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Greenlining Institute Comments - SB 350 Barriers Study

Additional submitted attachment is included below.

1918 UNIVERSITY AVENUE, 2ND FLOOR
BERKELEY, CA 94704
GREENLINING.ORG

**Comments of the Greenlining Institute
on the California Energy Commission's
SB 350 Barriers Study**

The Greenlining Institute (Greenlining) welcomes the opportunity to provide comment on the California Energy Commission SB 350-mandated Study of Barriers and Solutions to Energy Efficiency, Renewables, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities (Draft Study). Greenlining is a research and advocacy organization dedicated to advancing economic opportunity and empowerment for people of color. We seek to build a nation in which communities of color thrive and race is never a barrier to opportunity. Issues of environmental and economic inequity are central to our work.

The Draft Study effectively outlines many barriers facing low-income and disadvantaged communities, we therefore focus these comments on solutions and recommendations. Our recommendations focus on the following issue areas:

- Bold and Actionable Recommendations with Clearly Defined Goals
- Benchmarking and Data
- Adaptive Management and Unintended Consequences
- Targeted Research, Development, and Deployment
- Improvements to Existing Policies and Programs
- Targeted Outreach and Education
- Effective and Coordinated Financing Strategies
- Native American and Rural Communities
- Target Community Buildings, Non-Profit Organizations, and Small-Businesses
- Prioritize Adaptation
- Track and Set Supplier Diversity Targets
- Expand and Target Opportunities for Economic Advancement
- Cross-Sector Recommendations with Transportation Study
- Continued Stakeholder Engagement

We also support comments submitted by the Center for Sustainable Energy, Asian Pacific Environmental Network, the California Environmental Justice Alliance, and the GREEN/Energy Efficiency for All Coalition.

Bold and Actionable Recommendations with Clearly Defined Goals

The Draft Study does not identify specific recommendations, actionable steps, or clearly defined goals. The Draft Study, therefore, does not capture the intent of SB 350. The current approach will leave low-income and disadvantaged communities once again relying on the failure of trickle-down economics to realize any benefits from California's emerging clean energy economy. 2030 targets established by SB 350 and SB 32 are just around the corner and California needs to make immediate and significant progress, particularly in low-income communities, to reach its climate goals. Therefore, the state must act now on bold, specific, and actionable equity recommendations.

Of course, not everything can be accomplished at once. We recommend that the state use a phased approach to its recommendations, with the Draft Study presenting the most immediate recommendations, as well as laying out a strategy for recommendations that the state should develop in the intermediate (2-3 years) and longer-term (4-5 years) time-frame. We further recommend that the state prioritize equity policies and programs that are scalable, accessible, and attract private sector investment and engagement. Recommendations outlined in this comment letter meet these priorities.

To ensure that climate and clean energy equity programs continue in a coordinated, efficient, effective, and sustained manner, we recommend that the state develop an equity strategy (Climate Equity Strategy) that is regularly updated, includes priorities outlined in these comments, and is used and referenced in other state clean energy and climate policies, programs and investment plans. Although SB 350 focuses primarily on energy efficiency and renewable energy, we recommend that the state look at clean energy technologies broadly to include future generations of clean energy technologies such as energy storage, advanced demand response, and other microgrid technologies. This will enable the development of equity strategies, policies, and investments that are efficient, effective, and on par with a rapidly advancing clean tech industry.

Benchmarking and Data

The Draft Study should recommend the benchmarking and collection of key data sets to enable transparent tracking of the adoption of clean energy technologies and co-benefits in low-income and disadvantaged communities. At a minimum, the state should transparently publish data and track the progress of the programs identified and described in Chapter 2 of the Draft Study in a comprehensive manner so that progress can be analyzed across all programs targeting low-income and disadvantaged communities.

California is not carrying out its climate policies equitably if we only track data in the aggregate. This allows us to miss the disproportionate impacts (both good and bad) of our climate policies on low-income and disadvantaged communities. It is critical that we track the data necessary to understand how our most vulnerable and marginalized populations are being impacted by climate and clean energy policies, particularly a landmark bill such as SB 350.

We recommend that the state track the progress of energy savings, renewable energy use and generation within disadvantaged and low-income communities. Additional energy metrics should include direct installation progress for energy efficiency, demand response technologies, and battery storage usage. Additional non-energy metrics should include economic opportunities (jobs and contracting, workforce training), health outcomes, and resiliency (savings and comfort). The state should regularly publish this information and can do so as part of the Climate Equity Strategy. This data can help inform future Greenhouse Gas Reduction Fund and clean technology investments as well as policy priorities.

Further, in order to ensure equity in receipt of benefits across California's diverse communities, all clean energy programs should collect a standard set of demographic data from customers who receive program benefits. A study presented at the 2016 ACEEE Summer Study conference found that participants in untargeted programs, available to everyone, tend to be wealthier and more educated, and are more likely to be white and to own their homes.[1] These demographic trends for participation do not align with California's population generally, and indicate a need to identify who is being left out and devise remedies to bring greater equity to program participation.

Tracking the same data for each benefit program will help identify communities that have not been sufficiently served, which will help identify where to focus future resources and engagement efforts. Some of this data can be provided by the program administrator, and the rest should be collected from the participant in a post-participation survey.[2] Demographic data should be published annually, ideally in a consistent format across all programs, and should be relied upon to develop future program recommendations and strategies.

To this end, Greenlining recommends that all benefit or incentive programs should track the following demographic information from customers receiving program benefits:

<u>Residential</u>

- Household income
- Educational attainment
- Home ownership
- Building type (single family/multi-family) and size
- Age

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[1] *See* Marti Frank and Seth Nowak, "Who's Participating and Who's Not? The Unintended Consequences of Untargeted Programs." (2016). Available at: http://aceee.org/files/proceedings/2016/data/papers/2_542.pdf.

[2] Some customers may not complete such a survey. Reporting should include response rates as well as the content of customers' responses.

- Race/ethnicity
- Primary language spoken
- CalEnviroScreen decile
- County

Non-Residential

- Customer class (ex: small commercial, large agricultural, etc.)
- Type of organization (public, private, nonprofit)
- Property ownership
- Building type and size
- Race/ethnicity
- Primary language spoken
- CalEnviroScreen decile
- County

Obviously, some of this data will not need to be collected for certain programs. For example, programs only available to multi-family buildings will not need to collect data on building type. The goal should be that all of the above information is consistently reported and publicly available for all energy efficiency and renewable energy programs statewide. This data will be useful even in analysis of targeted programs (i.e. programs that are only available to certain customers). For example, a program available only in CalEnviroScreen-identified disadvantaged communities might see significant participation by customers with scores between 75% and 80%, but relatively low participation by the most impacted customers, with scores between 90% and 100%. That information would be critical to ensuring that program benefits are reaching their target recipients. As such, Greenlining recommends that the above data be collected and published for both targeted and non-targeted programs.

Finally, we recommend that the state set goals that ensure, at a minimum, parity in access to clean energy progress throughout the state of California. To this end, we recommend that California set a goal to achieve the same progress (at a minimum) toward reaching SB 350's goals (doubling of statewide energy savings and 50% renewable energy procurement) within low-income and disadvantaged communities as we see outside of these areas.

Adaptive Management and Unintended Consequences

Benchmarking, data, and research must feed into an adaptive management structure in which the state periodically reviews data and research to identify progress, unintended consequences such as population displacement, and existing or new barriers. The state should then assess whether new policies, programs, or initiatives are needed to enable progress, or whether existing policies programs, or initiatives need to be amended or removed to avoid unintended consequences or promote progress. This review should be done through a public process in consultation with experts and stakeholders that represent low-income and disadvantaged communities.[3]

We recommend that the state integrate this adaptive management analysis into the Climate Equity Strategy, with updates every 2 years.

Targeted Research, Development, and Deployment

Expert stakeholders recognize that additional research is needed for many of the barriers identified in the Draft Study. Therefore, this Draft Study should recommend further research to identify and test solutions for increasing access, use, and ownership of clean energy technologies in low-income and disadvantaged communities. Low-income and disadvantaged communities have the opportunity to showcase the next generation of clean energy technologies, similar to how universities and military bases are targeted for clean energy Research, Development, and Deployment (RD&D) opportunities.

The state recently included in legislation and as part of the 2016-2017 State Budget a policy to transform several disadvantaged communities into sustainable, thriving neighborhoods.[4] Coordination with this program and targeting RD&D funding as well as funding from other climate programs supporting the expansion of commercialized clean energy technologies in these communities is a great way to leverage funding, attract private capital, and scale investments.

For these reasons, we recommend that a minimum of 35 percent[5] of Electricity Program Investment Charge funding is used toward RD&D that addresses the barriers identified in this Draft Study, as well as future Climate Equity Strategy reports, and accelerates the use of clean energy technologies in low-income and disadvantaged communities.

Improvements to Existing Policies and Programs

These comments support by reference those comments submitted by the GREEN/Energy Efficiency for All Coalition. We also submit the following recommendations for your consideration.

Community solar programs must create opportunities that are accessible and beneficial to low-income consumers. This requires meeting those requirements outlined on page 39 of the Draft Study (e.g. little or no up-front investment, reducing electric utility bills, and non-burdensome credit requirements). It also requires working closely with community-based organizations and using targeted outreach to increase access to community solar programs

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[3] Making comprehensive participation data, as recommended above, publicly available to stakeholders will help ensure that the adaptation process is thorough, well-informed, and efficient.
[4] Senate Bill 2722 (Burke, 2016).
[5] This commitment is consistent with Senate Bill 1550 (Gomez, 2016).

and ensure that they successfully benefit low-income and disadvantaged communities. We recommend that the Green Tariff Shared Renewable program, and any future community solar initiatives meet these priorities.

In low-income and disadvantaged communities, the primary barrier to access is affordability and related financial barriers, and the need to save money on monthly bills is paramount. Policymakers should bear in mind that non-low income customers have been able to save substantially on their monthly bills through California's existing solar policies. It makes even more sense, from a public policy perspective, to deliver significant savings via clean energy investments to low-income communities, who struggle daily to make ends meet and for whom the monthly savings that wealthier customers have been able to achieve through rooftop solar and other green technology could really be a game-changer.

Targeted Outreach and Education

As an immediate step, we recommend that the state hold a series of workshops in 2017 to discuss and identify strategies and opportunities to coordinate cross-agency marketing, education, and outreach efforts for clean energy, clean transportation, and other climate programs targeting disadvantaged communities and low-income households. This workshop should call administrators from different state programs to discuss their marketing, education, and outreach programs with a focus on how to best coordinate and streamline the process.

As the Draft Study notes, reaching and engaging low-income customers and disadvantaged communities is particularly time- and resource-intensive. We further recommend, therefore, that the state include in its budget at least $5 million dollars per year for marketing, education, and outreach for state climate and clean energy programs targeted toward low-income and disadvantaged communities.

Outreach and education cannot be approached as a traditional marketing campaign, where the metrics for success are centered around visibility (i.e. how many people have seen the ad, clicked through to the website, etc.). The metrics for success in clean energy engagement must be actions taken – program participation, behaviors changed, technologies adopted, and kWh/therms saved. Given California's ambitious goals and the levels of participation needed to achieve them, a marketing approach will simply be insufficient. Greenlining recommends that outreach and engagement be treated more as a mobilization campaign than a marketing campaign. Success will depend on community-based organizations, community organizers, ethnic media, churches and faith-based organizations, and similar grassroots strategies that are successful in bringing people together to action.

Effective and Coordinated Financing Strategies

State policies must support financing strategies that are beneficial to low-income and disadvantaged communities. These strategies must: (1) not be debt-based, (2) address and prevent predatory lending practices and fraud against consumers, and (3) coordinate across financing opportunities available for low-income and disadvantaged communities.

As an example, Pay As You Save is a successful model that allows a utility to pay directly for cost-effective energy efficiency upgrades regardless of a customer's income, credit score, or renter status. It also has no requirement that a building owner or renter come up with upfront capital, qualify for a lease or a loan, or take on debt.

Native American and Rural Communities

Solutions for accelerating access to and ownership of clean energy technologies within rural and native communities, as well as the economic benefits attached to clean energy markets, must include robust input and involvement from these communities. This Draft Study does not reference or use the recommendations provided by tribes and rural communities during the Energy Commission's outreach for the Draft Study. At a minimum, this document (not just the appendix) should incorporate this input.

The following recommendations outline steps the state can take to more effectively engage with rural and tribal communities and increase the expansion of clean energy technologies in these communities.

- Continue to develop and invest in long-term relationships with key rural and tribal stakeholders.
- Explicitly list tribal eligibility in state clean energy and climate program documents.[6]
- Support the creation of a coalition of indigenous and rural groups that can effectively organize around clean energy and climate funding priorities.
- Provide training and resources to educate government staff about tribal issues and indigenous history. CalEPA has put forth a strong effort to convene experts and provide these resources online for free. Their effort can serve as a model for other agencies to emulate.
- Award additional points to proposed projects that contain a tribal connection. This could be a way to bring tribal governments into the planning process and allow these communities to proactively work together with local and state governments towards common priorities.

[6] Many times tribal communities do not apply for programs they are eligible for because they assume they are not. When agencies explicitly label their eligibility, they are more likely to see tribal applicants increase.

- Support program accessibility by partnering with community-based organizations working closely with rural and indigenous communities.

Finally, in developing large-scale renewable energy strategy as part of the state's plan to meet a 50% Renewables Portfolio Standard, the state must prioritize equity and environmental justice considerations, including mitigating against increased air and water pollution, protection of water resources used by local-communities, access to long-term quality jobs, and community benefits agreements for impacted communities. Furthermore, rural and indigenous communities must be influential stakeholders included in the decision making process.

Target Community Buildings, Non-Profit Organizations, and Small-Businesses

We recommend that the state direct more climate and clean energy programs and funding toward community buildings, non-profit organizations, and small businesses that benefit, serve, and are located within low-income and disadvantaged communities. This requires creating and sufficiently funding solar, energy efficiency, and demand response programs that target non-residential buildings within low-income and disadvantaged communities. These programs should prioritize clean energy investments in buildings owned or occupied by non-profit organizations, churches, food banks, medical clinics, immigration clinics, veteran support centers, small and diverse-owned businesses, and other buildings providing support for basic needs in low-income and disadvantaged communities. Where possible, these investments should look to incorporate the adaptation investments these communities need to be resilient in the face of climate change.

Prioritize Adaptation

California has ample research and real world experiences that remind us daily of the present and growing threats of our changing climate. As the state carries out the recommendations and regulations stemming from SB 350 and this Draft Study, we recommend that the state elevate adaptation research, projects and priorities to the forefront of climate mitigation and clean energy decision making. This is particularly important for low-income and disadvantaged communities, many of which also qualify as vulnerable populations from a climate adaptation perspective.

Track and Set Supplier Diversity Targets

Greenlining respectfully submits that the recommendation on p. 69 regarding a minimum amount of state or private funds to be spent with diverse businesses is not workable, because it is not permitted by Proposition 209. While goals may – and should – be set, as is the case with GO 156, those goals must be voluntary and must be carefully structured so as to remain in compliance with Prop 209. The state may not establish quotas for its grants or contracts based on race, and it may not require private parties to do so. As to the recommendation for preference or additional points for diverse businesses, this concept is possible without running afoul of Prop 209, but the rules must be carefully designed to do so.

Prop 209 notwithstanding, Greenlining agrees with the draft report that it is valuable to encourage and track participation by small and diverse businesses, both as participants in programs and as suppliers and contractors. Greenlining recommends that programs 1) set diverse business participation goals, 2) target outreach regarding opportunities to participate to diverse business communities, and 3) track participation by diverse businesses, both as customer participants and as suppliers and contractors. Consistent reporting on participation by small and diverse businesses will help program administrators and stakeholders know where engagement efforts are successful, and where additional efforts are needed.

The California Public Utilities Commission and the Investor-Owned Utilities (IOUs) already have significant infrastructure and networks set up to reach the diverse business community, which can be mobilized and expanded for the programs contemplated in this report, and others like them. However, these recommendations should go broader than the existing IOU programs, to include other funding sources and other program administrators.

Expand and Target Opportunities for Economic Advancement

As the state develops policies and invests billions of dollars to transition from a fossil fuel economy to a clean energy economy in California, we stand the chance of widening wealth gaps if we do not ensure equitable access to economic opportunities in our clean energy and climate policies. To this end, we incorporate by reference the "SB 350 Clean Energy Jobs & Economic Opportunities Comments and Recommendations" submitted by APEN and Greenlining to the Barriers Study docket. It is critical that issues of workforce training, job placement, and small business opportunities are all addressed as California seeks to carry out the recommendations that will stem from this Draft Study and other policies and initiatives required under SB 350.

To this end, we recommend that a sufficient percentage of all eligible state climate and clean energy funding go to clean energy workforce training as well as technical assistance for small and diverse-owned businesses that might be interested in applying for clean energy funding and subcontracts. We also recommend that the state track the progress of workforce training, job placement, and small- and diverse-business contracting programs and initiatives as part of a regularly updated Climate Equity Strategy.

Engaging Small and Diverse Businesses

The utilities, through their years of supplier diversity experience, have developed long-standing relationships with California's diverse business communities, most often through the chambers of commerce of which diverse businesses are members. Often, these chambers, trade organizations, and other specialty business associations are the best way to reach diverse business communities. Program administrators must ensure that opportunities to partner and participate, and to access outreach funding, are available to organizations of these kinds.

Additionally, these business-focused organizations often provide technical assistance specific to their members' needs. Program administrators should work with such organizations to develop and deliver programming to inform and engage member businesses on clean energy opportunities, not just as suppliers but also as customer participants.

Building a Robust Workforce Pipeline

To a significant extent, the Draft Study overlooks the critical need to ensure that a robust workforce development pipeline is available to workers and trainees from all communities across California, especially those struggling with higher-than-average unemployment. Many of the jobs being created by California's green economy are high road jobs, meaning well-paying jobs that provide benefits, reliable hours, and the opportunity to participate in additional skills training and advance one's career. A push to bring equity to the green economy must include low-income and disadvantaged communities as a source of labor, not only as consumers.

The Draft Study notes the role that GRID Alternatives has come to play, as part of its capacity as SASH Program Administrator, in connecting workforce training program participants to entry level jobs in solar installation and, increasingly, in other areas of the solar industry.[7] We note that this is a critical gap in the workforce pipeline, and that GRID's volunteer model has been successful in helping to close the gap.

However, there are more gaps in the pipeline that require filling. As is noted in the study draft, it's not clear now whether job trainees actually wind up in a good job with a career path in the sector for which they trained. While it has been California's longstanding policy to ensure that our green workforce is diverse as well as skilled, little progress has been made by implementing agencies to design and implement a comprehensive workforce development strategy statewide that will help achieve this goal. As a starting point, Greenlining recommends that agencies implementing energy policies partner proactively with the California Labor and Workforce Agency, the Workforce Investment Boards, and other agencies with expertise in workforce matters to design a strategy that meets both our workforce and our clean energy goals together.

[7] P. 44.

Cross-Sector Recommendations with Transportation Study

We recommend identifying opportunities for cross-sector projects related to the transportation sector study being drafted by the California Air Resources Board. Recommendations in both studies should complement the other. As a specific example, electric vanpooling and carsharing, as well as initiatives to promote access to public transportation can be coordinated to support workforce training and job placement programs within the clean energy sector. They can also be funded in coordination with and marketed with direct installation projects.

We recommend that the state regularly publicize these cross-sector initiatives as part of the Climate Equity Strategy.

Continued Stakeholder Engagement

We applaud the Energy Commission for its robust outreach efforts during the research phase of the Draft Study. We encourage the Energy Commission and other state agencies to grow and improve outreach efforts by strengthening partnerships with community-based organizations, requiring targeted community outreach throughout its policies and programs, and engaging in outreach activities early and often. We also encourage other state agencies to collaborate with the Energy Commission to increase and strengthen their own outreach efforts.

Greenlining appreciates this opportunity to comment and looks forward to engaging further on this critical policy discussion.

Respectfully submitted,

/s/ Stephanie C. Chen

STEPHANIE C. CHEN
Energy & Telecommunications Policy Director
The Greenlining Institute
1918 University Ave., 2nd Floor
Berkeley, CA 94704
Telephone: (510) 898-0506
Fax: (510) 926-4010
Email: stephaniec@greenlining.org

/s/ Sekita Grant

SEKITA GRANT
Environmental Equity Legal Counsel
The Greenlining Institute
1918 University Ave., 2nd Floor
Berkeley, CA 94704
Telephone: (510) 926-4004
Fax: (510) 926-4010
Email: sekitag@greenlining.org

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