-related workers and to support a process for tracking and reporting information on job quality, placement of program graduates into high-quality jobs, and development of plans to train and hire workers from declining industries.

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<sup>13</sup> Soft skills include a range of options from communication skills to basic business and finance skills to increasing the number of trainers who speak a different language.

<sup>14</sup> See INVESTING IN AMERICA'S WORKERS THROUGH QUALITY JOBS: [About Community Benefits Plans | Department of Energy](#).

All three of the Wisconsin TREC goals outlined above are intended to increase job quality, by enhancing the skills of workers with TREC trainings and certifications and thereby facilitating increased job opportunities. The TREC Application further proposed that subgrant proposals should cite their own effective partnerships and engagement strategies with communities and employers to effectively address this component of the CBP. The OEI has its own partnerships and ability to facilitate connecting workers with entities like DWD, Wisconsin Economic Development Corporation (WEDC), energy utilities, Focus, local communities, market actors, and community-based organizations, and could help subgrantees build relationships with these entities if needed. Additionally, with approximately \$150 million allocated to the HER programs, the Wisconsin TREC program is well-situated to connect workers with the jobs generated by these, as well as other federally funded programs OEI administers or coordinates on with other state agencies. Additionally, OEI staff have experience with related TREC Program aspects such as tracking payroll and benefits data and coordinating with state agencies to obtain labor data and job projections and for the ability to connect to already established statewide wraparound services which could help workers in the TREC program. These last two points will be areas OEI staff intends to engage with DWD, given their role in many of those programs, as well as other entities as appropriate throughout the life of the TREC program.

### **Diversity, Equity, Inclusion, and Accessibility**

In this section of the CBP, the U.S. DOE seeks for state TREC programs “to support investments that advance equity, civil rights, racial justice, and equal opportunity, including access to jobs and other economic opportunities.”<sup>15</sup> U.S. DOE provides potential examples of

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<sup>15</sup> See ADVANCING DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY (DEIA) section: [About Community Benefits Plans | Department of Energy](#)

DEIA planning for TREC that may include, but are not limited to, connecting and incorporating DEIA into working with minority run businesses, educational institutions, and/or training organizations, and engaging in workforce development with underrepresented groups. Examples of DEIA planning may also include identification of diverse workforce training partners to foster improved access to jobs, including under-represented individuals and those facing barriers to high-quality employment, or a commitment to support quality pre-apprenticeship programs in the local community to improve access to career-track training and jobs for underrepresented workers.

To support these groups, the U.S. DOE indicated wraparound services like transportation, childcare, and job readiness could be included in funding to help workers receive the training they need to enter these programs or jobs. The TREC Application suggested that some of these wraparound services may coincide with or be provided by DWD, which provides existing support services that “may include, but are not limited to, referrals to community programs/services, referrals to state and federal public assistance programs, assistance in accessing childcare, transportation, housing, and educational testing, needs-related payments, reasonable accommodations for individuals with disabilities, tools and equipment, and uniforms and other work attire.”<sup>16</sup> The TREC Application contemplated that the OEI would work closely with DWD to support Wisconsin energy workers seeking support services to help them complete training and certification. DEIA and Justice40 criteria are reflected in the Wisconsin TREC goals and objectives, specifically the second goal of recruiting more diverse participants from disadvantaged and traditionally underrepresented communities into energy programs. The

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<sup>16</sup> See p. 48 of the Wisconsin PY2024-2027 WIOA Combined State Plan: [2024-2027-wioa-state-plan.pdf](https://www.wisconsin.gov/2024-2027-wioa-state-plan.pdf) ([wisconsin.gov](https://www.wisconsin.gov))

TREC Application also propose incorporating DEIA and Justice40 criteria into the Merit Review and Scoring Criteria for subgrant applications, as discussed later in this memorandum.

### **Justice40 Initiative**

TREC is a Justice40 covered program, and as such contributes to the goal that 40 percent of the overall benefits of certain federal investments in clean energy and climate solutions flow to DACs. The OEI has developed and implemented an initial method of tracking Justice40 data to meet U.S. DOE funding requirements as part of other grant programs (the Wisconsin Grid Resilience Program, Energy Innovation Grant Program (EIGP), and the Rural Energy Startup Program (RESP)). In line with those other recently launched Justice40 programs, the Wisconsin TREC Program is expected to follow suit with recent experience in other OEI grant programs that require applicants to report the census tracts benefitted by their projects and how benefits will flow to them. The TREC Application contemplated that WAG members, along with other stakeholder partners, would help to identify project opportunities in DACs they represent or are familiar with.

### **Data Gathering and Analysis**

The federal TREC Program guidelines outline five priority occupations eligible for funding: Plumbers, Electricians, Heating Ventilation and Air Conditioning (HVAC) contractors, Energy Auditors, and Home Performance Contractors. Below Table 1 summarizes the current workforce projection data from the DWD Office of Economic Advisors, with the projected number of jobs gained and growth rate of each occupation.



**Table 1: 2025 Wisconsin Projected Employment Needs and Growth Rate**

<b>Occupation</b>	<b>Employment as of May 2023</b>	<b>Projected Employment May 2025</b>	<b>Projected Number of Jobs Gained from 2023-2025</b>	<b>Projected Growth Rate</b>
Plumbers, Pipefitters, and Steamfitters	7,890	8,287	397	5.00%
Electricians	12,420	13,099	679	5.50%
Heating, Air Conditioning, and Refrigeration (HVAC) Mechanics and Installers**	6,752	7,122	370	5.50%
Insulation Workers, Floor, Ceiling, and Wall	692	715	23	3.30%
Construction and Building Inspectors (Auditors)	1,642	1,682	40	2.40%
		<b>TOTAL:</b>	1,509	

\* Data is from the Office of Economic Advisors 2023-2025 Industry Projections<sup>17</sup>

\*\* Ventilation is left off this job categorization in the documentation, but U.S. DOE refers to this job category as HVAC and this memorandum will use this acronym as well.

Based on these projections, the total number of jobs gained over this two-year period is 1,509, with an average growth rate of 4.34 percent. It is important to note these estimates are for entire occupations, not just what is needed to implement HER funding and other energy and energy efficiency funding and projects. The National Association of State Energy Officials (NASEO) has its own state-level projections of individual state energy workforce needs, including estimates specific to the jobs to be created by IRA HER investments. NASEO estimates Wisconsin will need 732 jobs to support the deployment of HER program funding.<sup>18</sup>

<sup>17</sup> WisConomy is part of the DWD. Job projection data can be found here: [st\\_occ.xlsx \(live.com\)](#); more data inquiries can be found on their dashboard: [Index - WisConomy \(jobcenterofwisconsin.com\)](#).

<sup>18</sup> NASEO Workforce Needs Assessment Data, December 4, 2023. [https://naseo.org/Data/Sites/1/documents/tk-news/naseo\\_trec-workforce-needs-assessment\\_1a-final.pdf](https://naseo.org/Data/Sites/1/documents/tk-news/naseo_trec-workforce-needs-assessment_1a-final.pdf)

Table 2 provides an estimated breakdown of NASEO’s job projections into specific job categories. While DWD’s job projections are for 2023-2025, NASEO’s projection of 732 jobs is for the life of HER funding—an uncertain timeframe as it remains to be seen whether rebate funding would be deployed over the maximum 10-year performance period or whether high participation rates would deplete funding at an earlier date.

**Table 2: Estimated Jobs by Occupation**

<b>Occupation</b>	<b>Projected Number of Jobs Gained Overall from 2023-2025 (per Table 1)</b>	<b>Percentage of Jobs Gained by Occupation</b>	<b>Projected Number of Jobs Needed for HER Programs (per NASEO)*</b>
Plumbers, Pipefitters, and Steamfitters	397	26.3%	193
Electricians	679	45.0%	329
Heating, Air Conditioning, and Refrigeration (HVAC) Mechanics and Installers**	370	24.5%	180
Insulation Workers, Floor, Ceiling, and Wall	23	1.5%	11
Construction and Building Inspectors (Auditors)	40	2.7%	19

\* Commission staff calculation based on each occupation’s percent of the total “Number of Jobs Gained.”

The OEI and the WAG would continue to monitor jobs data as TREC progresses, but this initial data indicates that there is a need in all job sectors, with the fastest growth rates being electricians, plumbers, and HVAC technicians. The OEI also notes there could be a larger need for Energy Auditors than the early data suggests. Focus has documented that there are currently 35 Focus Trade Allies with Building Performance Institute (BPI) certifications in Wisconsin. In 2022, these trade allies completed 1,505 projects receiving Focus incentives. The number of projects per year could significantly increase through the demand for HER projects requiring a

home audit, and thereby challenge the capacity of existing workforce resources to meet the increased demand. Additionally, in the HER Stakeholder Engagement Sessions,<sup>19</sup> participants, especially in rural and remote areas of the state, expressed concern over a lack of energy auditors, which may reinforce that there is an existing and growing need for energy auditors throughout the state that is not captured in the data, and which may challenge the ability of the HER programs to equitably reach all interested customers throughout the state.

These data points and concerns have suggested to Commission staff the need for more trained and certified energy auditors across the state. The U.S. DOE opened a competitive grant program, the Energy Auditor Training (EAT) grant program, which OEI staff submitted a concept paper for the U.S. DOE to determine whether a full application was merited. The U.S. DOE gave the OEI the approval to submit a full application due July 12, 2024. The OEI staff are preparing an application that will request \$2 million in funding for Energy Auditor training and certification to meet U.S. DOE standards for HER implementation, and prioritize addressing support for increasing energy auditor availability in areas of the state with limited or no auditors available nearby. The U.S. DOE expects a decision on those awards in fall 2024.

## **Discussion and Decisions**

The following discussion provides considerations and alternatives to the Commission in scoping the initial round of Wisconsin's TREC program. The scope elements identified are presented as a pilot program from which to glean future information for scoping subsequent rounds, and were developed based on the OEI's experience with existing energy grant programs, the Commission's established grant process, and the federal and administrative requirements and data analysis discussed above. To assist the Commission in defining program design elements

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<sup>19</sup> [Stakeholder Engagement Sessions | Focus on Energy](#)

for the Wisconsin TREC program, consistent with the Commission's experience in scoping other subgrant programs, the OEI lists various alternatives. The Commission may elect to adopt the staff-identified pilot program design, modify the proposals, or to return to Commission staff for further study. The OEI intends to return to the Commission for a second round of scoping upon delivery of the second rounds of funds, and would return again if funding became available for subsequent rounds.

### **TREC Program Eligible Applicant Types**

The U.S. DOE requires that any recipient of TREC funding have their training and certification materials and curricula for energy auditors, HVAC contractors, plumbers, electricians, and home performance contractors<sup>20</sup> approved by U.S. DOE and/or Pacific Northwest National Laboratory (PNNL) for the Building Science Education Solution Center (BSESC). Commission staff received instruction from U.S. DOE on how training and certifying providers can get their materials approved.<sup>21</sup> U.S. DOE also informed Commission staff that they will continue to approve materials throughout the performance period of the grant, which is expected to be four years, through approximately 2028. Commission staff notes that the timeline for federal approval of materials is unclear at this time.

Training and certifications are intended to align with the skills and needs of job service area(s), meet energy workforce demands, and prepare the workforce to deliver energy efficiency, electrification, and clean energy improvements. Entities that provide these trainings and certifications, with approved materials, are considered eligible for TREC funding by U.S. DOE, and therefore Wisconsin TREC applicants must have these approvals prior to entering into a

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<sup>20</sup> For a listing of certifications see pages 25-26: [ALRD for State-Based Home Energy Efficiency Contractor Training Grants \(CTG\) Program - Modified 10/6/2023](#)

<sup>21</sup> See this website for how materials are approved: [DOE TREC BSESC Instructions Fact Sheet\\_Final.pdf \(energy.gov\)](#)

Grant Agreement. At this time, the U.S. DOE does not provide a list of eligible entity types that may be considered a certified training provider. Commission staff expects that the common entity types that may be able to meet those federal requirements and therefore may be considered as prospective applicants to the Wisconsin TREC program would include:

- Private businesses
- Nonprofit organizations
- Technical Colleges
- The University of Wisconsin System
- Labor Organizations
- Other entity types that can meet the curricula and materials approval requirements

These training providers may already provide, or plan to provide trainings to other energy contractors or students, in varying formats (virtual or in-person) and group size.

Under Alternative One, the Commission may consider allowing all eligible applicant types mentioned above to apply. This option may be in alignment with the staff-identified option to establish Round 1 of the Wisconsin TREC Program to act as a pilot from which to glean future information for scoping subsequent rounds. Also, the Commission may find this option to be in alignment with the CBP and Justice40 expectations since it would make available the widest available range of certified training provider types, geographic coverage, and subject of curricula and materials.

Additionally, under Sub-Alternative A to Alternative One, the Commission may consider setting priorities within the list of eligible applicants, permitting all applicant types to apply but identifying applicant types that will receive priority during application review. Recognizing the limited budget available and the size of organization needed to reach workers across the state,

prioritizing applicant types could inform future policy or align with a particular strategy or interest or be used to achieve a particular goal, while still permitting applications from the widest available range of applicants.

Under Alternative Two, the Commission could also limit the list of eligible applicants to a subset of the entities listed above, allowing applications only from specific types of organization the Commission may consider best suited to accomplish program goals. The Commission may wish to pursue this option if it determines that the budget is limited and that limiting the list of eligible applicants would be appropriate to signal its priorities for deploying the budget available.

#### **Commission Alternatives: Eligible Applicant Types**

- **Alternative One:** Allow all entity types to be eligible.
  - **Sub-Alternative A:** Allow all entity types to be eligible but establish a list of priority applicant types.
  - **Sub-Alternative B:** Do not establish a list of priority applicant types.
- **Alternative Two:** Limit the eligible applicant pool to a subset of entity types pursuant to the Commission’s discussion.

#### **TREC Program Eligible Activities**

The federal TREC program allows for a wide range of types of eligible activities that states could pursue to support workforce development and accomplish TREC program goals, including but not limited to<sup>22</sup>:

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<sup>22</sup> See page 8, TREC Administrative and Legal Requirements Document (ALRD): [ALRD for State-Based Home Energy Efficiency Contractor Training Grants \(CTG\) Program - Modified 10/6/2023](#)

- Equip contractors with the hard and soft skills necessary to electrify homes and make them more energy-efficient;
- Stimulate higher quality contracting across the residential sector by providing testing and certification of contractors;
- Prepare workers and businesses in every U.S. state and territory to deliver the energy efficiency and electrification measures funded through the IRA-funded Home Efficiency Rebates and the Home Electrification and Appliance Rebates (IRA Sections 50121 and 50122)
- Provide training and other support to encourage entrepreneurship among contractor firms, including resources for new or aspiring business owners such as introductions to business professionals (e.g., attorneys, accountants, HR support, insurance companies, etc.) to which small contractors can outsource essential business services; inform minority-, women-, disadvantaged- owned businesses (MWDBEs) of state diverse business enterprise certifications; or assist MWDBEs to become trade allies/qualified contractors to deliver utility-run energy efficiency programs, etc.
- Develop programs to upskill incumbent workers and support professional growth;
- Implement workforce readiness strategies, including on-the-job training, mentorship, apprenticeship, and job placement efforts;
- Provide resources to develop and support relevant pre-apprenticeship and registered apprenticeship training programs;
- Establish, or strengthen, career awareness programs to increase interest in relevant energy workforce careers;

- Engage with community and labor organizations, including labor unions, to support the development of high-quality jobs; and
- Promote diversity, equity, inclusion, and accessibility by designing programs for delivery in underserved communities.

Under Alternative One, The Commission may opt to allow all TREC-eligible activity types listed above be considered for funding. This approach could offer applicants the greatest flexibility to propose activities that are designed to meet the Wisconsin program goals:

1) Remove barriers to accessing training to upskill current workers or train current workers; 2) Recruit more diverse participants from disadvantaged and traditionally underrepresented communities into energy programs; and 3) To develop soft skills of the current energy workforce. As with the selection of eligible applicants, allowing the broadest possible eligibility in a pilot program round may permit the Commission to gather the widest possible range of insight on potential projects that could be proposed under the program. Additionally, by allowing for the widest possible list of eligible activities, it may allow for prospective applicants to propose the one or more of the related activities they deem most worthy to meet Wisconsin's energy workforce demands.

Another option, under Sub-Alternative A to Alternative One, would be for the Commission to allow all possible activities, but prioritize a subset of activity types to promote and accomplish programmatic goals. Recognizing the limited budget available relative to the costs associated with many of the activities, prioritizing the list could inform future policy or align with a particular strategy or interest or be used to achieve a particular goal, while maintaining flexibility to allow other eligible applicants to apply. For example, the Commission could consider prioritizing "Prepare workers and businesses in every U.S. state and territory to



deliver the energy efficiency and electrification measures funded through the IRA-funded Home Efficiency Rebates and the Home Electrification and Appliance Rebates (IRA Sections 50121 and 50122),” to emphasize the promotion of synergy with Wisconsin’s HER program. A wide range of other priorities may be considered based on the list above.

Under Alternative Two, the Commission may choose to limit eligibility to a subset of TREC-eligible activities that are in alignment with state goals. The Commission may choose this alternative if they recognize the budget is limited and that tailoring the list could be appropriate to signal its priorities for deploying the funds.

### **Commission Alternatives: Eligible Activities**

- **Alternative One:** Allow all activities in the first grant round.
  - **Sub-Alternative A:** Allow all activities in the first grant round and establish a list of priority eligible activities.
  - **Sub-Alternative B:** Do not establish a list of priority eligible activities.
- **Alternative Two:** Allow a subset of activities and tailor the eligible activities as modified by the Commission’s discussion.

### **Curricula and Material Approval Timing**

Additionally, Commission staff seeks guidance from the Commission on when an applicant needs to have their training and certification curricula and/or materials approved by U.S. DOE. As noted earlier, to receive TREC funding, the certifications and training proposed by applicants must be approved by U.S. DOE and PNNL. When Commission staff requested clarity and specifications from the U.S. DOE about this process, U.S. DOE did not provide more information on the timeline for approval. Commission staff seek guidance on this issue for a few reasons: 1) to prevent the Commission from making awards to applicants who will not be able to

meet this requirement of getting certified or who might incur a long delay, delaying their projects and training across the state; 2) providing clarity and transparency to applicants on how the Commission will consider this key issue; and 3) encourage applicants who may not already have started the approval process to potentially begin this process or at least understand when they need to start. Commission staff have provided a set of alternatives the Commission may wish to consider.

Under Alternative One, the Commission could require that applicants receive advance approval of their curriculum to be considered eligible for award. This would provide the greatest upfront certainty that grant applicants will meet this eligibility requirement, but may also result in excluding potentially meritorious applicants in relation to a requirement that has not received full definition to date from U.S. DOE.

Under Alternative Two, program application instructions would require applicants to have started the curricula approval process by the time they apply. The Commission may find this alternative reasonable because applicants will have submitted their materials and would be only waiting for approval from the U.S. DOE. Furthermore, the U.S. DOE has communicated that once an organization has applied for certification, PNNL/BSESC/U.S. DOE will work with the organization to correct any deficiencies to meet their standards. Additionally, this option provides flexibility based on the uncertain timeline of the U.S. DOE approval process. For example, an applicant could submit their materials during our open grant round and not receive final approval until after the Commission approves awards.

Under Alternative Three, program application instructions would only require that an eligible application must acknowledge that they understand the requirement. This alternative would not require applicants to have started or completed the curricula approval process by the

time they apply, while still ensuring that the requirement is identified and affirmed by applicants. Completion of the eligibility requirement could be made a condition to be satisfied in the establishment of grant agreements after Commission award decisions are made.

Under Alternative Four, the Commission may choose not to provide guidance on the issue.

### **Commission Alternatives: Curricula and Material Approval Timing**

- **Alternative One:** Require applicants receive U.S. DOE approval of their curricula and materials to be considered eligible.
- **Alternative Two:** Require that applicants submit their curricula and materials to U.S. DOE by the time they apply to be considered eligible.
- **Alternative Three:** Require that applicants acknowledge the U.S. DOE requirement of curricula and materials to be considered eligible.
- **Alternative Four:** Take no action.

### **TREC Program Budget**

The U.S. DOE allows 10 percent of each state's TREC formula allocation to be used for administration of the program. The Commission has hired the Workforce Training Program Manager to support implementation of the TREC grant program and the WAG. After administrative costs, there will be \$2,551,896 in available program funds remaining. As described earlier, Commission staff propose two grant rounds as the best way to meet the goals of the TREC program while administering the funds via a competitive grant program format which stakeholders have become accustomed to within other OEI grant programs. This option aligns with the federal funding structure which releases half of available funding upon award and releases the remaining funding after program evaluation is completed regarding the use of the

initial funding tranche. Commission staff believes that this approach may benefit from collecting data, soliciting stakeholder feedback (including through the WAG), and the experience staff will develop in administering HOMES and HEAR rebates. This option also aligns with an established approach in OEI of establishing and learning from earlier grant rounds when considering updated scopes for existing multi-round programs as the Energy Innovation Grant Program.

One option is for the Commission to establish Round 1 as a pilot with a budget of half of the available program funds, totaling \$1,275,948. The Commission may select this option if it would wish to make use of equal halves of funds between grant rounds. This option represents the maximum U.S. DOE is allowing under the two-phase funding award structure, and the Commission may consider whether this structure is appropriate to maximize the funding available to attract initial applicants in the initial grant round. Alternatively, the Commission may wish to select a different option that allocates less than \$1,275,948, which would reserve a greater amount of funding for the second grant round.

#### **Commission Alternatives: Program Budget**

- **Alternative One:** Establish a Round 1 budget of \$ 1,275,948.
- **Alternative Two:** Establish a Round 1 budget of a different amount consistent with the Commission's discussion.
- **Alternative Three:** Do not establish a budget and remand the matter back to staff.

#### **TREC Grant Size and Activity Allocations**

Under Alternative One below, the Commission may consider not setting any grant size limitation or set-aside allocations. This option would not designate a specific set-aside allocation for eligible job occupations, applicant types, or activity types, as defined based on its decisions in

the preceding sections. A program design without set-aside request allocations may permit awarding comparatively larger requests for applications that maintain a broader scope or seek to serve a comparatively large or broad population. The Commission may determine permitting larger awards provides flexibility to identify all available proposals that may be proposed within the program budget regardless of size, and to solicit and award applications that may be able to successfully demonstrate that they provide the most effective proposals for addressing program goals with available funds, including by proposing a broad geographic reach or combining multiple activities in a single application.

Under Alternative Two, the Commission may consider establishing a grant request maximum. A general approach may be appropriate if the Commission finds it desirable to limit total funding to a single applicant and establish a program structure that would mandate a minimum number of separate awards. For example, setting a maximum grant award of \$300,000 would ensure that at least four separate awards could be made with the maximum available initial program funding allocation, while a maximum grant award of \$150,000 would permit at least eight separate awards.

#### **Commission Alternatives: Maximum Grant Award Amount**

- **Alternative One:** Do not establish a maximum grant award request amount.
- **Alternative Two:** Establish maximum grant award request amounts pursuant to the Commission's discussion.

Whether or not the Commission chooses to set a maximum grant amount, it may additionally consider budgetary set-asides for specific job occupations, and/or applicant types, and/or activity types. The OEI has experience with funding set-asides of funding allocation in its EIGP and Grid Resiliency programs. In EIGP (see Order [PSC Ref#: 485923](#)), the Commission

has allocated specified budget amounts for separate activities such as energy efficiency projects and energy planning, with the intent of supporting the program’s capacity to provide funding for the range of separate activities eligible for program funding. In the Grid Resilience Program ([PSC Ref#: 479453](#)), the Commission chose to set aside at least 75 percent of funds in its initial 2023 grant round for small utilities to encourage and support projects proposed by that applicant type, in light of the emphasis on those participants encouraged by DOE and awareness of the budgetary limitations those applicants may face to proposing eligible project. However, it may be noted that these set-aside allocations have pertained to programs with more funding than the maximum of \$1,275,948 that could be made available through the initial TREC grant round program.

Informed by these existing OEI examples, the Commission may consider whether to set aside a specified portion of the funds for certain job occupations or activity types or applicant types with specific maximum grant requests, or by assigning available funds to separate eligible applicant type categories. For example, DWD data shows that electricians, plumbers, and HVAC technicians were the fastest growing occupations with the highest need. The Commission could note this need and allocate a certain amount for these occupations. Selecting this alternative might signal to grant applicants to right-size projects according to a Commission preference to distribute funds to more applicants or to meet particular Wisconsin TREC program goals.

#### **Commission Alternatives: Funding set-asides**

- **Alternative One:** Do not establish funding set-asides.
- **Alternative Two:** Establish funding set-asides and set-aside amounts pursuant to the Commission’s discussion.

## **Other Program Administration Information**

This informational section addresses all of the other routine elements of program design that do not require Commission input and may be handled by the OEI in consultation with the Delegated Commissioner. These elements will be further refined based on the Commission's discussion.

To facilitate implementation of these programs Commission staff will work with the Delegated Commissioner to develop and issue the Application Instructions. To collect the necessary information required for application merit review, the application must include all required information, data and submissions as instructed in the forthcoming application instructions.

A review panel, comprised of Commission staff and potentially other stakeholders with expertise in a related area, will perform an initial review in order to facilitate the Commission's review process.

The merit criteria will be based on these core factors and further refined in collaboration with the Delegated Commissioner, to apply uniquely to each eligible project. Projects will be scored against each other or against like projects in its respective category.

Merit review scoring criteria may include, but is not limited to the following:

- Eligibility screening and ability to achieve the objectives;
- Budget justification and contributions;
- Equity and Justice40 (benefits of awards in total aim to meet Justice40 expectations);
- Engagement and Outreach strategies;

- Economic impact (job creation/workers trained, economic development, compliance with federal provisions, training cost reduction);

The Commission will not be bound by the recommendations of the review panel, as the scoring of a particular project will be one of several considerations that the Commission may consider. The grant award determinations will be made by the full Commission.

**Proposed Timeline for Initial Grant Round:**

Summer 2024	Commission's Scoping Decisions
Ongoing	Application Development and Outreach
TBD	U.S. DOE's Wisconsin TREC (Award)
90 days after Award	Applications available
180 days after Award	Applications due (Close Application period)
240 days after Award	Review and Commission Consideration
270-300 days after Award	Contract Negotiations, Award Agreements Signed by Awardees
TBD	Project Performance Period
90 days after Project Performance Period Ends	Final Reports and Request for Reimbursement Due

To support project implementation within the limits of federal code, eligible costs may include labor (salary/ fringe), travel, supplies, equipment, other, contractual, and indirect. These costs are subject to limitations, upfront documentation, and reporting requirements associated with the federal provisions (such as historic preservation, wage rates, environmental review, domestic production).<sup>23</sup>

Performance periods for grant awarded projects will be detailed in the Grant Agreements. Commission staff notes that the project performance period may vary from the minimum 12-month performance period commonly used in other OEI Grant programs due to the nature of the eligible activities, and the scope decisions made above regarding Round 1. While grant

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<sup>23</sup> Davis-Bacon does not apply. See question #39: [State-Based Home Energy Efficiency Contractor Training Grants: Questions and Answers | Department of Energy](#)



recipients may have various performance period start dates, subject to federal review and other factors, all awardees will be subject to the same quarterly performance reporting requirements throughout the performance period. Extensions may be considered to the extent available within the federal performance period. Early project completion and requests for reimbursements may be allowed.

To ensure that grant recipients are compliant with grant agreement terms and conditions and are on track for success, the Commission continues to require routine performance reporting that addresses the following: all scope deliverables, objectives, and metrics identified through contract negotiations, compliance with federal flow-down provisions; grant expenditures and leveraged funding, percent of project completion.

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