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**On SB 350 Barriers Study Draft Report**

*Additional submitted attachment is included below.*

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California Energy Commission  
Docket Office, MS-4  
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Via email

Re: Docket No. 16-01R-02

**Brightline’s Comments on SB 350 Barriers Study Draft Report – A Study of Barriers and Solutions to Energy Efficiency, Renewables and Contracting Opportunities Among Low-Income Customer and Disadvantaged Communities<sup>1</sup>**

Brightline Defense Project (“Brightline”) is a policy advocacy nonprofit that works to empower communities and create sustainable environments, particularly in improving workforce development efforts and building green assets for communities in need. Brightline commends the California Energy Commission (“Commission”) for its dedication to assessing the barriers for low-income customers to fully access energy efficiency and renewable energy (“EE and renewable”) investments. We also thank the Commission and its staff for extensively engaging in our September 7, 2016 policy summit in Bayview-Hunters Point, which brought together over forty nonprofit, government, and private sector organizations and close to 100 individuals to discuss workforce and environmental justice concerns of the community.<sup>2</sup>

Due to the Commission’s leadership and sustained engagement, Brightline has been able to engage in SB 350 implementation and workshops related to the Draft. Particularly in June and

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<sup>1</sup> Hereinafter referred to and cited as: “Draft”.

<sup>2</sup> In October 2016, Brightline will release a policy report summarizing its extensive discussions that took place during the *Sustainability Summit: A Discussion of Needs by Disadvantaged Communities through State and Local Investments* (“Sustainability Summit”).

July 2016, Brightline extensively engaged in two workshops and shared its workforce development expertise to create good-paying clean jobs for local, low-income communities.<sup>3</sup> Brightline welcomed the opportunity to participate in the discussion and believes the recommendations represent a general consensus about effective strategies to overcoming the barriers to participation in both EE and renewable programs. Brightline submits the following additional comments to emphasize a few points made in the Draft.

**I. Workforce development programs should focus on job placement strategies and career pathways.**

As indicated in our prior comments<sup>4</sup>, EE and renewable programs need to provide low-income and disadvantaged communities with career pathways for employment in the green economy. These communities often lack access to jobs with living wages and similarly lack access to jobs in the green economy, such as EE and renewable programs.<sup>5</sup> As pointed out by the Draft, the Legislature has indicated the need to strengthen local workforce development in solar rooftop installation programs.<sup>6</sup> Recently, Brightline drafted and proposed a local hiring framework within AB 693's implementation proceeding in the CPUC.<sup>7</sup> This filing brought together a strong coalition of nonprofits including California Environmental Justice Alliance, California Housing Partnership Corporation, National Housing Law Project, and National

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<sup>3</sup> Brightline's executive director, legal fellow, and law clerk participated in the SB 350 Clean Energy Jobs Workshop held at Asian Pacific Environmental Network (APEN) on July 20, 2016. These comments were summarized in a filing compiled by APEN and Greenlining, *SB 350 Jobs & Economic Opportunities – Comments & Recommendations*, Docket Number 16-OIR-02, TN# 212959 ("SB 350 Coalition Comments"). Brightline's team also participated in a June 20, 2016 workshop convened by the Greenlining Institute, the California Environmental Justice Alliance and the Center for Sustainable Energy.

<sup>4</sup> Brightline Defense, *Brightline's Comments on SB 350 Barriers Study Proposed Scope*, Docket Number 16-OIR-02, TN# 211909, June 20, 2016 ("Brightline's Comments on Proposed Scope").

<sup>5</sup> *SB 350 Coalition Comments* at 2 & 15.

<sup>6</sup> Draft at 16 (referencing *Assembly Bill 693: Multifamily Affordable Housing Solar Roofs Program*).

<sup>7</sup> California Housing Partnership et al., *Joint Proposal by the California Housing Partnership, California Environmental Justice Alliance, Brightline Defense Project, Natural Resources Defense Council, and National Housing Law Project on Implementation of Assembly Bill 693* ("Nonprofit Solar Stakeholders Coalition"), R. 14-09-002, *Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering*, July 20, 2014.

Resources Defense Council. Therefore, utilizing clean energy programs to create good-paying jobs not only helps meet the communities' needs but also supports the statewide policy of strengthening workforce development within the disadvantaged communities being served by the programs. Job placement strategies can thus address these needs to supplement currently existing job training programs.

Specifically, Brightline has been long involved in the creation of local hiring and targeted hiring policies. In 2010, Brightline alongside a community-labor coalition helped to create San Francisco's landmark Local Hiring Policy for Construction. This policy moved beyond typically lax "good faith" efforts and set an enforceable expectation for placing local underemployed and unemployed residents on construction projects. Five years later, the policy is now celebrated as a success for increasing local hiring from 20% to 45%.<sup>8</sup> The policy has also seen corresponding increases in gender and racial diversity on construction worksites as well. Brightline has also engaged and built up workforce development systems in multiple urban jurisdictions across the United States, and even more exciting, the US Department of Transportation has recently moved to prioritize local hiring pilots on federally funded construction projects.<sup>9</sup> Given this nationwide shift toward local hiring, job placement continues to be a priority for unemployed and underemployed communities, and the final report should therefore emphasize implementing job placement strategies in addition to job training and coordination with current workforce development systems.

Moreover, Brightline believes that apprenticeship and pre-apprenticeship programs will be instrumental in creating strong career pathways for California's hardest-to-reach populations.

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<sup>8</sup> Joshua Sabatini, *Local hiring law succeeding despite concerns over skilled-labor supply*, SF Examiner, June 7, 2016, available at: <http://www.sfexaminer.com/local-hiring-law-succeeding-despite-concerns-skilled-labor-supply/>

<sup>9</sup> Anthony Foxx, *Local hiring just makes sense*, U.S. Department of Transportation, March 3, 2016, available at: <https://www.transportation.gov/fastlane/local-hiring-just-makes-sense>

Through extensive recruitment and screening of candidates, apprenticeship and pre-apprenticeship programs are currently widely used in the construction industry, allowing individuals to earn an income while learning necessary soft, basic, and technical skills.<sup>10</sup> Such pathways should include stackable, portable, and industry-recognized certifications and credentials as well as on-the-job training or other workplace-based learning. Ultimately, EE and renewable programs should strive to create jobs with family-supporting wages, benefits, career paths and safe and healthy working conditions.

- a. Increased coordination among agencies and partnerships with community based organizations (“CBOs”) can strengthen workforce development.

Brightline agrees that greater coordination among state agencies and departments is needed in order to better support small businesses and provide them with necessary information on how to engage in EE and renewable programs.<sup>11</sup> Outreach and education efforts are more effective when conducted by CBOs rather than by government agencies or utilities.<sup>12</sup> But, as unfortunately pointed out by Rising Sun Energy Center,<sup>13</sup> these efforts often go unfunded. CBOs are already spread thin and lack the resources to engage in these efforts without additional staff support or funding. Therefore, the Commission should also assign staff to take the initiative in these collaborative efforts and allocate resources for CBOs.

- b. The study should specify what type of workforce data needs to be collected.

Brightline agrees with the Draft’s position that a need for more robust data collection exists. The Draft also references other studies and public comments emphasizing that data

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<sup>10</sup> San Francisco’s CityBuild Academy was built with such career pathways in mind. The mission of CityBuild is to meet the demands of the construction industry by providing comprehensive pre-apprenticeship and construction administration training to San Francisco residents.

<sup>11</sup> Draft at 67; *SB 350 Coalition Comments* at 3 & 13.

<sup>12</sup> Draft at 31-32.

<sup>13</sup> Rising Sun Energy Center, *Rising Sun Energy Center Comments: SB 350 Barriers Study Draft Report*, Docket Number 16-OIR-02, TN# 213698, September 16, 2016, at 1-2 (“Rising Sun Comments on SB 350 Draft”); As Rising Sun pointed out, this issue was discussed by various CBOs during Brightline’s *Sustainability Summit* held on September 7, 2016.



collection done by government agencies or utilities has been unsuccessful due to the language barriers and distrust between low-income communities and the agencies/utilities.<sup>14</sup> This further highlights the need to strengthen relationships with CBOs. CBOs have the rapport with community members needed in order to both market EE and renewable programs and collect data from low-income communities.

Additionally, the Draft needs to further clarify what data is needed. In order to create sustainable workforce programs, Brightline believes that data collection should measure job placement rates. As pointed out during the July 20<sup>th</sup> workshop, workforce programs' success should be measured based on job placement and retention instead of enrollment so as to have a more accurate evaluation of these programs.<sup>15</sup> As part of the CPUC proceeding referenced above,<sup>16</sup> the Nonprofit Solar Stakeholders Coalition identified the following data points as necessary data for the evaluation of workforce development programs:

- Number of work-hours performed by local residents, disadvantaged residents, minority workers, and women workers as well as the total number of worker-hours performed for each project
- Job retention, namely the length of time the contractor keeps local residents employed
- Employee access industry-recognized certifications
- Wages and benefits of all temporary, part-time and full-time employees
- Employee travel distance and/or travel time on the worksite

The Commission should work with CBOs to identify what additional data points should be collected and who will collect such data.

c. Workforce programs need additional funding.

Budgets for existing workforce development programs need to increase in order to make room for cost of living adjustments as rents continue to rise in California. In addition, wages in EE and renewable programs need to take into account statewide minimum wage increases set to

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<sup>14</sup> Draft at 31-32.

<sup>15</sup> See also *SB 350 Coalition Comments* at 2-3 & 7-8.

<sup>16</sup> *Nonprofit Solar Stakeholders Coalition* at 62.

take effect every year for the next five years. This will ensure that employment opportunities in the green sector remain attractive and continue to provide living wages. The Commission should establish prevailing wage standards on projects when such requirements are triggered by leveraged financing sources.

## **II. Contractors cannot enter or remain in the EE and renewable market without stable funding.**

As pointed out by the Draft, funding instability for the Energy Savings Assistance (“ESA”) program led to a loss of jobs.<sup>17</sup> According to a recent presentation to the California Public Utilities Commission (“CPUC”), many contractors have been forced to leave the market because of financial insecurities associated with ESA.<sup>18</sup> Between 2014 and 2016, PG&E’s service territory alone lost 924 jobs due to contractors leaving ESA.<sup>19</sup> Contractors identified unsustainable reimbursement rates and the long waiting periods before payment is received as barriers to remaining in the market. Furthermore, the ongoing delay in issuing a final decision for the 2015-2017 program cycle represented an insurmountable barrier to overcome for many contractors. The CPUC’s bridge funding complicated matters by essentially freezing the program in time<sup>20</sup> and creating further insecurity over the long-term funding of the program. The Commission should work closely with the CPUC to implement a strategy so that these issues do not cause contractors to leave the market in the future.

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<sup>17</sup> Draft at 28-29.

<sup>18</sup> Energy Efficiency Council, *ESA: A Program in Crisis*, July 20, 2016, at 4, available at: <http://www.liob.org/160720meeting.aspx> (“EEC Presentation”).

<sup>19</sup> *EEC Presentation* at 4.

<sup>20</sup> Energy Efficiency Council, *Notice of Ex Parte Communication of the Energy Efficiency Council (EEC)*, A.14-11-007, *Application of Southern California Edison Company (U 338E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017*, September 22, 2016 (“Nonprofit Solar Coalition Proposal”) at 3, available at: [http://chpc.net/wp-content/uploads/2016/08/R14-07-002\\_NonprofitSolarCoalitionProposal2016\\_08\\_03Final.pdf](http://chpc.net/wp-content/uploads/2016/08/R14-07-002_NonprofitSolarCoalitionProposal2016_08_03Final.pdf).



**III. Disadvantaged communities do not always have access to EE and renewable programs.**

a. An inclusive definition of disadvantaged communities is needed.

Brightline previously urged the Commission to devise a definition or method for identifying low-income and disadvantaged communities.<sup>21</sup> As we pointed out, impoverished communities within predominantly wealthy regions tend to not be considered disadvantaged despite high unemployment and poverty rates, simply because surrounding areas have income levels higher than the state average. A stronger definition of what constitutes a disadvantaged community is needed in order to better target these communities for EE and renewable programs.

As the Commission is aware, the Office of Environmental Health Hazards Assessment (“OEHHA”) recently released a draft third version of CalEnviroScreen (“CES 3.0”), the tool used to identify communities that qualify as disadvantaged.<sup>22</sup> Unlike its predecessor, CES 3.0 now identifies the San Francisco neighborhood of Bayview-Hunters Point (“BVHP”) as one of the state’s top 25% of communities most impacted by pollution. The inclusion of BVHP as one of the most burdened communities in the state is significant because BVHP has faced environmental contamination for decades and its residents continue to be affected by the consequences.<sup>23</sup> In fact, the U.S. Environmental Protection Agency has designated the former shipyard sitting within the neighborhood’s boundaries a “Superfund site”, meaning the site is one of the nation’s most contaminated sites.<sup>24</sup> Moreover, about 23.5% of the BVHP community

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<sup>21</sup> *Brightline’s Comments on Proposed Scope at 2.*

<sup>22</sup> OEHHA, *CalEnviroScreen FAQs*, February 25, 2016, available at: <http://oehha.ca.gov/calenviroscreen/calenviroscreen-faqs>.

<sup>23</sup> ICF Jones & Stokes, *Bayview Hunters Point Community Diesel Pollution Reduction Project – Final Report*, February 2009, available at:

[http://sfenvironment.org/sites/default/files/fliers/files/sfe\\_ej\\_bvhp\\_diesel\\_pollution\\_reduction\\_project\\_report.pdf](http://sfenvironment.org/sites/default/files/fliers/files/sfe_ej_bvhp_diesel_pollution_reduction_project_report.pdf) (prepared for the San Francisco Department of the Environment).

<sup>24</sup> Caille Millner, *Hunters Point Shipyard future stalled while cleanup drags on*, September 2, 2016, available at: <http://www.sfchronicle.com/entertainment/article/Future-stalled-while-shipyard-cleanup-drags-on-9200093.php>.

members live in poverty and the neighborhood faces a staggering 14.5% unemployment rate.<sup>25</sup> These numbers do not reflect the Bay Area's high cost of living so the true extent of poverty in the neighborhood might be even greater.

Community advocates, local agencies, and the private sector came together during the *Sustainability Summit* to discuss the ongoing environmental burdens the BVHP community faces, as well as the need for more workforce development programming that can help alleviate the neighborhood's high poverty rate. For these reasons, attendees voiced their support for CES 3.0. But CES 3.0 is still in its draft form as advocates, agencies, and private companies throughout California continue to submit comments to OEHHA. Brightline urges the Commission to follow this discussion as public comment closes on October 21, 2016.

b. Additional funding is needed for low-income communities to access solar.

Many households within low-income communities are unable to take advantage of solar rooftop programs due to a lack of awareness and financing. Applications for EE and renewable programs tend to require a significant amount of time to fill out<sup>26</sup> so even when language is not a barrier, which often is, many community members become dissuaded by the sheer length of the application process. Financing represents a bigger obstacle because low-income communities do not have the ability to make the upfront investment required by solar programs.<sup>27</sup> As of last year, only 4.2% of solar installations receiving financial support through the California Solar Initiative were in homes with incomes of less than \$40,000 per year.<sup>28</sup> Therefore, the Commission should support private financing for solar installation in low-income communities.<sup>29</sup>

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<sup>25</sup> American Community Survey, 2014 5-year estimates.

<sup>26</sup> Draft at 33.

<sup>27</sup> Draft at 18.

<sup>28</sup> *Nonprofit Solar Stakeholders Coalition* at 4.

<sup>29</sup> *SB 350 Coalition Comments* at 22.

**IV. The Draft rightfully calls for the measuring of non-energy benefits (NEBs) and revising the cost-effectiveness test.**

Brightline also affirms the Draft’s call for “a fuller accounting of non-energy benefits” in low-income energy efficiency programs, and echoes the point that “undue emphasis on achieving cost effectiveness of those energy savings can be a barrier to accomplishing the goals of SB 350.”<sup>30</sup> Recognizing and awarding credit for the various co-benefits of energy efficiency programs is important – whether they are the oft-acknowledged non-energy benefits of health, safety, and comfort, and increasingly recognized benefits in workforce: “the number of local family-sustaining jobs created; the number of local, low-income residents hired; the increase in pay for local, low-income residents.”<sup>31</sup>

Finally, a rigid emphasis on cost-effectiveness also hampers access to the most energy-efficient technology. For example, LEDs, though more energy-efficient than CFLs, are considered less cost-effective, and therefore, are disincentivized or restricted in many residential energy efficiency programs.<sup>32</sup> As Rising Sun notes from its experience, this disproportionately affects low-income customers, who are less likely to choose to purchase newer and higher-cost items on their own, and therefore may be more likely to participate in a no-cost direct install program. Despite a current market shift to LEDs, restrictions continue to remain in place due to this increasingly outmoded view of cost-effectiveness.

**V. The Commission should support programs already in place that create local jobs and promote energy efficiency.**

The Commission needs to implement SB 350 in a manner that promotes energy conservation and job growth within low-income and disadvantaged communities. Supporting programs like Rising Sun’s California Youth Energy Services (“CYES”) achieves this dual

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<sup>30</sup> Draft at 30.

<sup>31</sup> *Rising Sun Comments on SB 350 Draft* at 2.

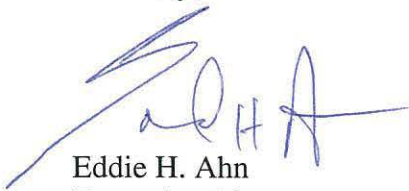
<sup>32</sup> *Rising Sun Comments on SB 350 Draft* at 2.

purpose. CYES provides energy efficiency programs to California's low-income and hard-to-reach communities by hiring youth from the communities receiving the services.<sup>33</sup> This minimizes the extent to which language, skepticism, and income have on participation in the program. At the same time, youth gain the skillset and experience needed to become a part of the green economy, and receive monetary compensation for their work. Mandatory compensation is particularly important as a household's financial situation may discourage participation in the program.<sup>34</sup>

## VI. Conclusion

Brightline thanks the Commission for the opportunity to comment on this important matter and looks forward to future opportunities to engage in this conversation.

Sincerely,



Eddie H. Ahn  
Executive Director  
Brightline Defense



Ivan Jimenez  
Legal Fellow  
Brightline Defense

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<sup>33</sup> *Rising Sun Comments on SB 350 Draft* at 3.

<sup>34</sup> This comment was also voiced by several CBOs that attended Brightline's *Sustainability Summit*.