

## DOCKETED

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<b>Project Title:</b>	SB 350 Barriers Report
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<b>Document Title:</b>	Staff Presentation - SB 350 Low Income Barriers Study Draft Report Workshop
<b>Description:</b>	Energy Commission Staff Presentation from the September 13, 2016 SB 350 Low Income Barriers Study Draft Report Workshop
<b>Filer:</b>	Michael Sokol
<b>Organization:</b>	California Energy Commission
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CALIFORNIA ENERGY COMMISSION

# A Study of Barriers and Solutions to Energy Efficiency, Renewables, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities



**The Clean Energy and Pollution Reduction Act of 2015  
Senate Bill 350 Barriers Study**



# Commitment to Diversity

*The Energy Commission adopted a resolution strengthening its commitment to diversity in energy programs, policy and planning by engaging with disadvantaged and underrepresented groups throughout the state.*

# Commitment to Equity

*“California’s energy transformation must be built with strong equity components, and rooted in community-driven processes that will benefit all Californians, especially the most vulnerable communities.”*

**-Communities for a Better Environment**



# Purpose

## **Provide an Overview of the SB 350 Barriers Study**

- Requirements , Process and Public Engagement
- Barriers and Solutions :Energy Efficiency and Renewable
- Barriers and Solutions: Small Business

## **Provide an opportunity for Public Comment**

- Barriers and Solutions
- Recommendations



# REQUIREMENTS, PROCESS AND PUBLIC ENGAGEMENT:

**ALANA MATHEWS**



# SB 350 Barriers Study Requirements

## Barriers to and opportunities for:

- Solar photovoltaic energy generation and renewable energy
- Contracting opportunities for small businesses
- Energy efficiency and weatherization investments





# SB 350 Barriers Study Process

- Literature Review
- Public Engagement
- Solutions and Opportunities
- Recommendations



# SB 350 Barriers Study Public Engagement

- **3 Public Workshops**
- **2 Collaborative workshops with CARB and EJAC**
- **3 Stakeholder Roundtable Discussions**
- **7 Community Stakeholder Meetings**
- **Barriers Study Webpage**
- **Social Media Outreach**



# SB 350 Stakeholder Community Meeting

Community Stakeholder Meetings	Communities for a Better Environment	Barriers	Solutions
<p><b>August 3: Los Angeles</b></p>   		<ul style="list-style-type: none"><li>• Distrust/ Misinformation</li><li>• Solar Panels are cost -prohibitive because of conservative energy usage</li></ul>	<ul style="list-style-type: none"><li>• Partner with Community Based Organizations</li><li>• Community Solar or Mobile Solar</li><li>• Require solar on all new affordable housing</li></ul>



# SB 350 Stakeholder Community Meeting

Community Stakeholder Meetings	The Leadership Counsel For Justice and Accountability	Barriers	Solutions
<b>August 5: Fresno</b>		<ul style="list-style-type: none"><li>• Simplify eligibility requirements for all programs</li><li>• Poor outreach/ education efforts</li></ul>	<ul style="list-style-type: none"><li>• Use same criteria as other low-income programs</li><li>• More flexible hours; multiple languages</li><li>• More options for those living in mobile homes</li></ul>
<b>August 18: San Bernadino</b>	<b>The Center for Community Action and Environmental Justice</b> 	<ul style="list-style-type: none"><li>• Swamp cooler limitations and ineligibility</li><li>• Renters cannot authorize needed upgrades</li></ul>	<ul style="list-style-type: none"><li>• Allow option to trade out Swamp Coolers; eliminate 10year rule</li><li>• Create a split incentive with rent control</li></ul>



# SB 350 Stakeholder Community Meeting

Community Stakeholder Meetings	Asian Pacific Environmental Network	Barriers	Solutions
<p><b>August 19: Oakland</b></p>		<ul style="list-style-type: none"> <li>• Language barriers</li> <li>• Combined family incomes</li> </ul>	<ul style="list-style-type: none"> <li>• Instead of printing info/post on website</li> <li>• Count economic unit not just household</li> </ul>
<p><b>August 24: Los Angeles</b></p>	<p><b>Strategic Concepts in Organizing and Policy and Education</b></p> 	<ul style="list-style-type: none"> <li>• Lack of information and education</li> <li>• Unclear metrics for success</li> </ul>	<ul style="list-style-type: none"> <li>• Create toolkits</li> <li>• Deploy/ demonstration projects in DAC</li> <li>• Energy education, benefits for conservation</li> </ul>



# SB 350 Stakeholder Community Meeting

Community Stakeholder Meetings	Sierra CAMP/Sierra Business Council	Barriers	Solutions
<p><b>August 22:</b>  <b>South Lake Tahoe/Sierra Mountain Region</b></p>		<ul style="list-style-type: none"> <li>• Limited definition of renewables =limited funding</li> <li>• Non-inclusive definition of DAC</li> </ul>	<ul style="list-style-type: none"> <li>• Consider forest waste as a renewable source of energy</li> <li>• Future programs should consider income, access and seasonal energy demands</li> </ul>
<p><b>August 31:</b>  <b>Redwood Valley</b></p>	<p><b>Northern Circle Indian Housing Authority</b></p> 	<ul style="list-style-type: none"> <li>• Income eligible but homes are not</li> <li>• Working poor challenge</li> <li>• Lack of Collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• Funding set aside for tribal DAC</li> <li>• Increase the income eligibility amount</li> <li>• Create one stop shopping</li> </ul>



# **BARRIERS AND SOLUTIONS: ENERGY EFFICIENCY AND RENEWABLE ENERGY**

**Jordan Scavo  
Bill Pennington**



# Structure of the Study

- Chapter 1-Introduction & methodology
- Chapter 2-Program descriptions
- Chapter 3-Barriers to efficiency and renewables
- Chapter 4-Potential solutions for efficiency and renewables
- Chapter 5-Small business contracting



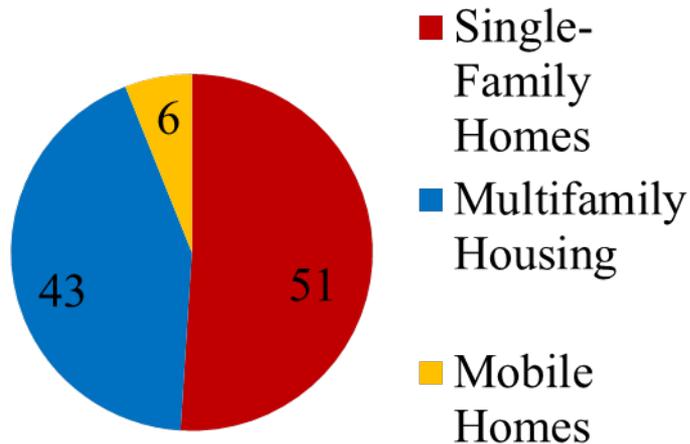
# Types of Barriers

- Structural & Financial Barriers
- Community Access Barriers
- Policy and Program Barriers



# Financial and Other Structural cont'd

## California Low-Income Housing



- Building age
- Low homeownership rate
- Lack of capital, lack of credit



# Multifamily Housing Structural Barriers

- Metering: Master-meter vs submetered
- Common areas vs tenant spaces
- Diverse building characteristics
- Budgeting processes
- Lack of information



# Community Access Barriers

- Outreach
- Education
- Transaction costs





# Policies and Program Barriers

- Program reach limitations
- Barriers to collaboration
- Tax Credits
- Rate setting and regulatory challenges
- Insecure or inadequate program funding
- Data limitations
- Unrecognized non-energy benefits



# Potential Solutions for Financial & Other Structural Barriers

## Direct Government Investment

- Direct install programs
- Tax credits
- Direct loans

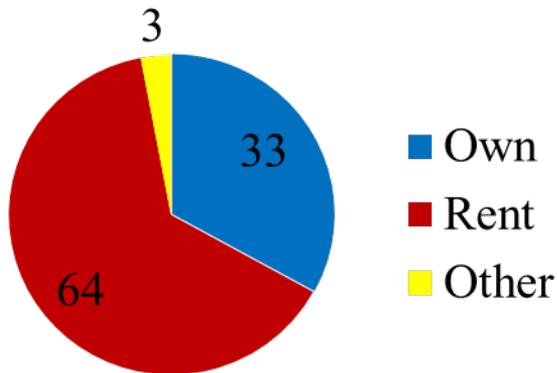
## Encourage Private Capital

- Loan-Loss Reserve
- Subsidies



# Leveraging Private Capital

## California Low-Income Homeownership Status



## Financing Mechanisms

- Owners: PACE, PPAs, leases
- Renters: On-bill PAYS



# Target Renters and Hard-to Reach Customers

- Address split incentives
- Encourage community solar
- Target multifamily housing



# Potential Solutions for Community Access Barriers

- Framing
- Community responsive marketing
- Points of contact





# Potential Solutions for Policy and Program Barriers

- Establish consistent eligibility criteria
- Improve understanding of community needs
- Choose effective program administration
- Make programs easier to use



# Potential Solutions for Policy and Program Barriers

- Integrate programs and services
- Improve coordination across programs
- Re-institute tax credits for clean energy
- Consider modifications to CARE to promote efficiency or renewables



# Potential Solutions for Policy and Program Barriers

- Provide consistent and adequate program funding
- Implement data recommendations from Existing Buildings Energy Efficiency Action Plan
- Incorporate non-energy benefits in cost-effectiveness tests



# **BARRIERS AND SOLUTIONS: SMALL BUSINESS CONTRACTING OPPORTUNITIES**

**ESTEBAN GUERRERO**



# Process for Contracting Chapter

## Input from experts

- Diverse small businesses, environmental justice & equity community, academia
- State agencies/departments

## Scarce literature



# Contracting Barriers – Lack of Access to Information

- ...about existing bids
- ...about funding and funding criteria
- ...on small businesses in low-income and disadvantaged communities
- Insufficient focused outreach



# Contracting Barriers – Technical Assistance and Workforce Needs

- Solicitation process
- Specialization issues
- Workforce recruitment and retention



# Contracting Barriers – Financial Obstacles & Other Concerns

- Cost structure
- Self-financing
- Insufficient private funding available
  
- Pattern of winning  $\leftrightarrow$  pattern of discouragement
- Need for tighter controls around 25% target



# Contracting - Potential Solutions

- Follow-up data collection and analysis
- An overarching small-business supply chain strategy
- Partnerships with Community-Based Organizations to provide information and train local workforce
  - CBOs have built community trust, and
  - CBOs are dedicated to skills development for community progress



## Contracting - Potential Solutions (cont'd)

- Alternative funding strategies and tracking metrics
  - Track grants to small businesses
  - Take lessons learned from successful programs and policies, e.g., CPUC's General Order 156
- Greater coordination among state agencies/ departments
- Special focus on increasing access to information and contracting opportunities



## Contracting - Potential Solutions (cont'd)

- Support clean-energy job placement & workforce development
  - Collaborate with Labor & Workforce Development Agency, the Workforce Development Board, and the Employment Development Department
  - Roadmap with recommendations to improve clean energy workforce and job placement policies



# PUBLIC COMMENT



# Guiding Questions

- Are there any important barriers that are not identified in the draft study?
- Are there any important solutions that are not identified in the draft study?
- What would you identify as high-priority recommendations the final study should include to address these barriers?\*

*\*Please be as specific as possible and include relevant details, such as suggested funding amounts and proposed schedule.*



# Public Comments

We will start with comments in the room, and then open up for comments from those participating via WebEx

- In the room - Submit a blue card with your name and question. We will call you to the microphone in the order comments were received.
- WebEx – Type your question into the ‘chat’ function and we will unmute you to ask your question once it is your turn.
- Please keep comments to under 5 minutes each.



## Written Comments

- Written comments on the draft report are due Thursday **September 29 by 4:00 p.m.**
- E-comments can be submitted at the following link:  
<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=16-OIR-02>
- Please focus on specific recommendations for the study when framing your written comments.



## More Information:

[www.energy.ca.gov/sb350/barriers\\_report/index.html](http://www.energy.ca.gov/sb350/barriers_report/index.html)



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