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Additional submitted attachment is included below.



September 29, 2016

Andrew McAllister
Commissioner
California Energy Commission
Sacramento, CA 95814

Subject: Docket Number 16-OIR-02

Dear Commissioner McAllister:

On behalf of Sierra Club and its more than 380,000 members and supporters in California, I submit the following comments on the draft report *A Study of Barriers and Solutions to Energy Efficiency, Renewable, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities*, published on September 9, 2016.

Sierra Club California thanks you for the opportunity to comment on the draft. Overall, the report provides essential and invaluable information on how to better get the benefits and opportunities associated with energy efficiency and renewable energy generation to low-income and underserved communities.

We applaud the efforts of the CEC's staff to take on this very important task. The barriers report is very comprehensive and provides great insight on this critical issue.

However, we do believe there remains room for improvement, and offer these comments.

Education and Outreach

Sierra Club is a membership-based organization that relies on the efforts of grassroots organizing to rouse people to take action on very important environmental issues. We know from experience, that reaching people at the ground level is the most effective way to engage and encourage action. The notion of ground-level outreach needs to be incorporated into the efforts to remove barriers identified in the report. One of the largest obstacles to getting the benefits and opportunities associated with renewable energy and energy efficiency programs is the simple lack of awareness. Many of the members of disadvantaged communities lack the time or financial resources to learn about and then implement ways to make their homes more energy efficient or to access renewable energy generation. Often times, these upgrades are considered a luxury and out of reach of their current budgets

The state, when developing outreach for these programs, must work with these communities to reshape their perception of these upgrades and installations. Framing the investments in energy efficiency, for example, as an improvement in health, safety and comfort can help create a perception of necessity. The programs also need to be as simple to access and participate in as possible to accommodate the limited time and resources and eliminate the hassle factor.

During outreach and education, the programs must place the improvements in a broad context that adds clarity and significance to the efforts of the state to meet its energy goals. More importantly, the programs need to demonstrate the ability to tailor the outreach to match the specific values of the target communities and through the specific forms of communications in which they operate. Simply put, the programs communicate why efficiency and clean energy are important to the state, and how they will benefit the consumer.

This should all be done through or with the aid of community based organizations (CBO), which have already established themselves as knowledgeable and experienced in this form of outreach and have earned the communities' trust. It is important to note that CBOs are already doing many of the things mentioned above, but the

report provides an excellent opportunity to emphasize that these programs need to provide greater assistance to the qualified CBOs either through increased funding or other supporting efforts.

Program Functionality

Ineffective Existing Utility Programs

California's utilities are allocated \$1 billion of ratepayers' funds to execute various energy efficiency programs to reduce energy consumption and, as a result, the size of customers' electricity bills. However, there is a major problem with how these programs are implemented. For many of the programs, the utilities themselves are the program administrators. This is inherently detrimental to the success of the programs.

The utility business model is based on energy demand. More energy consumed by the customers the more money they stand to make. Therefore it is not in the best interest of the utility to proactively reduce the demand for the electricity they produce. This is certainly reflected in suboptimal performance of the existing programs.

It becomes incredibly difficult to hold the utilities responsible for programs that can successfully increase energy efficiency on the demand-side of the grid, let alone create a positive impact in disadvantaged communities (DAC). There needs to be an independent administrator to keep the utilities accountable for energy savings. Otherwise, we will continue to witness poorly performing programs that will stand in the way rather than get us a step closer to achieving our energy efficiency goals. That administrator should be selected through a competitive process where the applicant for the position must demonstrate commitment to providing real energy savings.

An independent administrator must also have dedicated resources to ensure that utilities are reaching out to disadvantaged communities. This would include tools to gather measurable and verifiable data to determine success of outcome. The success of this aspect of the program should have a significant impact on the amount of funds available in the next cycle, which will incentivize the utilities. It is imperative that we seize all the untapped opportunities for energy efficiency in these communities if we are to reach our goals in time.

Scattered State and Federal Energy Programs

There are many energy efficiency and renewable energy programs for DACs, both federally and at the state level. There is limited coordination or intercommunication among them. We are pleased to see that the draft report shows a strong emphasis on integrating all the programs for DACs that operate in the state. Integration will help motivate property owners and renters to participate.

Sierra Club California agrees with the Center for Sustainable Energy that three key strategies could help to accomplish this integration. The most important is to increase the ease of access to and participation in the programs with a "one-stop" shop service for each customer segment. This will eliminate the burdensome need to fish out a program that works for the individual on various program websites.

Secondly, it will be necessary to ensure that there is a strong administrator to successfully orchestrate the appropriate level of integration. The selection process for an administrator should be vigorous to ensure that the selected candidate is capable of establishing one-stop services, that they are trusted by the communities they serve, and that they can blend funding from multiple agency sources to provide a seamless customer experience

A final strategy would be to do away with the inconsistent and varied eligibility nightmare that exists across all programs. California needs to align eligibility requirements across all programs. If a low-income property owner or renter is eligible for one program, it should automatically be eligible for other programs with the same requirements.

Stranded Savings

Blanket eligibility also lends itself to preventing stranded savings, which are lost energy savings opportunities that are stranded in existing buildings for decades when retrofits are shallow or poorly installed. The seamless experience across state and federal programs is likely to increase customer adoption of multiple programs for renters and owners in low-income communities and DACs. This will result in multilevel deep retrofits, which maximize the full potential for energy savings in existing buildings. Property owners are often only likely to retrofit once every 20 or 30 years, so there is really only one opportunity per building to upgrade between now and 2030, when we are expected to have doubled our energy efficiency.

Workforce Education and Job Creation in DACs

The state must do a better job of getting the direct benefit of energy efficiency upgrades and solar system installations to the people in DACs, but just as importantly, it must help to seed green jobs in those same communities.

Training and developing a skilled workforce around clean energy and energy efficiency industries helps to establish career pathways, not just seasonal or short term employment that does not provide for opportunities for improvement. It also helps these industries better reach the communities as the trained workforce is likely to educate others and serve as a trusted source of information to increase adoption of these investments.

Secondly, and just as critical to the state's efforts to increase energy efficiency, a skilled workforce is likely to ensure quality installations that achieve maximum potential savings and help to close the gap between actual and estimated savings. This is absolutely critical if the public is to continue to support and praise the states' programs.

Respectfully Submitted,



Edward Moreno
Policy Advocate